


City of Glendale, California

# Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2019





Today's Glendale City Hall was designed by Alfred Hansen and built in three stages by the Works Progress Administration (W.P.A.) as part of a national program that produced hundreds of local landmarks nationwide, while stimulating the design and construction industries. Glendale's City Hall is a typical example of the style that evolved from the program, a hybrid of Art Deco design, overlaid with Beaux Arts regularity, symmetry and monumentality. It is a highly recognizable look, which instantly places a building in the decade prior to World War II.

Construction was finally completed in 1942, and was dedicated on June 13th while celebrating General MacArthur Day. Since that day, City Hall has served as the seat of government for the City of Glendale. The building also hosted visits by famous celebrities, world leaders, and government officials throughout its life. As the City grew, the building underwent several remodels including one in 1955. Yet, while the building was updated with the times, the beautiful and historic facade remains much the same from its dedication day in 1942.

The construction of the Municipal Services Building in 1966 and Parcher Plaza in 1983 led to the development of the Civic Center campus we know today. Both of these additions reflect the changes Glendale has faced over its long history - From a hidden valley away from the bustle of Los Angeles, to a newly incorporated city, and now as an expanding center for arts, technology, and leisure.

Throughout it all, the Glendale City Hall has remained a steadfast reminder of Glendale's long history and bright future.

## **Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2019**



# City of Glendale, California

## City Council



Ara Najarian  
**MAYOR**



Paula Devine  
**COUNCILMEMBER**



Vartan Gharpetian  
**COUNCILMEMBER**



Vrej Agajanian  
**COUNCILMEMBER**



Frank Quintero  
**COUNCILMEMBER**

City of Glendale, California

# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

Prepared by the Finance Department - Accounting Section

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



# City of Glendale, California

# Table of Contents

	<u>Exhibit</u>	<u>Page</u>
 <b>INTRODUCTORY SECTION</b>		
(Not Covered by Independent Auditor's Report)		
Letter of Transmittal .....		i
Officials of the City of Glendale .....		xi
Organizational Chart of the City of Glendale .....		xii
Certificate of Achievement for Excellence in Financial Reporting ...		xiii
 <b>FINANCIAL SECTION</b>		
Independent Auditor's Report .....		1
Management's Discussion and Analysis .....		5
 Basic Financial Statements:		
<b>Government-wide Financial Statements:</b>		
Statement of Net Position .....	Exhibit A-1	23
Statement of Activities .....	Exhibit A-2	25
 <b>Fund Financial Statements:</b>		
Balance Sheet – Governmental Funds .....	Exhibit B-1	26
Reconciliation of Balance Sheet to the Statement of Net Position .....	Exhibit B-2	28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	Exhibit C-1	29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	Exhibit C-2	30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund .....	Exhibit D-1	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Housing Assistance Fund .....	Exhibit D-2	32
Statement of Net Position – Proprietary Funds .....	Exhibit E-1	33
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	Exhibit E-2	35
Statement of Cash Flows – Proprietary Funds .....	Exhibit E-3	36
Statement of Fiduciary Net Position.....	Exhibit F-1	38
Statement of Changes in Fiduciary Net Position .....	Exhibit F-2	39
 Notes to the Basic Financial Statements .....		 41
Required Supplementary Information .....		100

	<u>Exhibit</u>	<u>Page</u>
<b>Combining and Individual Fund Statements:</b>		
Combining Governmental Balance Sheet – Nonmajor Governmental Funds .....	Exhibit G-1	105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	Exhibit G-2	106
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	Exhibit H-1	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	Exhibit H-2	119
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds.....	Exhibit H-3	129
Combining Balance Sheet – Nonmajor Debt Service Funds .....	Exhibit I-1	149
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds .....	Exhibit I-2	150
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Debt Services Funds.....	Exhibit I-3	151
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	Exhibit J-1	155
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	Exhibit J-2	157
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	Exhibit K-1	161
Combining Statement of Revenues, Expenditures, and Changes in Net Position – Nonmajor Enterprise Funds.....	Exhibit K-2	162
Statement of Cash Flows – Nonmajor Enterprise Funds.....	Exhibit K-3	163
Combining Statement of Net Position – Internal Service Funds .....	Exhibit L-1	167
Combining Statement of Revenues, Expenditures and Changes in Net Position – Internal Service Funds .....	Exhibit L-2	171
Statement of Cash Flows – Internal Service Funds .....	Exhibit L-3	175

## STATISTICAL SECTION

(Not Covered by Independent Auditor's Report)

Net Position by Component .....	Schedule 1	179
Changes in Net Position .....	Schedule 2	180
Fund Balances of Governmental Funds .....	Schedule 3	186
Changes in Fund Balances of Governmental Funds .....	Schedule 4	188
Electric Revenue by Type of Customers .....	Schedule 5	190
Electric Rates .....	Schedule 6	192
Principal Electric Payer Groups .....	Schedule 7	193
Assessed Value and Actual Value of Taxable Property .....	Schedule 8	194
Direct and Overlapping Property Tax Rates .....	Schedule 9	195
Principal Property Tax Payers .....	Schedule 10	197
Property Tax Levies and Collections .....	Schedule 11	198
Ratios of Outstanding Debt by Type .....	Schedule 12	199
Direct and Overlapping Governmental Activities Debt .....	Schedule 13	201
Legal Debt Margin Information .....	Schedule 14	202
Pledged-Revenue Coverage .....	Schedule 15	203
Demographic and Economic Statistics .....	Schedule 16	205
Principal Employers .....	Schedule 17	206
Authorized Salaried Positions by Department .....	Schedule 18	207
Operations Indicators by Function/Program .....	Schedule 19	209
Capital Asset Statistics by Function/Program .....	Schedule 20	213



# 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





## CITY OF GLENDALE, CALIFORNIA

Finance

141 N. Glendale Ave., Suite 346  
Glendale, CA 91206-4975  
Tel. (818) 548-2085 Fax (818) 956-3286  
glendaleca.gov

November 26, 2019

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, 2019.

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 to both protect the City's assets from loss, theft, or misuse and, 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 auditor's 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, the Glendale Financing Authority, and the Glendale Municipal 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 and sanitation, refuse collection, sewer, hazardous disposal, electric and water utilities, parking, parks and recreation, library, 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 206,000 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 business 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 & post), animation, visual effects, and digital distribution. Glendale continues to benefit from growth in this sector through companies co-locating with powerhouses Disney and DreamWorks, and hundreds of ancillary production and equipment firms. The implementation of the Glendale Tech Strategy continues to strengthen local tech firms such as Service Titan, Legal Zoom, and Beyond Limits. It was announced this year that Service Titan would be opening a second location in Glendale, occupying the former Nestle space. Also of note are Glendale’s regional shopping centers, the Glendale Galleria, Americana at Brand and Brand Boulevard of Cars. Several large development projects either recently completed or underway in Glendale will provide approximately 3,500 new residential units and thousands of square feet of commercial development. Hotel development and tourism are also on the rise. The Hyatt Place, Hampton Inn, Tribute Hotel and Hotel Louise join top performing hotels like Embassy Suites and Hilton. Such investments by the business community indicate continued confidence in Glendale. Hotels are supported by strong corporate presence and the three local hospitals. 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** – The City focuses on collaborative strategies to create jobs, generate revenue, support entrepreneurs, and improve the quality of life for residents, the business community, and visitors of Glendale. Throughout the years, the City has encouraged economic development through proactive efforts to target and attract businesses; reduce Class A office vacancies; provide support to existing businesses through concierge services; support workforce development program that is operated by the Verdugo Jobs Center; promote City-wide branding and marketing efforts; and adopt strategic planning methods. Economic Development accomplishments for FY 2018-19 were focused around three main goals:

- 1. Asset Management:** Glendale actively employs ways to provide additional value of City assets through proactive, profitability-focused management practices. The priority was to achieve the highest and best use of City facilities through an effective asset management strategy. Accomplishments include:
  - Successfully commenced the Armenian American Museum and Cultural Center negotiations and Central Park Block redesign.



- Advanced the imagination of the Arts & Entertainment District by approving a contract with urban design firm Studio111 and completing the first phase of the project. This included a successful stakeholder outreach campaign and selection of a one-way design concept.
  - Entered into an Exclusive Negotiating Agreement with Avalon Investment Group for the rehabilitation of the historic Rockhaven Sanitarium.
- 2. Business Attraction:** The City is committed to attracting business and investment to Glendale in an effort to create a diverse economy. This is done through Business Concierge services and fast-track permitting, broker relationships, site selection assistance, utility consultation, and connecting potential businesses with resource marketing campaigns and support. The priorities were to establish an 18-Hour City and the furtherance of the Tech Strategic Plan. Accomplishments in business attraction include:
- Further developed broker relationships through events, such as the Brokers Reception and attendance at conferences, such as the International Council of Shopping Centers.
  - Received \$1 million grant from the State of California to implement the Glendale Tech Start-Up Accelerator.
  - Successfully hosted the fourth Glendale Tech Week in September 2019, attracting more than 5,000 people across 50 events. A \$43,000 prize package was raised for a Pitchfest in an effort to support local entrepreneurs and \$40,000 was raised in sponsorship.
  - Created more jobs and generated sales tax through public investment of the following: Service Titan, Laemmle Theatre and Lofts, and Hyatt Place.
  - Established a 1.9% retail vacancy rate, and continued to build on the 18-hour city concept by adding new businesses such as: Mr. Furley's Bar, Crazy Rock'N Sushi, Panda Inn, Electric Pussycat Club, the Void, Dunkin', Muragame Udon, Forward Medical, Five Below, Undeafated, Chess Park Tavern, and Studio Move Grill, with many more in the pipeline.
  - Lowered the Office Vacancy rate to 15.6% by successfully attracting tenants such as Children's Hospital of Los Angeles, WeWork and Industrious.
- 3. Business Services:** Recognizing that a majority of job growth in any community is generated by the businesses already located there, Glendale focuses on services to businesses to propel economic growth. Harnessing the power of the thousands of businesses in the City and the nearly 100,000 employees, the City's priority was to strengthen neighborhood districts and the businesses within them. Accomplishments related to this effort include:
- Continued GRIT, the Glendale Relationship Initiation Team, to gauge satisfaction in doing business with the City, County, and the State. More than 100 businesses were visited. Survey results found that 64% of firms who will be expanding will stay in Glendale, and 61% of firms are aggressively hiring.
  - Assisted nearly 2,000 current and expanding businesses with resources to further drive business in the community.

- In collaboration with the Business Concierge team, the Economic Development Division assisted in the expansion of current tenants, including DISQO, Age of Learning, and Beyond Limits.
- Supported neighborhood business districts, including assisting the Greater Downtown Glendale Association in its efforts to expand its service area to now include greater portions of Central Avenue and to extend to Stocker Avenue on Brand Boulevard.
- Supported local businesses on Artsakh Avenue through the implementation of a Business Impact Grant, allocated to businesses impacted by the street name change from Maryland to Artsakh Avenue. Twenty businesses took advantage of the no more than \$2,000 per business reimbursement grant.
- Supported the local manufacturers by establishing a 0.8% industrial vacancy rate through effective relationship-building efforts such as hosting the Hong Kong International Trade Manufacturers Conference.
- Received a grant from METRO to host the City's second CicLAvia event. Planning is underway now to host the event in June 2020.

**Employment** – According to the data obtained from the California State Department of Finance Demographic Research Unit, the population for the City of Glendale as of January 1, 2019 is 206,283. The Glendale labor force includes 103,200 residents as of May 2019 (16 years of age or over), according to the Employment Development Department Labor Market Information Division (EDD-LMID). Census data also shows that there are 29,153 businesses located in Glendale (2017).

According to Census data, occupational employment data shows the following results based on 2013-2017 American Consumer Survey (ACS) Five-Year Estimates: 42,405 people in Glendale were employed in management, business, arts, or science occupations (the single largest group) with median annual earnings of \$66,475; 24,289 were employed in sales and office occupations (second largest) with median annual earnings of \$43,780; and 15,767 were employed in service occupations (the third largest group) with median annual earnings of \$28,738. Median household income for Glendale residents recorded at \$58,657, and the poverty rate was 15.6%, according to ACS. 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 (reported) end of the Recession in June 2010, the rate had peaked to 10.1% and declined to 8.1% in June 2013, demonstrating the recovery period following the Recession. The Glendale unemployment rate again measured 4.8% in June 2018, equaling its pre-recession level and as of June 2019, the unemployment rate recorded at 4.4%.
- **Industry Employment Status** – According to Dunn & Bradstreet, by employment, the top six Glendale industries in 2018 were:
  1. Healthcare with 16,764 employed across 2,011 establishments, earning an average salary of \$46,017 and recording a Location Quotient (LQ) for the industry of 1.29. An industry recording an LQ of 1.00 or more, demonstrates a local concentration of the industry located in the City of Glendale that is equal to or higher than the national average.

2. The Retail industry recorded 15,476 employed across 1,660 establishments, earning an average salary of \$38,085 and an LQ of 1.38.
  3. Public Administration and Education with 10,762 employees across 329 establishments, earning an average salary of \$70,294 and an LQ of 0.64.
  4. Professional Services recorded 8,401 employed across 1,827 establishments, with an average salary of \$105,480 and an LQ of 1.07.
  5. Finance recorded 6,757 employed across 518 establishments, earning an average salary of \$146,536 and an LQ of 2.14.
  6. Eating and Drinking with 7,458 employed across 675 establishments, earning an average salary of \$24,021 and an LQ of 1.01.
- **Large Employers** – Walt Disney Imagineering, Time Warner, Glendale Adventist, and Allied Universal were among the City's largest employers in FY 2018-19.

**Fastest Growing Occupations** – Current EDD projections indicate that through 2024 the fastest growing occupations in Los Angeles County include:

1. Home Health Aides
2. Personal Care Aides
3. Physician Assistants
4. Statisticians
5. Nurse Practitioners
6. Software Developers Applications
7. Physical Therapists Assistants
8. Physical Therapists Aides
9. Occupational Therapist Assistants
10. Medical & Health Service Managers
11. Mathematicians
12. Physical Therapists
13. Respiratory Therapists
14. Athletic Trainers
15. Medical Assistants
16. Floor Layers, Except Carpet, Wood, and Hard Tiles
17. Refuse & Recyclable Material Collectors
18. Paving, Surfacing, and Tampering Equipment Operators



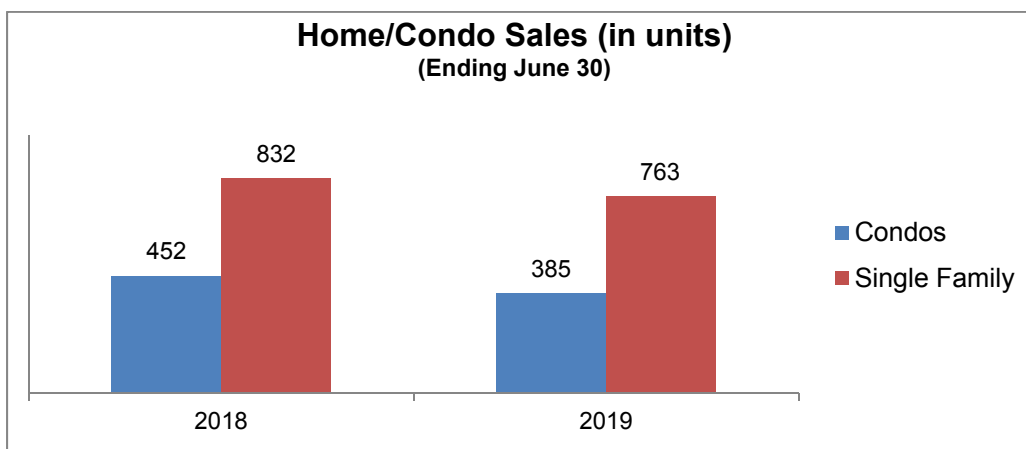
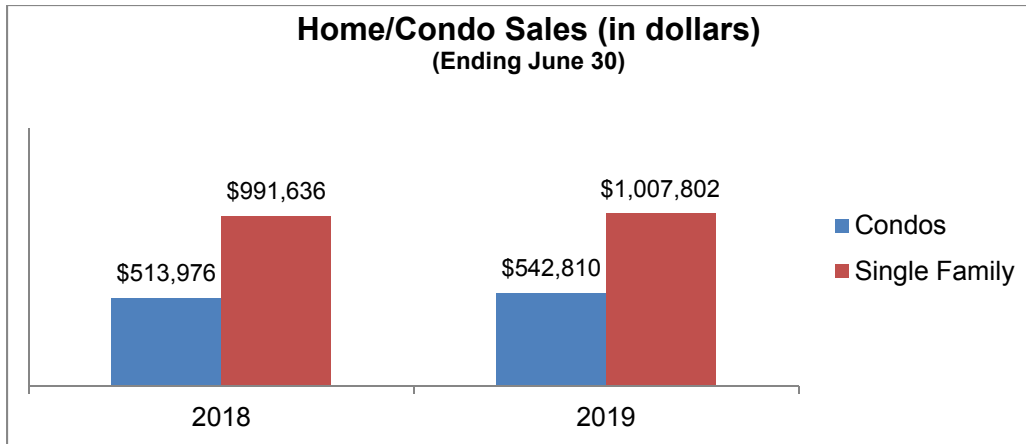
### Top 10 Industry Sectors

Industry Sector	Base Employment Estimate 2016	Numeric Change 2016-2026	Percent Change 2016-2026
Individual & Family Services	206,500	80,700	39.1%
Nonstore Retailers	14,100	5,300	37.6%
Social Assistance	237,600	82,100	34.6%
Warehousing & Storage	18,300	5,300	29.0%
Management, Scientific, & Technical Consulting Services	49,400	14,400	29.0%
General Merchandise Stores, including Warehouse Clubs and Centers	40,800	11,700	28.7%
Offices of Other Healthcare Practitioners	21,900	6,200	28.3%
Ambulatory Healthcare Services	210,300	53,400	25.4%
Data Processing Hosting & Related Services	7,200	1,800	25.0%
Healthcare & Social Assistance	645,700	161,500	25.0%

**Trends** – The EDD-LMID also reports that industry employment in Los Angeles County, which includes self-employment, private household workers, farm, and non-farm employment in Los Angeles County, is expected to reach 5,175,900 by 2026, an increase of 10.1% over the 10-year projections period. 12 of 13 non-farm industry sectors are projected to grow between 2016 and 2026.

Total non-farm employment is projected to grow by nearly 440,900 jobs by 2026, with Self-Employment increasing by 32,600 (11%) to a total 330,100 jobs and Private Household Workers increasing by 1,700 (13%) to a total of 14,500 jobs. Top 10 Industry Sectors are shown in the above table.

**Housing** – Based on the “2018 Annual Report” issued by the Los Angeles Office of the Assessor, Glendale experienced a net taxable property value increase of 4.8%, which was less than the increase experienced countywide at 6.6%. According to the City’s property tax consultant, HdL, Glendale’s single-family housing market fell in sales volume (number of units sold) and showed an increase in an average home price of \$1,007,802 in FY 2018-19, compared to \$991,636 in FY 2017-18. The condominium sales also showed a decline in sales volume and an increase in an average price of \$542,810 in FY 2018-19, compared to \$513,976 in FY 2017-18.



## Local Government Finance

The legal challenges to the long-standing and charter-mandated General Fund Transfer from Glendale Water & Power, escalating pension rates, and low investment returns for CalPERS have all combined to make these past few years some of the most difficult for City government budgeting in recent history. In spite of the difficulty involved in preparing the FY 2019-20 budget, the City Council has set the tone to allow managers and staff to approach challenges in a professional and constructive manner. The City's focus clearly remains on developing a structurally balanced financial plan that best serves the needs of the City's diverse community. Through the vision of the Glendale City Council, the City is able to balance new growth while preserving a rich and honored heritage. The City will continue to aggressively pursue exceptional customer service, balance value propositions, and invest in the future to ensure continuity of high-quality City services.

In November 2018, Glendale voters approved the Quality of Life and Essential Services Protection Measure (Measure S), which took effect on April 1, 2019, and added 0.75% to the sales tax rate in the City. This additional sales tax rate revenue is estimated to generate \$30.0 million in FY 2019-20, of which \$6.5 million will be received in the General Fund and \$23.5 million in the Capital Improvement Fund to fund various new affordable housing developments and infrastructure needs.

Positive indicators, such as increased spending and income, steady improvements in the housing market, and reduced rates of unemployment, align with the City's forecasted revenue growth, which averages to 3.3% for FY 2019-20 across all General Fund revenues (excluding Measure S). Long-term growth rates for General Fund revenues are projected to grow by an average of 1.9% annually over the next five years.

Although the City of Glendale continues to face challenges such as increased pension costs, a deficit in the Compensation Insurance Fund, and aging infrastructure, the City is confident that its team will embrace these challenges and move its community forward with a focus on its purpose and goals.

## Long-term Financial Planning

**Financial Challenges** – Despite the fact that the economy has been improving and the economic indicators are all trending positive, the City still faces notable challenges in the coming years. The General Fund remains highly dependent on sales taxes generated, in particular, from automobile sales. Revenues from auto sales have steadily risen over the past decade since the Great Recession; however, an economic downturn could place that revenue stream in jeopardy. In order to diversify the City’s potential revenue stream opportunities, staff and City Council have been and continue to be working diligently to attract new hotels that would generate considerable occupancy tax revenue for the City.

The possible loss of the voter-approved General Fund Transfer (GFT) from Glendale Water & Power’s electrical operations still looms. Currently at about \$20.0 million per year, the transfer has been a feature of the City’s General Fund revenue stream since the 1940s. At the time it was established, the water and power utility was meant to help 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. Additionally, although the City Charter 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; in fact, the current transfer is at approximately 10% of electrical retail operating revenues.

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

Moving forward, our continuing challenge is to minimize the negative impact on the community and customers from past restructuring efforts and ensure the City adds ongoing value to taxpayers. Glendale’s vision is accomplished through a combination of the City Council’s priorities, the City’s strategic goals, and key performance indicators. With the FY 2019-20 budget process, the City Council has reaffirmed the following priorities:

<ul style="list-style-type: none"> <li>• Fiscal Responsibility</li> <li>• Exceptional Customer Service</li> <li>• Economic Vibrancy</li> <li>• Informed &amp; Engaged Community</li> <li>• Safe &amp; Healthy Community</li> </ul>	<ul style="list-style-type: none"> <li>• Balanced, Quality Housing</li> <li>• Community Services &amp; Facilities</li> <li>• Infrastructure &amp; Mobility</li> <li>• Arts &amp; Culture</li> <li>• Sustainability</li> </ul>
--	---



**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 previous four fiscal years.

	Fiscal year ended June 30,			
	2019	2018	2017	2016
Cash and investments	\$ 923,902,000	815,777,000	765,797,000	682,529,000

**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 \$25 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 Eide Bailly 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 an opinion on whether the financial statements of the City of Glendale, California for the fiscal year ended June 30, 2019, 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Glendale, California's basic financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's 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 four fiscal years ended June 30, 1995 through June 30, 2018. 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. The City believes the current comprehensive annual financial report continues to meet the Certificate of Achievement for Excellence requirements and 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, reading "Michele Flynn". The signature is fluid and cursive, with the first name "Michele" written in a larger, more prominent script than the last name "Flynn".

MICHELE FLYNN, CPA, CIA, CGAP  
DIRECTOR OF FINANCE

City of Glendale, California

# Officials of the City of Glendale

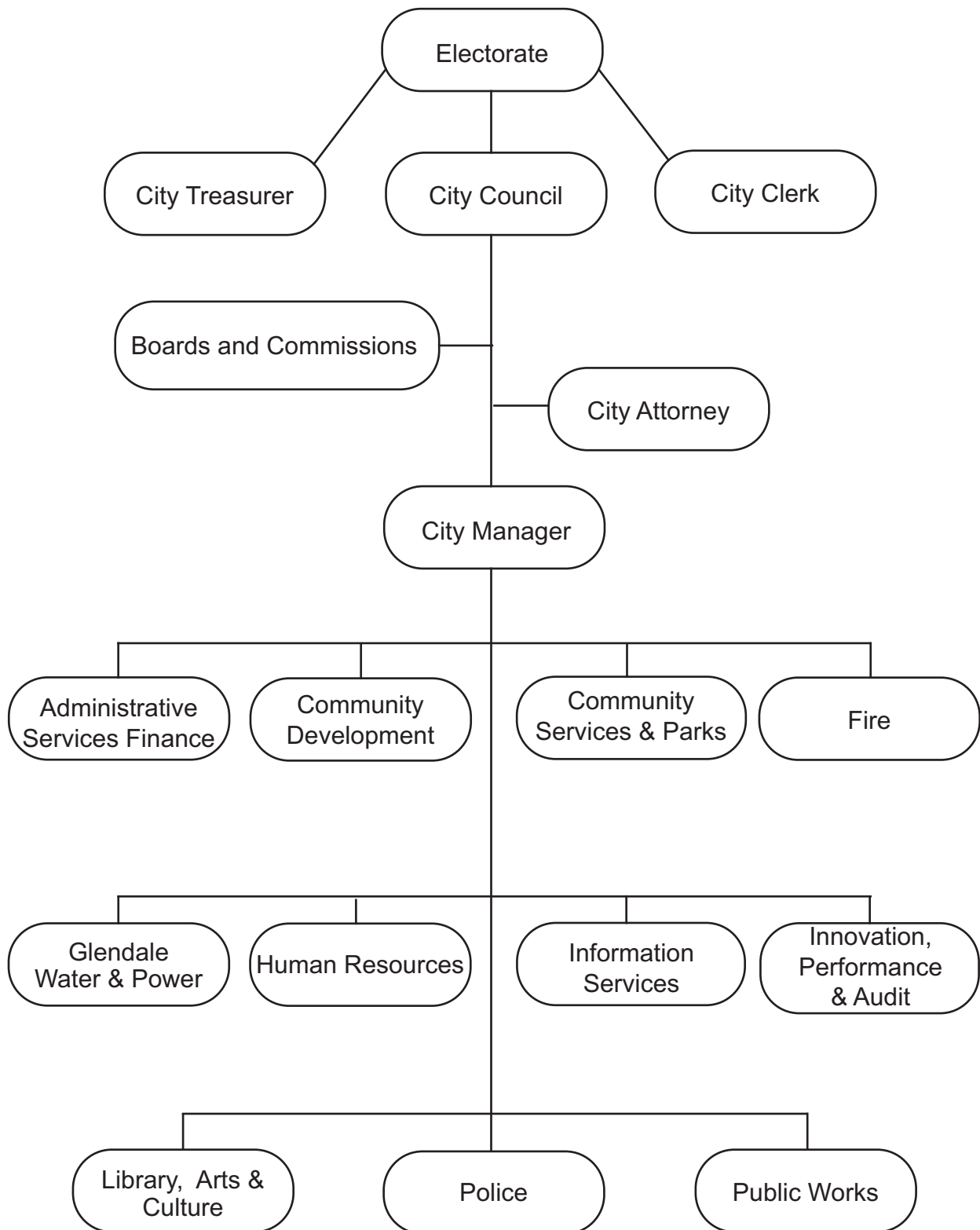
June 30, 2019

## Administration and Executive Management Team

City Manager	Yasmin K. Beers
Assistant City Manager	Roubik Golanian
Deputy City Manager	John Takhtalian
Director of Innovation, Performance, & Audit	Elena Bolbolian
Chief Information Officer	Jason Bradford
Director of Community Services & Parks	Onnig Bulanikian
Director of Human Resources	Matthew Doyle
Director of Public Works	Yazdan Emrani
Director of Finance	Michele Flynn, CPA, CIA, CGAP
City Attorney	Michael J. Garcia
City Clerk	Ardashes Kassakhian
Director of Community Development	Philip Lanzafame
Fire Chief	Silvio Lanzas
City Treasurer	Rafi Manoukian, CPA
Police Chief	Carl Povilaitis
Director of Library, Arts & Culture	Gary Shaffer
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, 2018. This was the 24<sup>th</sup> 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, 2018**

*Christopher P. Morill*

Executive Director/CEO

This page is left blank intentionally.



# Financial Section

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

- Independent Auditor's 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 Auditor's Report**

To the Honorable Mayor and Members of City Council  
of the 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 (City), as of and for the year ended June 30, 2019, 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.

### **Auditor's 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison statements 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.

## **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 changes in net pension liability and related ratios, the schedule of pension plan contributions and the schedule of changes in total OPEB liability and related ratios, 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 section 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 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 26, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
November 26, 2019

This page is left blank intentionally.

## **CITY OF GLENDALE**

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

June 30, 2019

(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, 2019. 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 – x 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 2018-19 by \$1,654,226 (net position), which was comprised of net investment in capital assets of \$1,319,231, restricted net position of \$181,423 and unrestricted net position of \$153,572. The unrestricted net position consisted of a negative \$166,779 for governmental activities and \$320,351 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 \$59,147. Most of this increase was attributable to an increase in charges for services, investment income and one-time transfer of 2011 Tax Allocation Bond proceeds from Glendale Successor Agency to fund the City's low and moderate income housing projects and capital improvement projects.
- As of the close of FY 2018-19, the City's governmental funds reported combined ending fund balances of \$394,711, an increase of \$62,863 in comparison with the prior year. About 13.0% of this total amount, \$51,185 was unassigned and available for spending at the government's discretion.
- At the end of FY 2018-19, City Charter Article XI Section 15 general reserve of \$30,769, and unassigned fund balance of \$57,534 for the General Fund totaled \$88,303, representing about 38.8% of the original FY 2018-19 budget of \$227,784. The minimum General Fund reserve level is 25.0% of the annual operating budget, and the targeted General Fund reserve level is at 35.0% of the annual operating budget.

### **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 basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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.



## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2019

(in thousands)

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, financing authority, and municipal financing authority for which the City is financially accountable. The housing authority, the financing authority and the municipal financing authority, although legally separate, function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government.

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

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains 49 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 Capital Improvement Fund, all of which are reported as major funds. Data from the other 46 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.

## **CITY OF GLENDALE**

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

June 30, 2019

(in thousands)

Effective June 30, 2019, Recreation Fund, Special Events Fund and Filming Fund were closed, and the fund balances were transferred to the General Fund. The operations of these three funds will be recorded in the General Fund starting FY 2019-20.

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 26-32 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, building maintenance, 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 33-37 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 38-39 of this report.

**Notes to the basic 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 41-99 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 100-104 of this report. Combining and individual fund statements can be found on pages 105-178 of this report.

**CITY OF GLENDALE**

## Management's Discussion and Analysis

June 30, 2019

(in thousands)

**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 \$1,654,226 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (79.7%) 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,**

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 605,136	532,548	449,505	413,756	1,054,641	946,304
Capital assets	962,440	958,831	619,941	641,740	1,582,381	1,600,571
Total assets	1,567,576	1,491,379	1,069,446	1,055,496	2,637,022	2,546,875
Deferred outflows of resources	84,238	114,414	22,788	32,598	107,026	147,012
Total assets and deferred outflows of resources	1,651,814	1,605,793	1,092,234	1,088,094	2,744,048	2,693,887
Current liabilities	63,405	55,156	44,607	40,060	108,012	95,216
Noncurrent liabilities	629,078	628,775	331,704	348,370	960,782	977,145
Total liabilities	692,483	683,931	376,311	388,430	1,068,794	1,072,361
Deferred inflows of resources	18,168	21,956	2,860	4,491	21,028	26,447
Total liabilities and deferred inflows of resources	710,651	705,887	379,171	392,921	1,089,822	1,098,808
Net investment in capital assets	932,188	926,357	387,043	401,010	1,319,231	1,327,367
Restricted	175,754	168,556	5,669	5,669	181,423	174,225
Unrestricted	(166,779)	(195,007)	320,351	288,494	153,572	93,487
Total net position	\$ 941,163	899,906	713,063	695,173	1,654,226	1,595,079

As noted earlier, 11.0% 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 \$153,572 may be used to meet the government's ongoing obligations to citizens and creditors. Of this total, \$320,351 is in business-type activities such as electric, water, and sewer utilities.

## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2019

(in thousands)

**Governmental activities.** Governmental activities increased the City's net position by \$41,257. Key elements of this increase are as follows:

- Compared to prior fiscal year, property tax revenue increased by \$3,878 (6.6%), primarily due to the growth in home values and the strong real estate market in the City.
- Sales tax revenue decreased by \$3,466 (5.6%) compared to prior fiscal year. The decrease is mainly driven by a \$9,000 one-time adjustment in FY 2017-18 from California Department of Tax and Fee Administration (CDTFA). CDTFA conducted a sales tax audit; as a result, the City closed a liability account and recognized the revenues in the General Fund in FY 2017-18. On the other hand, the City received the 1<sup>st</sup> quarter (April to June 2019) Measure S sales tax revenue in the amount of \$5,184, when Glendale's total sales tax rate increased from 9.5% to 10.25%, effective April 1, 2019.
- Investment income increased by \$12,811 (705.8%) compared to prior fiscal year. The increase is mainly driven by the increase in the fair market value of investments.
- Transfer increased by \$9,527 (44.7%) during the current fiscal year. The City received one-time transfer of 2011 Tax Allocation Bond proceeds from Glendale Successor Agency to fund the City's low and moderate income housing projects and capital improvement projects.
- Governmental activities expense increased by \$17,582 (5.4%) during the current fiscal year. The increase is mainly due to the following items: \$3,309 for salaries from cost of living adjustments and vacancies being filled; \$1,533 for compensation insurance from higher rates for police and fire sworn employees; \$5,243 for PERS from higher required employer contribution; \$1,409 for additional Scholl Canyon landfill post closure liability; \$1,094 for Parking Fund from parking enforcement services contractual contract. In FY 2018-19, various sections of Housing, Health and Community Development were reclassified from General Government to Housing, Health and Community Development to better align with the appropriate function.

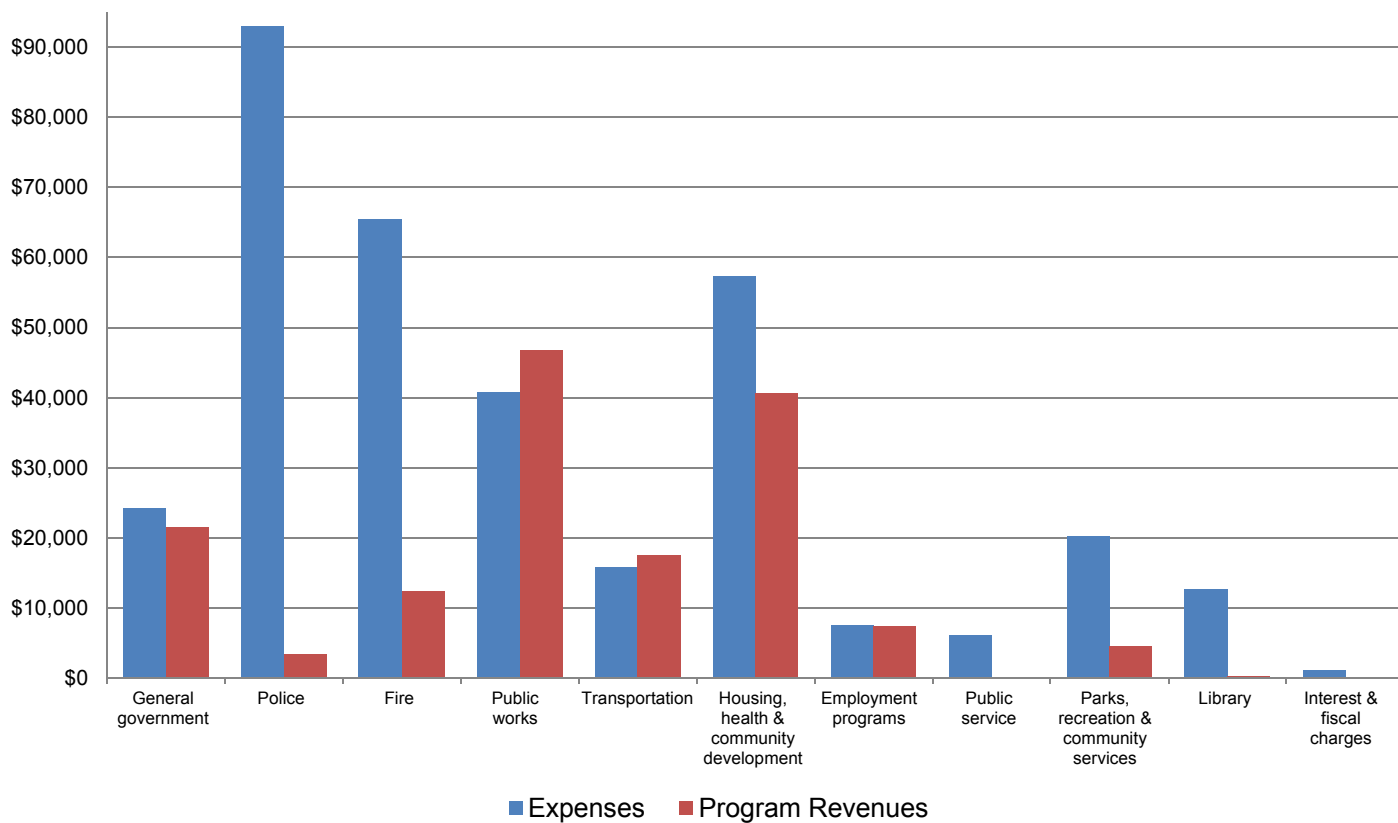
## CITY OF GLENDALE

### Management's Discussion and Analysis

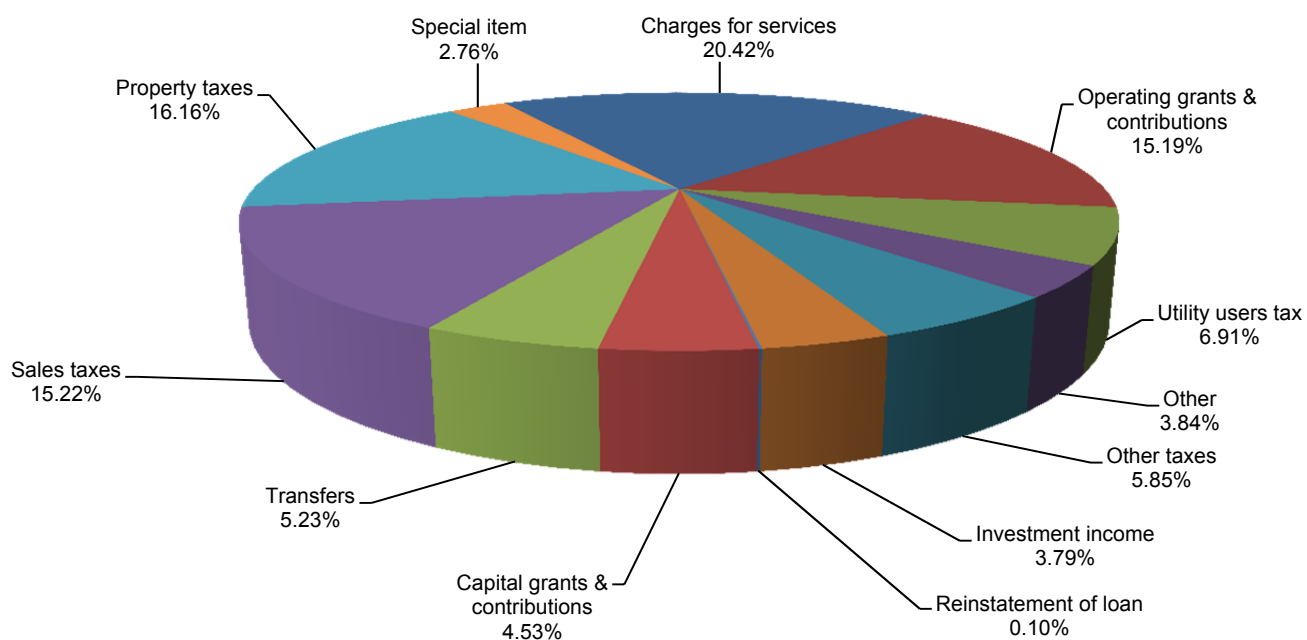
June 30, 2019

(in thousands)

### Expenses and Program Revenues – Governmental Activities



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



**CITY OF GLENDALE**

## Management's Discussion and Analysis

June 30, 2019

(in thousands)

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

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenues:						
Program revenues:						
Charges for services	\$ 78,735	73,492	312,318	309,820	391,053	383,312
Operating grants and contributions	58,580	55,448	200	72	58,780	55,520
Capital grants and contributions	17,458	9,447	8	12	17,466	9,459
General revenues:						
Taxes:						
Property taxes	62,323	58,445	-	-	62,323	58,445
Sales taxes	58,692	62,158	-	-	58,692	62,158
Utility users tax	26,655	27,805	-	-	26,655	27,805
Other taxes	22,563	21,784	-	-	22,563	21,784
Investment income	14,626	1,815	16,040	1,315	30,666	3,130
Other	14,831	15,748	8,778	9,693	23,609	25,441
Reinstatement of loans	323	328	-	-	323	328
Total revenues	<u>354,786</u>	<u>326,470</u>	<u>337,344</u>	<u>320,912</u>	<u>692,130</u>	<u>647,382</u>
Expenses:						
General government	24,272	33,037	-	-	24,272	33,037
Police	92,931	92,679	-	-	92,931	92,679
Fire	65,484	67,285	-	-	65,484	67,285
Public works	40,720	30,072	-	-	40,720	30,072
Transportation	15,863	13,196	-	-	15,863	13,196
Housing, health and community development	57,379	44,349	-	-	57,379	44,349
Employment program	7,550	5,848	-	-	7,550	5,848
Public service	6,190	5,999	-	-	6,190	5,999
Parks, recreation and community services	20,204	19,697	-	-	20,204	19,697
Library	12,650	12,485	-	-	12,650	12,485
Interest and fiscal charges	1,125	2,139	-	-	1,125	2,139
Fire communications	-	-	4,286	4,126	4,286	4,126
Sewer	-	-	21,448	20,383	21,448	20,383
Refuse disposal	-	-	21,566	20,844	21,566	20,844
Electric	-	-	202,232	188,573	202,232	188,573
Water	-	-	49,750	48,458	49,750	48,458
Total expenses	<u>344,368</u>	<u>326,786</u>	<u>299,282</u>	<u>282,384</u>	<u>643,650</u>	<u>609,170</u>
Excess before transfers and special item	10,418	(316)	38,062	38,528	48,480	38,212
Transfers	20,172	21,312	(20,172)	(21,312)	-	-
Special items from Successor Agency:						
Transfer of bond proceeds	10,667	-	-	-	10,667	-
Transfer of capital assets	-	2,744	-	-	-	2,744
Change in net position	<u>41,257</u>	<u>23,740</u>	<u>17,890</u>	<u>17,216</u>	<u>59,147</u>	<u>40,956</u>
Net position – Beginning of the year	<u>899,906</u>	<u>876,166</u>	<u>695,173</u>	<u>677,957</u>	<u>1,595,079</u>	<u>1,554,123</u>
Net position – End of the year	<u>\$ 941,163</u>	<u>899,906</u>	<u>713,063</u>	<u>695,173</u>	<u>1,654,226</u>	<u>1,595,079</u>



## CITY OF GLENDALE

### Management's Discussion and Analysis

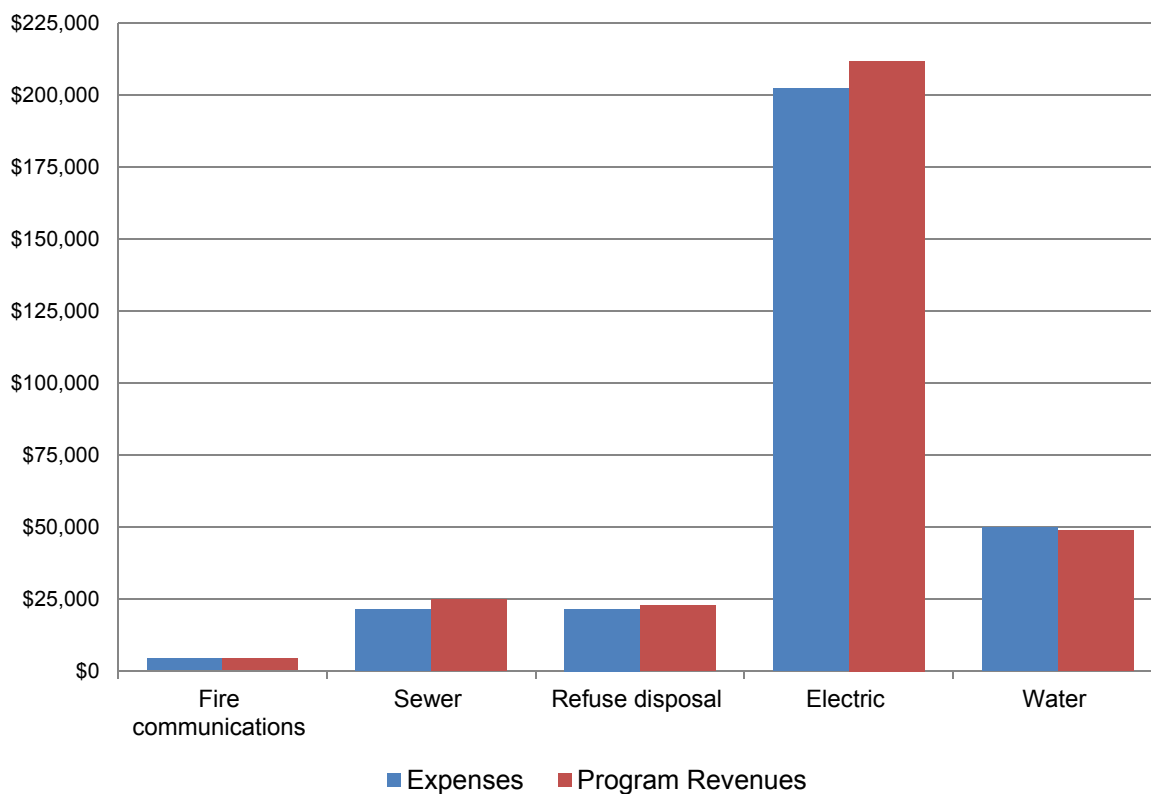
June 30, 2019

(in thousands)

**Business-type activities.** Business-type activities net position increased by \$17,890. Key elements of this increase are as follows:

- Charges for services increased by \$2,498 (0.8%) during the current fiscal year. The increase is mainly attributable to higher Sewer rates. Cost of Service Analysis (COSA) for Sewer rates was approved in April 2018 and the new rates took effect in July 2018.
- Investment income increased by \$14,725 (1,119.8%) during the current fiscal year as a result of an increase in the fair market value of investments.
- Business-type activities expense increased by \$16,898 (6.0%). The increase is mainly due to the following items: \$10,431 due to higher purchased power expenses as a result of higher cost of energy and natural gas; \$1,405 for PERS from higher required employer contribution.

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



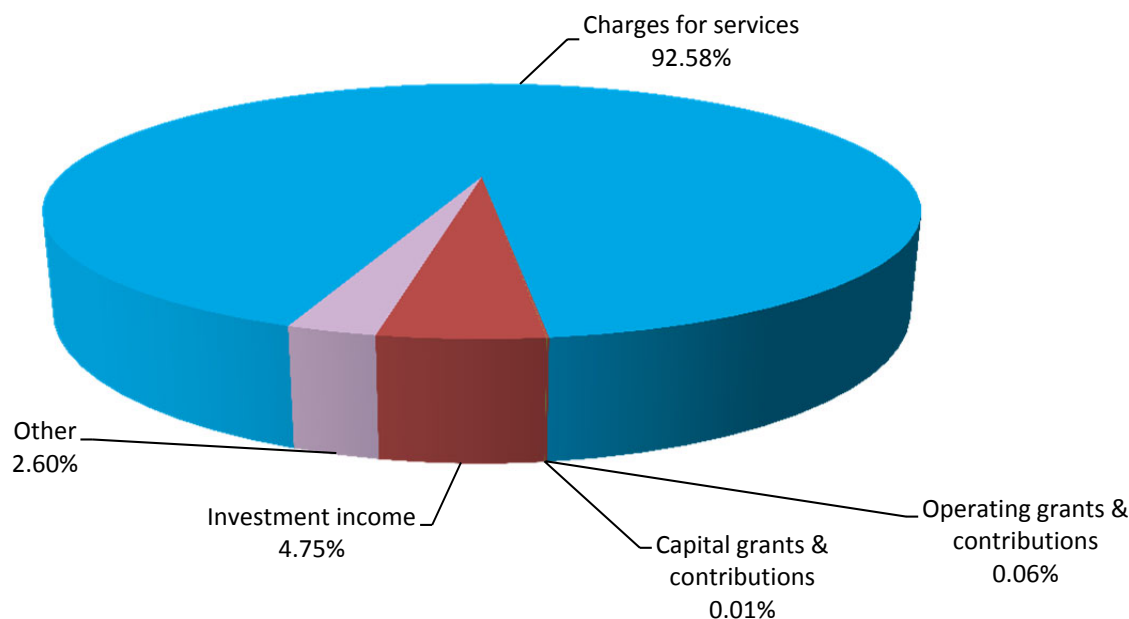
## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2019

(in thousands)

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



#### 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 \$394,711, an increase of \$62,863 in comparison with the prior year. About 13% of this total amount, \$51,185, constituted unassigned fund balance, which was available for spending at the government's discretion. The remainder of fund balance in the amount of \$343,526 was not available for new spending because it was either nonspendable, restricted, committed or assigned. Nonspendable fund balance was \$3,049. Restricted fund balance was \$235,364, which was constrained by external creditors, grantors, laws or regulations of other governments and enabling legislation. Committed fund balance was \$97,861, and the assigned fund balance was \$7,252.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance and the City Charter Article XI Section 15 general reserve of the General Fund were \$57,534 and \$30,769 respectively, while total fund balance was \$125,274. As a measure of the General Fund's liquidity, it may be useful to compare the total of City Charter Section Article XI 15 general reserve and unassigned fund balance to total fund expenditures. City Charter Article XI Section 15 general reserve and unassigned fund balance, totaling \$88,303, represented about 38.7% of FY 2018-19 General Fund expenditures plus transfers, \$228,436.

## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2019

(in thousands)

The fund balance of the City's General Fund had a net increase of \$18,204 during the current fiscal year. This net increase is primarily due to the following reasons:

- Compared to the prior fiscal year, property tax revenue increased by \$3,878, primarily due to the growth in home values and strong real estate market in the City.
- Compared to the prior fiscal year, interfund revenue increased by \$2,038, due to higher cost allocation rates for receiving departments.
- Compared to the prior fiscal year, sales tax revenue decreased by \$4,401. The decrease is mainly driven by a \$9,000 one-time adjustment in FY 2017-18 from California Department of Tax and Fee Administration (CDTFA). CDTFA conducted a sales tax audit; as a result, the City closed a liability account and recognized the revenues in the General Fund in FY 2017-18. On the other hand, the City received the 1<sup>st</sup> quarter (April to June 2019) Measure S sales tax revenue in the amount of \$5,184, when Glendale's total sales tax rate increased from 9.5% to 10.25%, effective April 1, 2019.
- Compared to the prior fiscal year, other taxes revenue increased by \$1,189, primarily due to higher transient occupancy tax (\$545) and property transfer tax (\$207), both of which are driven in part by economic factors.

It's worthwhile to mention the City's General Fund expenses had a net increase of \$9,644 as well, which is mainly driven by increases in workers' compensation rates and the required PERS employer contribution.

The Housing Assistance Fund (Section 8 grant) had a fund balance of \$6,213, an increase of \$659 during the current fiscal year. The main reason was that the City spent less administrative expenditures than the earned administrative revenue due to efficient and effective administrative operations.

The Capital Improvement Fund had a fund balance of \$27,896. During the current fiscal year, the fund balance increased by \$3,979, primarily due to a one-time transfer from the General Fund to the Capital Improvement Fund. The transfer was to fund for new and existing projects that would be carried over from the Recreation Fund and the Filming Fund into the Capital Improvement Fund, because the Recreation Fund and the Filming Fund are closed to the General Fund as of June 30, 2019.

**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 \$209,001 for the Sewer Fund, \$336,158 for the Electric Fund, \$126,969 for the Water Fund, and \$41,176 for the nonmajor enterprise funds.

The net position of the Sewer Fund increased by \$4,328 during the current fiscal year. The increase was mainly attributable to new higher wastewater rates effective in July 2018, which were approved after conducting a Cost of Service Analysis (COSA) and rate study. The operating expenses are generally on par with the prior fiscal year level.

The net position of the Electric Fund increased by \$4,371 during the current fiscal year. The increase in net position was mainly attributable to the net increase in the electric sales and fair market value of investments. On the other hand, there was an increase in the production expense due to higher cost of energy and natural gas.

## **CITY OF GLENDALE**

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

June 30, 2019

(in thousands)

The net position of the Water Fund increased by \$1,694 during the current fiscal year. The increase in net position was due to relatively stable water retail sales which were mainly on par compared to prior fiscal year. The operating expenses slightly increased compared to the prior fiscal year level due to increase in transmission, distribution and customer services activities.

The net position of nonmajor enterprise funds increased by \$2,088 during the current fiscal year. The increase was mainly attributable to the recognition of the unclaimed Refuse Disposal Fund deposits and the increase in the fair market value of investments. The operating expenses were on par with the prior year level as a result of 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 2018-19 final General Fund revenue budget, the actual revenue and transfers in has a net increase of \$20,122. The increase is mostly coming from several one-time or special items that were not included in the FY 2018-19 final revenue budget: \$5,184 of Measure S sales tax, \$1,821 of interest received on the Section 115 trust, \$1,455 and \$3,875 of transfers for closing out the Filming Fund and the Recreation Fund to the General Fund. Excluding these items, the remaining net variance is \$7,787.

The major revenue categories that ended the fiscal year higher than the budgeted estimate were sales tax (excluding Measure S: \$3,433), use of money and property (excluding Section 115 Trust interest: \$3,107), charges for services (\$1,857), licenses and permits (\$1,043), and property tax (\$785). The additional sales tax receipts are partly due to higher than anticipated sales in the last two quarters of the fiscal year, while the higher use of money and property category is primarily due to an unanticipated GASB 31 interest gain (\$2,663).

In contrast to these increases, two revenue categories ended the fiscal year lower than the budgeted estimate: utility users tax (\$1,800) and interfund revenue (\$134). The decrease in utility users tax is primarily due to the following factors: (1) telecommunication customers continue to shift from conventional contracts to prepaid wireless services; (2) electric consumption is lower due to cooler weather and conservation; and (3) water consumption is lower as a result of local precipitation exceeding the average precipitation by nearly 100%.

In FY 2018-19, the final expense and transfers out budget increased by \$11,814 in comparison to the original expense budget. The increase is largely driven by the following items: \$4,878 for budget carryovers, \$4,307 of the General Fund transfer to the Capital Improvement Fund to provide funding for current and future Recreation Fund and Filming Fund projects, \$804 for firefighter recruit academy, \$485 for special elections, \$359 for the Glendale Fire Fighter Association memorandum of understanding adjustments, \$163 for Fire department's purchase of defibrillators, \$175 for Renter's Rights Program, and \$150 for Urgency Rent Control outreach.

Compared to the FY 2018-19 final General Fund expense budget, the actual expenditures and transfers out were underspent by \$11,162. The variance is mainly due to salaries and benefits savings in the amount of \$7,311 as a result of vacancies. Although many vacant positions have been eliminated in the General Fund in previous years, vacancies still exist across almost every department as a result of employee turnover. In addition to this, there were savings in contractual services throughout various departments in the amount of \$4,253, and in the capital outlay category in the amount of \$412 due to purchases that were not completed by the end of the fiscal year. In the transfers category however, the

## **CITY OF GLENDALE**

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

June 30, 2019

(in thousands)

actual General Fund transfer to the Capital Improvement Fund was \$1,113 higher than anticipated largely for the transfer of the Recreation Fund and Filming Fund balances that were shifted into the General Fund at the end of the fiscal year.

### **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, 2019, is \$1,582,381 (net of \$935,184 accumulated depreciation, \$12,039 accumulated gas depletion and \$52,678 accumulated amortization). This investment in capital assets includes land, natural gas reserve, buildings and improvements, machinery and equipment, infrastructure, intangible assets, and construction in progress. The total decrease in the City's investment in capital assets for the current fiscal year was 0.6%, and this represents a 0.6% increase for governmental activities and a 3.5% decrease for business-type activities.

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

- In FY 2018-19, the Fleet/Equipment Management Fund added \$4,962 of mobile equipment to its inventory: \$788 for fire equipment, \$542 for motorcycles, \$1,097 for SUVs and \$1,294 for trucks.
- The ISD Wireless Fund purchased \$1,756 of equipment that would enhance City's regional interoperable communication system. This equipment was funded by Homeland Security grants.
- City purchased Glendale Successor Agency's land and building property, which is located at 117-131 Artsakh Avenue, in the amount of \$1,530.
- The following capital improvement projects contributing to the capital assets increased in government wide: \$2,215 for Pennsylvania Avenue and Kenneth Road Rehabilitation, \$1,129 for Street Reconstruction and Resurfacing Program, \$800 for Jail Security System Upgrade and Fire Department Building Upgrade.
- The following projects contributed to the increase in the intangible assets in the Sewer Fund: \$1,360 for Los Angeles-Glendale Water Reclamation Plant and \$3,769 for Hyperion Wastewater System. The City is upgrading the Los Angeles –Glendale Water Reclamation Plant and Hyperion Wastewater Treatment Plant and Conveyance System Facilities to meet federal and state mandates.
- The increase in the Electric Fund capital assets is mostly driven by capital improvement projects, such as \$337 Perkins Building Renovation, \$664 Grayson Power Plant, \$578 Feeder Tropico and \$826 Electric Vault and Cable Replacements.

**CITY OF GLENDALE**

## Management's Discussion and Analysis

June 30, 2019

(in thousands)

**City of Glendale's Capital Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018
Land	\$ 422,904	421,820	9,557	9,557	432,461	431,377
Natural gas reserve	-	-	22,161	22,150	22,161	22,150
Buildings and improvements	419,110	413,513	278,290	276,064	697,400	689,577
Machinery and equipment	132,839	127,426	586,228	583,019	719,067	710,445
Infrastructure	327,433	325,498	158,445	156,433	485,878	481,931
Construction in progress	44,342	36,617	64,258	60,827	108,600	97,444
Intangible assets	6,979	1,001	109,736	105,661	116,715	106,662
Total capital assets	1,353,607	1,325,875	1,228,675	1,213,711	2,582,282	2,539,586
Less: Accumulated depreciation	(390,759)	(367,014)	(544,425)	(511,450)	(935,184)	(878,464)
Less: Accumulated gas depletion	-	-	(12,039)	(11,025)	(12,039)	(11,025)
Less: Accumulated amortization	(408)	(30)	(52,270)	(49,496)	(52,678)	(49,526)
Net of depreciation, depletion and amortization	\$ 962,440	958,831	619,941	641,740	1,582,381	1,600,571

Additional information on the City's capital assets can be found in Note 6 on pages 62-63.

**Long-term debt.** The City's total debt decreased by \$10,502 (3.8%) in FY 2018-19. The decrease was mainly due to the regular annual debt retirements.

**City of Glendale's Long-Term Debt**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018
Certificates of Participation (COPs)	\$ -	31,880	-	-	-	31,880
Other debt:						
2011 HUD Section 108 Loan	696	908	-	-	696	908
Loans payable	-	594	-	-	-	594
Total other debt	696	1,502	-	-	696	1,502
Bonds payable:						
GMFA lease revenue bonds, 2019 refunding	30,252	-	-	-	30,252	-
Electric revenue bonds, 2013 refunding	-	-	20,227	21,403	20,227	21,403
Electric revenue bonds, 2013 series	-	-	58,688	60,020	58,688	60,020
Electric revenue bonds, 2016 refunding	-	-	81,509	85,127	81,509	85,127
Water revenue bonds, 2008 series	-	-	42,170	43,655	42,170	43,655
Water revenue bonds, 2012 series	-	-	34,639	35,096	34,639	35,096
Total bonds payable	30,252	-	237,233	245,301	267,485	245,301
Total debt	\$ 30,948	33,382	237,233	245,301	268,181	278,683

The COPs were refunded on June 25, 2019 with Glendale Municipal Financing Authority 2019 Lease Revenue Refunding Bonds. See Note 7 for more information.



## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2019

(in thousands)

### 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.

The City's bond ratings as of June 30, 2019 are as follows:

<b>Debt Issue</b>	<b>Moody's</b>	<b>Standard &amp; Poor's (S &amp; P)</b>	<b>Fitch Ratings'</b>
Issuer credit rating (Implied General Obligation)	Aa2	AA+	AA+
2019 Lease revenue refunding bonds	-	AA	AA
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	AA-	A+
Water revenue bonds, 2012 series	A1	AA-	A+

### 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.

## **CITY OF GLENDALE**

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

June 30, 2019

(in thousands)

## **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 are 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, 2019, the City had 6 series of bonds subject to Continuing Disclosure requirements. The City prepares the Continuing Disclosure (financial and operating information) for its 5 Electric and Water series bonds, and engaged a financial advisor, Harrell & Company Advisors, LLC to prepare the Continuing Disclosure for the GMFA bonds. The City also engaged Harrell & Company Advisors, LLC as dissemination agent to post all 6 series of bonds' Continuing Disclosure Annual Reports and the City financial statements on the MSRB's Electronic Municipal Market Access ("EMMA") website. The dissemination agent will also prepare any notices of material events and post such notices on EMMA. 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 7 on pages 64-69 of this report.

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

Even with the economy being more cautious this year than previous years, the outlook for the upcoming years is promising. Within this past year, the City experienced the longest Federal government shutdown in U.S. history. The result of the shutdown created a significant loss, upwards of approximately \$11,000,000 nationwide. However, even with these events, the U.S. economy is expected to remain on a fairly steady growth with continued job advancement and low unemployment rates. Consumer spending is expected to stay on an upward trail for FY 2019-20.

Even with the challenges that are raised by the uncertainty of federal policy, the proliferation of debt, and political gridlock, economists project that personal consumption will increase to 2.7% and that the Gross Domestic Product (GDP) will grow by 2.2% this year, which is considerably lower than the 2.8% increase in GDP in 2018. With this, economists predict an increase of almost 3,000 additional jobs by the next couple of years, thus decreasing the unemployment rate from 3.9% in 2018 to 3.5% in 2019.

California remains the largest economy when compared to any other state in the U.S. and it is forecasted to grow an additional 3.0% during 2019, which is faster than the nation's projected growth of 2.2%. However, even with the stable growth in GDP, California's economy has slowed down from 2014 and 2015, when the growth rate was close to 4.0%. Over the duration of 2018, almost all major industry sectors in California have increased in number of jobs. Industries at the forefront of private sector job growth are utilities, education, healthcare, hospitality, and construction. In consideration to these assumptions, California's unemployment rate is expected to continue its gradual decline from 3.7% in 2018 to 3.4% in 2019. With continued improvements in the labor market, personal income should increase by 2.9% with persistent growth forecasted for 2020.

## **CITY OF GLENDALE**

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

June 30, 2019

(in thousands)

More locally, Los Angeles County is expected to experience further improvements to its unemployment rate, dropping from 4.6% in 2018 to 4.4% in 2019. It is forecasted that all industry sectors will be adding jobs over the upcoming two years. A likely shift will occur in the private sector from the manufacturing and logistic industries being the strongest to the healthcare, administrative, and retail trade being the forerunners. With this, total personal income across the County is expected to increase by 2.6% in 2019, a large increase from 1.4% in 2018. As for the housing market, the median home price in Los Angeles County has experienced an increase of 4.3% in 2018 and is forecasted to see an additional increase of 2.8% in 2019.

Given all that, the demand for affordable housing remains a top priority in California. There has been a large increase in the number of renters compared to homeowners, which can be attributed to the continued escalation of housing costs. This is making way for the continued demand of new construction to accommodate the need for affordable housing units. What is important to remember is that there is no simple solution to this issue and that it is more complicated than a single solution capable of satisfying everyone. In other words, there is more to consider than just rent. A variety of forces have played a role in this statewide crisis, and it will take a variety of forces to alleviate it. In Glendale, this growth can be witnessed first-hand. The state budget has allocated approximately \$1,300,000 for grants and loans to help with funding new housing developments.

The City's FY 2019-20 Budget incorporates the policy direction of the City Council for services and programs to address the needs of the community, which is structurally balanced with projected resources available to support all projected expenditures. The total budget for FY 2019-20 is \$938,340 and includes all City funds, departments and programs.

The General Fund's total budget, including Measure S funds, is \$243,300, from which the City pays for services commonly associated with local government: police and fire services, libraries, parks, public works, economic development, and administration. The FY 2019-20 adopted General Fund budget, not inclusive of Measure S funding, reflects an increase of \$9,200 when compared to FY 2018-19. When including Measure S funding, the increase is \$15,500 compared to FY 2018-19.

From the increase of \$15,500, \$6,300, is Council approved appropriations for various Measure S programs that include, \$4,200 for the Monthly Housing Rental Subsidy Program, \$750 for the First Time Home Buyer Program, \$560 for the Aquatics Program Expansion, \$458 for the Holiday Ice Rink and \$410 for the Rental Rights Program. The remaining \$9,200 increase is explained below.

The increase in the Salaries and Benefits category includes approximately \$3,000 due to the Recreation Fund moving from Special Revenue Fund to the General Fund, \$1,100 due to the Filming Funds moving from Special Revenue Fund to the General Fund, \$6,200 increase in PERS costs (net of employee cost sharing), and various cost of living adjustments, salary step progressions, and position reallocations of employees. CalPERS sustained significant investment losses during the Great Recession, the impacts of which continue to reverberate through just about every government agency in the State. Hence, Glendale is not alone in seeing higher employer costs from CalPERS due to the City's obligation to pick up the partial tab for those investment losses and CalPERS's subsequent decrease in their estimated rate of returns on their investments. Due to the recent adoption of more conservative actuarial and investment policies by the CalPERS Board, the City has been advised by its outside actuary to continue expecting increases in annual costs going forward. These risk mitigation policies will eventually rebuild the CalPERS fund and lower the burden on local governments that have committed to provide reasonable retirements for their employees.

With rising PERS costs, the City Council took a proactive step to address the matter by voting to establish a Section 115 Pension Rate Stabilization Trust at the time of the FY 2017-18 budget adoption, and

## **CITY OF GLENDALE**

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

June 30, 2019

(in thousands)

approved a funding deposit in July 2017. Glendale joined a group of more than 80 public agencies across the State to adopt this rate-stabilization strategy. Since the establishment of the Trust, the City Council has authorized the deposit of \$26,500 of one-time surplus revenues. This decision demonstrates the City Council's commitment to keep rising PERS costs at a containable level. City staff is actively assessing other strategies to address the trend in rising PERS costs and will work to implement more solutions in the coming years.

For FY 2019-20, the adopted budget for the Special Revenue Funds reflects a decrease of \$1,800 when compared to the FY 2018-19 adopted budget. The most notable of the decreases is due to three Special Revenue Funds that were recategorized into the General Fund: Filming Fund, Recreation Fund, and Special Events Fund. The total net decrease of these three funds is approximately \$6,000. There is also a decrease of \$4,500 in the Measure R Regional Return Fund due to less project appropriations relative to last fiscal year. However, the decrease is offset by increases in various funds, such as an increase of \$4,200 in the Parking Fund due to an increase in contractual services and capital projects, a \$1,300 increase in the Housing Assistance Fund due to an increase in anticipated revenue to be received, and an appropriation of \$1,200 for the new Measure W Fund that was established to account for the storm water maintenance and management program.

As for the City's Capital Improvement Fund, there is an increase of \$11,400 compared to FY 2018-19 primarily due to the \$23,500 in appropriations for the Capital Improvement Fund in FY 2019-20 because of additional Measure S funding. The majority of the appropriation (\$20,000) was approved by Council for new Affordable Housing developments, and the remainder (\$3,500) was approved for infrastructure needs for seismic upgrades. At the same time, the increase is offset by a decrease of \$11,700 in the Capital Improvement Fund due to fewer appropriations for regular projects relative to last fiscal year. Some of the major and necessary projects that are in store for the City of Glendale include an electrical upgrade for the Montrose Parking Lot, resurfacing the Dunsmore Park parking lot, placing artificial turf at the Sports Complex Field 3, the pavement rehabilitation project for La Crescenta Avenue, and the Street Tree Maintenance Program.

For the Internal Service Funds, there is a net decrease of \$5,900 compared to FY 2018-19. This is mainly attributable to a \$2,300 decrease in the ISD Infrastructure Fund and a \$2,400 decrease in the ISD Applications Fund, due to a decrease in capital outlay, contractual services, and hourly wages. There is also a decrease of \$1,700 in the Fleet/Equipment Management Fund due to a decrease in capital outlay. The decrease is offset by an increase in the Joint Helicopter Operation Fund due to the purchase of a helicopter. The cost reflects half of the helicopter purchase, as the remaining cost will be paid for by the City of Burbank. There was also an increase of \$634 in excess insurance premium and cost allocation charges in the Compensation Insurance Fund.

### **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.

This page is left blank intentionally.

Exhibit A-1  
CITY OF GLENDALE  
Statement of Net Position  
June 30, 2019  
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Pooled cash and investments	\$ 466,085	\$ 239,958	\$ 706,043
Cash and investments with fiscal agent	-	8,896	8,896
Investment-gas/electric commodity	-	1,365	1,365
Interest receivable	2,541	1,883	4,424
Accounts receivable, net	43,612	36,609	80,221
Loans receivable	-	25	25
Internal balances	241	(241)	-
Inventories	373	6,875	7,248
Prepaid items	5,099	13,066	18,165
Total current assets	517,951	308,436	826,387
Noncurrent assets:			
Capital assets, not being depreciated	467,246	73,815	541,061
Capital assets, net	495,194	546,126	1,041,320
Designated cash and investments	-	135,400	135,400
Restricted cash and investments	66,529	5,669	72,198
Loans receivable	20,656	-	20,656
Total noncurrent assets	1,049,625	761,010	1,810,635
Total assets	1,567,576	1,069,446	2,637,022
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	83,762	18,453	102,215
Loss on refunding	-	4,335	4,335
Deferred outflows related to OPEB	476	-	476
Total deferred outflows of resources	84,238	22,788	107,026
Total assets and deferred outflows of resources	1,651,814	1,092,234	2,744,048
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	21,020	23,650	44,670
Accrued wages and withholding	12,240	3,693	15,933
Interest payable	7	4,227	4,234
Claims payable	16,485	-	16,485
Compensated absences	3,333	-	3,333
Bonds payable	2,314	8,368	10,682
Other debt	222	-	222
Unearned revenues	564	-	564
Deposits	7,220	4,669	11,889
Total current liabilities	\$ 63,405	\$ 44,607	\$ 108,012

(Continued)

Exhibit A-1  
CITY OF GLENDALE  
Statement of Net Position  
June 30, 2019  
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Noncurrent liabilities:			
Claims payable	\$ 41,863	\$ -	\$ 41,863
OPEB liability	15,214	-	15,214
Compensated absences	27,096	-	27,096
Landfill postclosure	51,574	-	51,574
Net pension liability	464,919	102,839	567,758
Bonds payable	27,938	228,865	256,803
Other debt	474	-	474
Total noncurrent liabilities	629,078	331,704	960,782
Total liabilities	692,483	376,311	1,068,794
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	16,219	2,860	19,079
Deferred inflows related to OPEB	1,949	-	1,949
Total deferred inflows of resources	18,168	2,860	21,028
Total liabilities and deferred inflows of resources	710,651	379,171	1,089,822
<b>NET POSITION</b>			
Net investment in capital assets	932,188	387,043	1,319,231
Restricted for:			
Air quality improvement	635	-	635
Cable access	4,044	-	4,044
Capital projects	45,773	-	45,773
City Charter - Article XI Sec. 15 general reserve	30,769	-	30,769
Electric public benefit AB1890	5,903	-	5,903
Federal and state grants	8,547	-	8,547
Landscaping district	239	-	239
Low and moderate housing	30,515	-	30,515
Public safety	3,600	-	3,600
SCAQMD emission controls	-	5,669	5,669
State gas tax mandates	8,473	-	8,473
Transportation	37,223	-	37,223
Youth employment	33	-	33
Unrestricted	(166,779)	320,351	153,572
Total net position	\$ 941,163	\$ 713,063	\$ 1,654,226

Exhibit A-2  
CITY OF GLENDALE  
Statement of Activities  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 24,272	\$ 21,604	\$ 1	\$ -	\$ (2,667)	\$ -	\$ (2,667)
Police	92,931	2,185	1,221	60	(89,465)	-	(89,465)
Fire	65,484	9,313	2,032	1,033	(53,106)	-	(53,106)
Public works	40,720	31,712	824	14,244	6,060	-	6,060
Transportation	15,863	6,874	8,939	1,732	1,682	-	1,682
Housing, health and community development	57,379	1,253	39,313	105	(16,708)	-	(16,708)
Employment programs	7,550	2,330	4,880	272	(68)	-	(68)
Public service	6,190	-	-	-	(6,190)	-	(6,190)
Parks, recreation and community services	20,204	3,346	1,159	12	(15,687)	-	(15,687)
Library	12,650	118	211	-	(12,321)	-	(12,321)
Interest and fiscal charges	1,125	-	-	-	(1,125)	-	(1,125)
Total governmental activities	<u>344,368</u>	<u>78,735</u>	<u>58,580</u>	<u>17,458</u>	<u>(189,595)</u>	<u>-</u>	<u>(189,595)</u>
Business-type activities:							
Electric Fund	202,232	211,748	32	-	-	9,548	9,548
Fire Communication Fund	4,286	4,225	-	-	-	(61)	(61)
Refuse Disposal Fund	21,566	22,727	158	-	-	1,319	1,319
Sewer Fund	21,448	24,892	-	-	-	3,444	3,444
Water Fund	49,750	48,726	10	8	-	(1,006)	(1,006)
Total business-type activities	<u>299,282</u>	<u>312,318</u>	<u>200</u>	<u>8</u>	<u>-</u>	<u>13,244</u>	<u>13,244</u>
Total primary government	<u>\$ 643,650</u>	<u>\$ 391,053</u>	<u>\$ 58,780</u>	<u>\$ 17,466</u>	<u>(189,595)</u>	<u>13,244</u>	<u>(176,351)</u>
General revenues:							
Investment income					14,626	16,040	30,666
Property taxes					62,323	-	62,323
Sales taxes					58,692	-	58,692
Utility users tax					26,655	-	26,655
Other taxes					22,563	-	22,563
Other					14,831	8,778	23,609
Reinstatement of loans					323	-	323
Transfers					20,172	(20,172)	-
Special item:							
Transfer of bond proceeds from Successor Agency					10,667	-	10,667
Total general revenues, transfers and special item					<u>230,852</u>	<u>4,646</u>	<u>235,498</u>
Change in net position					41,257	17,890	59,147
Net position - beginning					<u>899,906</u>	<u>695,173</u>	<u>1,595,079</u>
Net position - ending					<u>\$ 941,163</u>	<u>\$ 713,063</u>	<u>\$ 1,654,226</u>



Exhibit B-1  
CITY OF GLENDALE  
Balance Sheet  
Governmental Funds  
June 30, 2019  
(amounts expressed in thousands)

	General Fund	Housing Assistance Fund	Capital Improvement Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Pooled cash and investments	\$ 93,569	\$ 3,813	\$ 26,727	\$ 203,581	\$ 327,690
Restricted cash and investments	29,426	-	-	37,103	66,529
Interest receivable	456	18	-	1,139	1,613
Accounts receivable, net	18,848	248	2,006	15,873	36,975
Due from other funds	4,783	-	-	-	4,783
Inventories	183	-	-	-	183
Prepaid items	110	2,709	-	47	2,866
Loans receivable	13,554	-	-	-	13,554
Total assets	<u>160,929</u>	<u>6,788</u>	<u>28,733</u>	<u>257,743</u>	<u>454,193</u>
<b>LIABILITIES</b>					
Accounts payable	5,358	294	804	9,028	15,484
Wages and benefits payable	9,495	128	33	920	10,576
Due to other funds	-	-	-	4,587	4,587
Unearned revenues	-	-	-	564	564
Deposits	7,145	-	-	75	7,220
Total liabilities	<u>21,998</u>	<u>422</u>	<u>837</u>	<u>15,174</u>	<u>38,431</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	<u>13,657</u>	<u>153</u>	<u>-</u>	<u>7,241</u>	<u>21,051</u>
Total liabilities and deferred inflows of resources	<u>\$ 35,655</u>	<u>\$ 575</u>	<u>\$ 837</u>	<u>\$ 22,415</u>	<u>\$ 59,482</u>

(Continued)

Exhibit B-1  
CITY OF GLENDALE  
Balance Sheet  
Governmental Funds  
June 30, 2019  
(amounts expressed in thousands)

	General Fund	Housing Assistance Fund	Capital Improvement Fund	Total Nonmajor Funds	Total Governmental Funds
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable					
Inventory	\$ 183	\$ -	\$ -	\$ -	\$ 183
Prepaid	110	2,709	-	47	2,866
Restricted					
Air quality improvement	-	-	-	635	635
Cable access	-	-	-	4,044	4,044
Capital projects	-	-	-	45,773	45,773
City Charter - Article XI					
Sec. 15 general reserve	30,769	-	-	-	30,769
Electric public benefit AB1890	-	-	-	5,903	5,903
Federal and state grants	-	3,504	-	5,043	8,547
Landfill postclosure	-	-	-	37,286	37,286
Landscaping district	-	-	-	239	239
Low and moderate housing	-	-	-	23,413	23,413
Pension stabilization	29,426	-	-	-	29,426
Public safety	-	-	-	3,600	3,600
State gas tax mandates	-	-	-	8,473	8,473
Transportation	-	-	-	37,223	37,223
Youth employment	-	-	-	33	33
Committed					
Capital projects	-	-	27,896	1,976	29,872
Debt service	-	-	-	15,372	15,372
Hazardous materials	-	-	-	3,294	3,294
Impact fee funded projects	-	-	-	27,668	27,668
Parking	-	-	-	13,077	13,077
Public safety	-	-	-	448	448
Urban art	-	-	-	8,130	8,130
Assigned					
Economic development	2,068	-	-	-	2,068
Quality of Life - affordable housing, infrastructure improvements, and other essential services	5,184	-	-	-	5,184
Unassigned	57,534	-	-	(6,349)	51,185
Total fund balances (deficits)	<u>125,274</u>	<u>6,213</u>	<u>27,896</u>	<u>235,328</u>	<u>394,711</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 160,929</u>	<u>\$ 6,788</u>	<u>\$ 28,733</u>	<u>\$ 257,743</u>	<u>\$ 454,193</u>

Exhibit B-2  
CITY OF GLENDALE  
Reconciliation of Balance Sheet  
To the Statement of Net Position  
June 30, 2019  
(amounts expressed in thousands)

Fund balances of governmental funds	\$	394,711
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets are not included as financial resources in the governmental funds:		
Land	\$	422,904
Buildings and improvements		238,483
Equipment		15,132
Infrastructure		209,604
Intangible		293
Construction in progress		<u>39,485</u>
		925,901
Long-term debt not included in the governmental funds (due within one year):		
2011 HUD Section 108 loan		(222)
2019 GMFA lease revenue refunding bonds		<u>(2,314)</u>
		(2,536)
Long-term debt not included in the governmental funds (due in more than one year):		
2011 HUD Section 108 loan		(474)
2019 GMFA lease revenue refunding bonds		<u>(27,938)</u>
		(28,412)
Landfill postclosure liability not included in the governmental funds		(51,574)
Accrued interest payable is not included in the governmental funds:		
2011 HUD Section 108 loan		(7)
Unavailable revenue in the governmental funds is revenue in the statement of activities		
		21,051
Loans receivable housing long term - non-forgiven portion		7,102
Deferred outflows of resources related to pensions		83,762
Deferred inflows of resources related to pensions		(16,219)
Net pension liability		(464,919)
Deferred outflows of resources related to OPEB		476
Deferred inflows of resources related to OPEB		(1,949)
OPEB Liability		(15,214)
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		
		<u>88,990</u>
Net position of governmental activities	\$	<u><u>941,163</u></u>

Exhibit C-1  
CITY OF GLENDALE  
Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	General Fund	Housing Assistance Fund	Capital Improvement Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 62,323	\$ -	\$ -	\$ -	\$ 62,323
Sales tax	53,302	-	-	5,390	58,692
Utility users tax	26,655	-	-	-	26,655
Other taxes	15,849	-	-	6,714	22,563
Revenue from other agencies	890	34,345	-	44,402	79,637
Licenses and permits	10,768	-	-	4,261	15,029
Fines and forfeitures	2,559	-	-	3,003	5,562
Charges for services	11,198	-	7,020	25,277	43,495
Use of money and property	16,618	105	-	9,625	26,348
Interfund revenue	19,448	-	-	-	19,448
Miscellaneous revenue	1,528	22	-	1,824	3,374
Total revenues	<u>221,138</u>	<u>34,472</u>	<u>7,020</u>	<u>100,496</u>	<u>363,126</u>
<b>EXPENDITURES</b>					
Current:					
General government	18,980	-	-	925	19,905
Police	86,265	-	-	1,056	87,321
Fire	58,665	-	148	3,075	61,888
Public works	14,481	-	457	10,562	25,500
Transportation	-	-	-	14,760	14,760
Housing, health and community development	16,874	33,767	213	6,716	57,570
Employment programs	-	-	-	7,449	7,449
Public service	-	-	-	6,177	6,177
Parks, recreation and community services	12,157	-	153	4,503	16,813
Library	10,587	-	30	454	11,071
Debt service:					
Principal retirement	-	-	-	2,197	2,197
Interest	-	-	-	769	769
Bond issuance costs	-	-	-	357	357
Capital outlay	808	46	4,006	14,822	19,682
Total expenditures	<u>218,817</u>	<u>33,813</u>	<u>5,007</u>	<u>73,822</u>	<u>331,459</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,321</u>	<u>659</u>	<u>2,013</u>	<u>26,674</u>	<u>31,667</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	25,502	-	6,526	23,025	55,053
Transfers out	(9,619)	-	(4,560)	(20,702)	(34,881)
Refunding bonds issued	-	-	-	24,925	24,925
Premium on refunding bonds issued	-	-	-	5,327	5,327
Payment to refunded bond escrow agent	-	-	-	(29,895)	(29,895)
Total other financing sources (uses)	<u>15,883</u>	<u>-</u>	<u>1,966</u>	<u>2,680</u>	<u>20,529</u>
<b>SPECIAL ITEM</b>					
Transfer of bond proceeds from Successor Agency	-	-	-	10,667	10,667
Net change in fund balances	18,204	659	3,979	40,021	62,863
Fund balances - beginning	107,070	5,554	23,917	195,307	331,848
Fund balances - ending	<u>\$ 125,274</u>	<u>\$ 6,213</u>	<u>\$ 27,896</u>	<u>\$ 235,328</u>	<u>\$ 394,711</u>

Exhibit C-2  
CITY OF GLENDALE  
Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances to the Statement of Activities  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

Net change in fund balances - total governmental funds	\$	62,863
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures		20,153
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation and amortization expenses		(22,118)
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	\$	1,985
2011 HUD Section 108		212
2019 GMFA lease revenue refunding bonds - costs of issuance		<u>(357)</u>
		1,840
Landfill postclosure care liability increased from prior year		(2,962)
Unavailable revenue in the governmental funds are recognized as revenues in the statement of activities		1,380
Governmental funds report OPEB benefits paid to retirees as expenditures. However, in the statement of activities, OPEB expense is measured as the change in total OPEB liability and the amortization of deferred outflows and inflows related to OPEB. This amount represents the net change in OPEB related amounts		137
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		(16,135)
Accrued interest 2011 Section 108 loan		1
Reinstatement of loans from former Redevelopment Agency to the City		323
Payment of loans from former Redevelopment Agency to the City		(10,040)
Change in net position of internal service funds allocated to governmental activities		<u>5,815</u>
Change in net position of governmental activities	\$	<u>41,257</u>

## Exhibit D-1

## CITY OF GLENDALE

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

## General Fund

For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 61,538	\$ 61,538	\$ 62,323	\$ 785
Sales tax	44,685	44,685	53,302	8,617
Utility users tax	29,855	28,455	26,655	(1,800)
Other taxes	16,279	15,170	15,849	679
Revenue from other agencies	100	539	890	351
Licenses and permits	9,725	9,725	10,768	1,043
Fines and forfeitures	2,500	2,500	2,559	59
Charges for services	9,341	9,341	11,198	1,857
Use of money and property	11,690	11,690	16,618	4,928
Interfund revenue	19,582	19,582	19,448	(134)
Miscellaneous revenue	929	1,107	1,528	421
Total revenues	206,224	204,332	221,138	16,806
EXPENDITURES				
Current:				
City Clerk	1,452	2,262	1,149	1,113
City Manager	4,619	4,968	4,428	540
City Treasurer	793	832	817	15
Finance	5,787	5,808	5,198	610
Innovation, Performance and Audit	1,384	1,384	1,220	164
Legal	3,802	3,869	3,850	19
Personnel	3,187	3,187	2,318	869
Police	87,315	87,193	86,265	928
Fire	59,415	61,170	58,665	2,505
Public Works	15,248	16,151	14,481	1,670
Community Development	17,465	19,494	16,874	2,620
Community Services and Parks	12,831	12,987	12,157	830
Library, Arts and Culture	10,560	10,567	10,587	(20)
Total current	223,858	229,872	218,009	11,863
Capital outlay:				
Police	-	459	79	380
Fire	-	664	652	12
Library, Arts and Culture	-	97	77	20
Total capital outlay	-	1,220	808	412
Total expenditures	223,858	231,092	218,817	12,275
Excess (deficiency) of revenues over (under) expenditures	(17,634)	(26,760)	2,321	29,081
OTHER FINANCING SOURCES (USES)				
Transfers in	22,186	22,186	25,502	3,316
Transfers out	(3,926)	(8,506)	(9,619)	(1,113)
Total other financing sources (uses)	\$ 18,260	\$ 13,680	\$ 15,883	\$ 2,203
Net change in fund balances	626	(13,080)	18,204	31,284
Fund balances - beginning	107,070	107,070	107,070	-
Fund balances - ending	\$ 107,696	\$ 93,990	\$ 125,274	\$ 31,284

## Exhibit D-2

## CITY OF GLENDALE

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

## Housing Assistance Fund

For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Revenue from other agencies	\$ 37,933	\$ 38,090	\$ 34,345	\$ (3,745)
Use of money and property	10	10	105	95
Miscellaneous revenue	13	13	22	9
Total revenues	<u>37,956</u>	<u>38,113</u>	<u>34,472</u>	<u>(3,641)</u>
<b>EXPENDITURES</b>				
Current:				
Housing, health and community development	37,998	38,297	33,767	4,530
Capital outlay	31	61	46	15
Total expenditures	<u>38,029</u>	<u>38,358</u>	<u>33,813</u>	<u>4,545</u>
Net change in fund balances	(73)	(245)	659	904
Fund balances - beginning	5,554	5,554	5,554	-
Fund balances - ending	<u>\$ 5,481</u>	<u>\$ 5,309</u>	<u>\$ 6,213</u>	<u>\$ 904</u>

Exhibit E-1  
CITY OF GLENDALE  
Statement of Net Position  
Proprietary Funds  
June 30, 2019  
(amounts expressed in thousands)

	Business-type Activities					
	Sewer Fund	Electric Fund	Water Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Pooled cash and investments	\$ 29,866	\$ 138,827	\$ 23,868	\$ 47,397	\$ 239,958	\$ 138,395
Cash with fiscal agent	-	2,251	4,247	-	6,498	-
Investment with fiscal agent	-	2,398	-	-	2,398	-
Interest receivable	154	1,338	162	229	1,883	924
Investment-gas/electric commodity	-	1,365	-	-	1,365	-
Accounts receivable, net	3,324	23,187	7,447	2,651	36,609	6,640
Loans receivable	-	-	-	25	25	-
Inventories	-	6,875	-	-	6,875	190
Prepaid items	-	12,977	-	89	13,066	2,232
Total current assets	33,344	189,218	35,724	50,391	308,677	148,381
Noncurrent assets:						
Designated cash and investments	-	124,100	11,300	-	135,400	-
Restricted cash and investments	-	5,669	-	-	5,669	-
Capital assets, not being depreciated	25,306	33,606	12,414	2,489	73,815	4,857
Capital assets, net	157,937	211,831	168,058	8,300	546,126	31,682
Total noncurrent assets	183,243	375,206	191,772	10,789	761,010	36,539
Total assets	216,587	564,424	227,496	61,180	1,069,687	184,920
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pensions	1,050	10,946	3,462	2,995	18,453	-
Loss on refunding	-	4,335	-	-	4,335	-
Total deferred outflows of resources	1,050	15,281	3,462	2,995	22,788	-
Total assets and deferred outflows of resources	\$ 217,637	\$ 579,705	\$ 230,958	\$ 64,175	\$ 1,092,475	\$ 184,920

(Continued)



Exhibit E-1  
CITY OF GLENDALE  
Statement of Net Position  
Proprietary Funds  
June 30, 2019  
(amounts expressed in thousands)

	Business-type Activities					
	Sewer Fund	Electric Fund	Water Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 2,072	\$ 12,776	\$ 5,304	\$ 3,498	\$ 23,650	\$ 5,533
Wages and benefits payable	214	2,152	641	686	3,693	1,665
Due to other funds	-	-	-	-	-	196
Interest payable	-	2,904	1,323	-	4,227	-
Claims payable	-	-	-	-	-	16,485
Compensated absences	-	-	-	-	-	3,333
Bonds payable	-	6,337	2,031	-	8,368	-
Deposits	624	2,408	1,157	480	4,669	-
Total current liabilities	2,910	26,577	10,456	4,664	44,607	27,212
Noncurrent liabilities:						
Claims payable	-	-	-	-	-	41,863
Compensated absences	-	-	-	-	-	27,096
Bonds payable	-	154,087	74,778	-	228,865	-
Net pension liability	5,569	61,278	18,206	17,786	102,839	-
Total noncurrent liabilities	5,569	215,365	92,984	17,786	331,704	68,959
Total liabilities	8,479	241,942	103,440	22,450	376,311	96,171
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pensions	157	1,605	549	549	2,860	-
Total liabilities and deferred inflows of resources	8,636	243,547	103,989	22,999	379,171	96,171
<b>NET POSITION</b>						
Net investment in capital assets	183,243	89,348	103,663	10,789	387,043	36,539
Restricted for:						
SCAQMD emission controls	-	5,669	-	-	5,669	-
Unrestricted	25,758	241,141	23,306	30,387	320,592	52,210
Total net position	\$ 209,001	\$ 336,158	\$ 126,969	\$ 41,176	713,304	\$ 88,749

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	(241)
	<u>\$ 713,063</u>

Exhibit E-2  
CITY OF GLENDALE  
Statement of Revenues, Expenses, and  
Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Business-type Activities					
	Sewer Fund	Electric Fund	Water Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for services	\$ 24,892	\$ 211,748	\$ 48,726	\$ 26,952	\$ 312,318	\$ 98,296
Miscellaneous revenue	54	5,944	2,134	566	8,698	2,707
Total operating revenues	<u>24,946</u>	<u>217,692</u>	<u>50,860</u>	<u>27,518</u>	<u>321,016</u>	<u>101,003</u>
<b>OPERATING EXPENSES</b>						
Maintenance and operation	16,027	173,729	40,661	24,937	255,354	43,851
Claims and settlement	-	-	-	-	-	50,684
Depreciation	3,079	24,845	6,816	1,456	36,196	3,691
Gas depletion	-	1,014	-	-	1,014	-
Amortization	2,774	-	-	-	2,774	86
Total operating expenses	<u>21,880</u>	<u>199,588</u>	<u>47,477</u>	<u>26,393</u>	<u>295,338</u>	<u>98,312</u>
Operating income (loss)	<u>3,066</u>	<u>18,104</u>	<u>3,383</u>	<u>1,125</u>	<u>25,678</u>	<u>2,691</u>
<b>NON OPERATING REVENUES (EXPENSES)</b>						
Use of money and property	1,262	11,472	1,432	1,955	16,121	5,773
Intergovernmental grants	-	32	10	158	200	42
Interest expense	-	(6,215)	(3,139)	-	(9,354)	-
Total nonoperating revenues (expenses)	<u>1,262</u>	<u>5,289</u>	<u>(1,697)</u>	<u>2,113</u>	<u>6,967</u>	<u>5,815</u>
Income (loss) before capital grants and contributions and transfers	4,328	23,393	1,686	3,238	32,645	8,506
Capital grants and contributions	-	-	8	-	8	2,718
Transfers in	-	-	-	-	-	1,550
Transfers out	-	(19,022)	-	(1,150)	(20,172)	(1,550)
Change in net position	4,328	4,371	1,694	2,088	12,481	11,224
Total net position - beginning	204,673	331,787	125,275	39,088		77,525
Total net position - ending	<u>\$ 209,001</u>	<u>\$ 336,158</u>	<u>\$ 126,969</u>	<u>\$ 41,176</u>		<u>\$ 88,749</u>

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.

	5,409
Changes in net position of business-type activities	<u>\$ 17,890</u>

Exhibit E-3  
CITY OF GLENDALE  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash receipts from customers	\$ 23,895	\$ 220,937	\$ 50,917	\$ 27,460	\$ 323,209	\$ 97,909
Payments to employees	(3,394)	(33,377)	(10,545)	(10,837)	(58,153)	(20,621)
Payments to suppliers	(16,397)	(133,868)	(27,287)	(10,332)	(187,884)	(66,497)
Net cash provided (used) by operating activities	4,104	53,692	13,085	6,291	77,172	10,791
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Amounts paid to other funds	-	-	-	-	-	(20)
Transfers in (out)	-	(19,022)	-	(1,150)	(20,172)	-
Operating grants received	-	32	10	158	200	42
Loans receivable	-	-	-	(25)	(25)	-
Net cash provided (used) by noncapital financing activities	-	(18,990)	10	(1,017)	(19,997)	22
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of property, plant, equipment and gas reserves	(5,611)	(5,264)	(5,059)	(2,252)	(18,186)	(9,348)
Capital grants received	-	-	8	-	8	2,718
Interest on long-term debt	-	(6,079)	(3,176)	-	(9,255)	-
Principal payments and premiums	-	(6,126)	(1,941)	-	(8,067)	-
Proceed from sales of capital assets	1	14	-	66	81	98
Net cash provided (used) by capital and related financing activities	(5,610)	(17,455)	(10,168)	(2,186)	(35,419)	(6,532)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment - gas/electric commodity	-	135	-	-	135	-
Interest received	1,227	11,152	1,387	1,833	15,599	5,536
Net cash provided (used) by investing activities	1,227	11,287	1,387	1,833	15,734	5,536
Net increase (decrease) in cash and cash equivalents	(279)	28,534	4,314	4,921	37,490	9,817
Balances - beginning of year	30,145	242,313	35,101	42,476	350,035	128,578
Balances - end of the year	<u>\$ 29,866</u>	<u>\$ 270,847</u>	<u>\$ 39,415</u>	<u>\$ 47,397</u>	<u>\$ 387,525</u>	<u>\$ 138,395</u>

(Continued)

Exhibit E-3  
CITY OF GLENDALE  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating Income	\$ 3,066	\$ 18,104	\$ 3,383	\$ 1,125	\$ 25,678	\$ 2,691
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	3,079	24,845	6,816	1,456	36,196	3,691
Amortization	2,774	-	-	-	2,774	86
Depletion	-	1,014	-	-	1,014	-
Changes in assets and liabilities:						
Pension expense	235	2,785	1,171	1,199	5,390	-
(Increase) Decrease Accounts receivable, net	(1,336)	3,958	37	(111)	2,548	(3,094)
Decrease Inventories	-	80	-	-	80	20
(Increase) Prepaid expenses	-	(1,507)	-	(89)	(1,596)	(404)
Increase Accrued wages payable	46	143	47	32	268	1,400
Increase Compensated absences	-	-	-	-	-	378
Increase (Decrease) Accounts payable	(4,045)	4,983	1,611	2,626	5,175	942
Increase (Decrease) Deposits	285	(713)	20	53	(355)	-
Increase Claims payable	-	-	-	-	-	5,081
Net cash provided (used) by operating activities	<u>4,104</u>	<u>53,692</u>	<u>13,085</u>	<u>6,291</u>	<u>77,172</u>	<u>10,791</u>
<b>Reconciliation of Statement of Cash Flows to Statement of Net Position:</b>						
Pooled cash and investments	29,866	138,827	23,868	47,397	239,958	138,395
Cash with fiscal agent	-	2,251	4,247	-	6,498	-
Designated cash and investments	-	124,100	11,300	-	135,400	-
Restricted cash and investments	-	5,669	-	-	5,669	-
Cash and cash equivalents at June 30	<u>\$ 29,866</u>	<u>\$ 270,847</u>	<u>\$ 39,415</u>	<u>\$ 47,397</u>	<u>\$ 387,525</u>	<u>\$ 138,395</u>

Exhibit F-1  
CITY OF GLENDALE  
Statement of Fiduciary Net Position  
June 30, 2019  
(amounts expressed in thousands)

	Glendale Successor Agency Private-Purpose Trust Funds
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 63,126
Cash and investments with fiscal agent	11,649
Restricted cash and investments	29
Loans receivable	988
Total current assets	<u>75,792</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Loss on refunding	<u>1,651</u>
Total assets and deferred outflows of resources	<u>77,443</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	41
Interest payable	367
Bonds payable	10,606
Loans payable to the City	3,733
Total current liabilities	<u>14,747</u>
Noncurrent liabilities:	
Bonds payable	63,632
Loans payable to the City	9,821
Total noncurrent liabilities	<u>73,453</u>
Total liabilities	<u>88,200</u>
Net position (deficit) held in trust	<u>\$ (10,757)</u>

Exhibit F-2  
CITY OF GLENDALE  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Glendale Successor Agency Private-Purpose Trust Funds
<b>ADDITIONS</b>	
Property tax	\$ 19,542
Gain on sale of property	1,453
Interest income	1,555
Total additions	<u>22,550</u>
<b>DEDUCTIONS</b>	
Operating expenses	1,151
Depreciation	123
Interest and amortization expense on bonds	4,195
Transfer of bond proceeds to the City	10,667
Total deductions	<u>16,136</u>
Change in net position	6,414
Net Position - beginning of the year	(17,171)
Net Position - end of the year	<u><u>\$ (10,757)</u></u>

This page is left blank intentionally.

# 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, 2019**

<b>Note</b>		<b>Page</b>
(1)	Summary of Significant Accounting Policies	42
(2)	Stewardship, Compliance and Accountability	51
(3)	Cash and Investments	52
(4)	Loans Receivable	58
(5)	Interfund Transactions	61
(6)	Capital Assets	62
(7)	Long-term Debt	64
(8)	Pension Plans	70
(9)	Other Post Employment Benefits Than Pensions (OPEB)	80
(10)	Net Deficits of Individual Funds	83
(11)	Risk Management	84
(12)	Contingent Liabilities and Commitments	85
(13)	Jointly Governed Organizations	87
(14)	Successor Agency Trust for Assets of Former Redevelopment Agency	90
(15)	Pronouncements Issued But Not Yet Implemented	98
(16)	Implementation of Pronouncements	99

## **CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(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 Housing Authority), the Glendale Financing Authority (the Financing Authority), and the Glendale Municipal Financing Authority (the Municipal Financing Authority). The City Council serves as the Board of the Housing Authority, the Financing Authority and the Municipal Financing Authority. Management of the City has operational responsibility for the Housing Authority, the Financing Authority and the Municipal Financing Authority as these component units are essentially managed in the same manner as other City departments. Also, the Financing Authority and the Municipal Financing Authority provide 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 Housing Authority administers seven affordable housing program funds on behalf of the City, including (1) the Department of Housing and Urban Development (HUD) Housing Assistance Fund (often called "Section 8"), (2) the HUD HOME Grant Fund, (3) the HUD Continuum of Care Grant Fund, (4) the Affordable Housing Trust Fund that receives density bonus, inclusionary and other local affordable housing funds, (5) the state funded BEGIN Affordable Homeownership Fund, (6) the Low and Moderate Income Housing Asset Fund, and (7) 2011 TABs Housing Fund. 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 Housing 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 former 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. On June 25, 2019, the certificates of participation were paid off. 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 Municipal Financing Authority was established on April 9, 2019, by a joint powers authority between the City of Glendale and the Housing Authority. The stated purpose was to assist in refinancing the 2000 Variable Rate Demand Certificates of Participation under the Financing Authority. On June 25, 2019, the Municipal Financing Authority issued \$24,925 fixed-rate bonds to refinance the 2000 Variable Rate Demand Certificates of Participation. The Municipal Financing Authority's financial data and transactions are included within the Police Building 2019 Lease Revenue Refunding Bonds Fund, and no separate financial report is issued for the Municipal Financing Authority.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City except for the fiduciary fund. The effect of interfund activity has been removed from these statements except for the interfund 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 services.

## **CITY OF GLENDALE**

### **Notes to the Basic Financial Statements**

Fiscal Year Ended June 30, 2019

(in thousands)

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 70 funds, which are comprised of the General Fund, 1 fiduciary fund, 37 special revenue funds, 2 debt service funds, 9 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, regulation or commitment, 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.

Effective June 30, 2019, Recreation Fund, Special Events Fund and Filming Fund were closed, and the fund balances were transferred to the General Fund. The operations of these three funds will be recorded in the General Fund starting FY 2019-20.

## **CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

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

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

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

- Sewer Fund – Used to account for operations and maintenance of the sewer system. This service is primarily contracted with the City of Los Angeles.
- Electric Fund – Used to account for the operations of the City-owned electric utility services.
- Water Fund – Used to account for the operations of the City-owned water utility services.

Other 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 account for fleet management, technology and wireless equipment management and replacement, building maintenance, compensated absences, retiree health savings plan, other post-employment benefits, and risk management services (including claims for workers' compensation, general liability, medical, dental, vision, and unemployment) provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

### ***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.

Effective February 1, 2012, due to AB 1x 26, the dissolution of Redevelopment Agencies throughout California, the activities of the dissolved Glendale Redevelopment Agency are recorded in the Glendale Successor Agency Private Purpose Trust Fund.

### **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

## **CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

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 landfill host assessment and landfill loyalty tipping fee that are collected within 90 days. Under the modified 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.

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 on January 1st and assessed as enforceable liens on real property as of July 1st. Taxes are levied on both secured and unsecured property as it exists on record as of January 1<sup>st</sup>. The tax levy covers the fiscal period July 1 to June 30. The secured property taxes are due November 1st and February 1st and are delinquent if not paid by December 10th and April 10th, respectively. Property taxes on the unsecured roll are due upon receipt and become delinquent if unpaid on August 31st. Property tax revenues are recognized in the fiscal period for which they are levied and collected.

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**

#### ***Pooled 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 is 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. 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.

## **CITY OF GLENDALE**

### **Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2019**

**(in thousands)**

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 flow of the proprietary fund types, cash and cash equivalents include all pooled cash and investments, restricted cash, designated 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.

#### ***Cash and Investments with Fiscal Agents***

The City hired Bank of New York Mellon as its trustee or fiscal agent to oversee the implementation of a bond or trust indenture for the City's Certificates of Participation, which was fully refunded on June 25, 2019, Glendale Municipal Financing Authority 2019 Lease Revenue Bonds, Electric Revenue Bonds and Water Revenue Bonds.

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

Governmental Activities have \$66,529 in restricted cash and investments as of June 30, 2019. \$29,426 in the General Fund is for the investments for the pension rate stabilization program that is invested in an Internal Revenue Code Section 115 Trust Fund and \$37,103 in the Landfill Postclosure capital project fund is for the postclosure maintenance cost of Scholl Canyon landfill.

Electric Fund has \$5,669 in restricted cash and investments for the environmental compliance funds mandated by South Coast Air Quality Management District (SCAQMD) as of June 30, 2019. \$4,978 is 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 is in SCAQMD restricted cash for environmental projects dedicated to the reduction of emission and improvement of public health in Glendale.

#### ***Investments-Gas/Electric Commodity***

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, 2019, \$124,100 was designated for the Electric Fund in the following categories: \$57,700 for operating reserve, \$40,400 for contingency reserve; \$10,000 for rate stabilization reserve, and \$16,000 for gas reserve project. As of June 30, 2019, \$11,300 was designated for the Water Fund in the following categories: \$3,800 for operating reserve, \$6,500 for contingency reserve, and \$1,000 for rate stabilization reserve. As part of the Electric and Water cost of service and rate studies conducted in FY 2017-18, the consultants determined the existing cash reserve funding levels are sufficient in the five year rate plan effective on July 1, 2018. GWP management also reviews the funding level annually and determined that the reserve levels are sufficient for FY 2018-19.

## **CITY OF GLENDALE**

### **Notes to the Basic Financial Statements**

Fiscal Year Ended June 30, 2019

(in thousands)

#### ***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. 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, sales taxes, to name a few, are earned but not received as of June 30th of each year. In addition, it includes charges for utility and other services provided to customers prior to year-end but not billed as of June 30th because of the billing cycle timing. 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. Outstanding accounts over 60 days are forwarded to a collection agency.

Loans Receivable – The City currently has three types of loans receivable: (1) from City of Burbank, City of Alhambra and Burbank-Glendale-Pasadena Airport Authority for the purchase of alerting system (2) from Glendale Successor Agency for enforceable obligations with the City after the dissolution of Glendale Redevelopment Agency, and (3) from various Glendale residents and organizations for affordable housing assistance. See Note 4 for more information.

#### ***Interfund Transactions***

Interfund 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, 2019, the General Fund recorded \$19,448 as interfund 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 Fund, are stated at cost, using the weighted average cost method or disposal value. Inventory shown in the General Fund and the Fleet/Equipment 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, mobile equipment, equipment, intangible, 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

**CITY OF GLENDALE**

## Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

government-wide financial statements to the extent the City's capitalization is met. 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.

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
Local Sewer System	80
Machinery and Equipment	
Police Patrol Vehicles	3
Computer Systems	5
Passenger Cars, Pickup/Refuse	6
Cargo Vans, Street Sweepers	7
Dump/Tractor/Trailer Trucks	10
Helicopters	20
Emergency Response Engines	20
Intangible	
Wastewater Treatment Plan and Conveyance System Facilities	40
Computer Software	2-8
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 SCPA and entered into a 25 year Gas Sales Agreement with SCPA 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 \$13,178 or 4.26%. Subsequently, capital drilling costs of \$8,983 had been capitalized. As of June 30, 2019, the balance for Natural Gas Reserve Project, net of accumulated natural gas depletion was \$10,122.

**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



## **CITY OF GLENDALE**

### **Notes to the Basic Financial Statements**

Fiscal Year Ended June 30, 2019

(in thousands)

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

#### ***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 8 for more information.

#### ***Compensated Absences***

The total compensated absences liability for the City is \$30,429, 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, 2019, the liability is \$15,476, and the City has \$17,405 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 15 or 20 years of City service, based on the memoranda of understanding agreements between the City and the unions. 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 \$.022 to \$.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, 2019, the actuarial accrued liability is \$14,953, and the City has \$17,621 available in cash dedicated to this liability in the Fund. The actuarial accrued liability of June 30, 2019 is estimated based on most recent actuarial valuation report dated June 30, 2017, and the actual benefit payments made in FY 2017-18 and FY 2018-19, assuming no gains/losses and no changes in methods or assumption.

For the governmental activities, compensated absences are primarily liquidated by the respective internal service funds.

#### ***Other Post Employment Benefits (OPEB)***

The City's defined benefit OPEB plan, City of Glendale Retiree Benefits Plan (Plan), provides OPEB for all permanent full-time general and public safety employees of the City. The Plan is a single-employer defined benefit OPEB plan administered by the City and governed by the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. See Note 9 for more information.

#### ***Unearned Revenue***

The unearned revenue liability reports amounts received in advance of providing goods or services. When the goods or services are provided, this account balance is reduced, and revenue is recognized.

#### ***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 financial statements. Property held for resale is carried at the lower of cost or net realizable value (realizable value less cost to sell).

## **CITY OF GLENDALE**

### Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

#### ***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.

The government-wide statement of net position reports \$181,423 of restricted net position, of which \$61,284 is restricted by enabling legislation. The City Charter Article XI Section 15 requires \$30,769 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, \$30,515 is restricted for low and moderate housing.

## **CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(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 makes the pension contributions and OPEB payments after the measurement date, the City reports deferred outflows of resources. When there is an increase in pension expense arising from the recognition of change in assumptions and of differences between projected and actual earnings on pension plan investments, the City reports a deferred outflow of resources until the increase is recognized in expense. The City's deferred outflows of resources as of June 30, 2019 is \$107,026, which consists of \$4,335 loss on refunding, \$102,215 related to pensions and \$476 related to OPEB.

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 and OPEB expense arising from the recognition of changes in assumptions and of differences between expected and actual experience, the City reports a deferred inflow of resources until the decrease is recognized in expense. The City's deferred inflows of resources as of June 30, 2019 is \$21,028, which consists of \$19,079 related to pensions and \$1,949 related to OPEB. 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 \$13,657 in the General Fund, \$153 in the Housing Assistance Fund, and \$7,241 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.

**CITY OF GLENDALE**

## Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

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

- The City Charter requires that the City Manager 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 or June, a public hearing is 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 funds over expended their appropriations as of June 30, 2019:

Funds	Amounts Over Expended
Filming Fund	\$ 1,426
Recreation Fund	1,116
Fire Mutual Aid Fund	759
Police Building Project Debt Service Fund	15,496
Police Building 2019 Lease Revenue Refunding Bonds Fund	357

- Filming Fund and Recreation Fund were closed in FY 2018-19, and the remaining fund balances were transferred to the General Fund.
- Police Building Project Debt Service Fund was closed in FY 2018-19, and the remaining fund balance was transferred to the Police Building 2019 Lease Revenue Refunding Bonds Fund.
- Police Building 2019 Lease Revenue Refunding Bonds Fund incurred a bond issuance cost of \$357 in FY 2018-19.

**NOTE 3 – CASH AND INVESTMENTS**

Governmental and business-type activities:

Cash and investments as of June 30, 2019 consist of the following:

Investments	\$ 867,778
Cash and investments with fiscal agents	8,896
	876,674
Cash held in financial institutions	47,228
Total	\$ 923,902

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

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

Pooled cash and investments	\$ 706,043
Restricted cash and investments	72,198
Cash and investments with fiscal agents	8,896
Investment – gas/electric commodity	1,365
Designated cash and investments	135,400
Total	<u>\$ 923,902</u>

**Authorized Investments**

Allowable investments for the portfolio of the City of Glendale are limited by California State Government Code Sections 53600 et seq. They are further restricted by the City Treasurer's investment strategy. Percentages of Investment Participation and percentages of Maximum Participation apply at the time of purchase. Purchase transactions may not exceed \$10,000, nor exceed five-year maturities. Exceptions can only be approved by the City Council. The City Treasurer may invest or deposit in the following types of investments:

	<u>Maximum Maturity</u>	<u>Maximum Investment Participation</u>	<u>Maximum Investment Exposure</u>
U.S. Treasury Notes	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 Notes	5 years	30%	5% per issuer
Commercial Paper (A1, P1, F1 min. rating)	270 days	25%	10% per issuer
Bankers' Acceptances (A1, P1, F1 min. rating)	180 days	30%	10% per bank
Time Deposits (FDIC Insured)	1 year	10%	5% per issuer
Negotiable Certificates of Deposit (A1, P1, F1 min. rating)	1 year	30%	5% per issuer
Local Agency Investment Fund (State Pool)	N/A	LAIF maximum (\$65 MM per account)	None
Money Market Mutual Funds	90 days	20%	10% per mutual fund
Los Angeles County Treasury Pool	N/A	10%	None

**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.

**CITY OF GLENDALE**

## Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**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.

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	\$ 27,776	27,776	-	-	-
Federal Agency Term Notes	130,634	24,729	27,984	77,921	-
Federal Agency Callable Bonds	38,573	-	9,965	28,608	-
Medium Term Notes	222,951	23,551	51,108	148,292	-
Obligations of Other States	74,330	11,586	11,526	51,218	-
State and Municipal Bonds	59,387	22,202	9,414	27,771	-
State Investment Pool	128,219	128,219	-	-	-
Los Angeles County Pool	31,029	31,029	-	-	-
U.S. Treasury Notes	75,280	4,983	26,921	43,376	-
Held by Other Financial Institutions:					
Money Market Accounts	50,172	50,172	-	-	-
Section 115 Trust Fund:					
Money Market Accounts	970	970	-	-	-
Money Market Mutual Funds	28,457	28,457	-	-	-
Held by Fiscal Agents:					
Money Market Accounts	6,498	6,498	-	-	-
Guaranteed Investment Contracts	2,398	-	-	-	2,398
	<u>\$ 876,674</u>	<u>360,172</u>	<u>136,918</u>	<u>377,186</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. Investments in State of California and California Local Agencies must be rated "A" or better by a nationally recognized rating service. 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.

**CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

Governmental and business-type activities:

	Total	Moody's Rating as of June 30, 2019							
		A1	A2	Aa1	Aa2	Aa3	Aaa	P1	Unrated
Commercial Paper	\$ 27,776	-	-	-	-	-	-	27,776	-
Federal Agency Term Notes	130,634	-	-	-	-	-	130,634	-	-
Federal Agency Callable Bonds	38,573	-	-	-	-	-	38,573	-	-
Medium Term Notes	222,951	9,225	9,008	33,185	67,037	31,907	62,601	-	9,988
Obligations of Other States	74,330	-	-	25,543	8,744	-	12,094	-	27,949
State and Municipal Bonds	59,387	-	1,272	-	9,084	15,168	483	-	33,380
State Investment Pool	128,219	-	-	-	-	-	-	-	128,219
Los Angeles County Pool	31,029	-	-	-	-	-	-	-	31,029
U.S. Treasury Notes	75,280	-	-	-	-	-	75,280	-	-
Held by Other Financial Institutions:									
Money Market Accounts	50,172	-	-	-	-	-	40,000	-	10,172
Section 115 Trust Fund:									
Money Market Accounts	970	-	-	-	-	-	-	-	970
Money Market Mutual Funds	28,457	-	-	-	-	-	-	-	28,457
Held by Fiscal Agents:									
Money Market Accounts	6,498	-	-	-	-	-	6,498	-	-
Guaranteed Investment Contracts	2,398	-	-	-	-	-	-	-	2,398
	<u>\$ 876,674</u>	<u>9,225</u>	<u>10,280</u>	<u>58,728</u>	<u>84,865</u>	<u>47,075</u>	<u>366,163</u>	<u>27,776</u>	<u>272,562</u>

**Concentration Risk**

The investment policy of the City limits the amounts that may be invested in any one issuer to 5%, 10% per bank for bankers' acceptances, 10% per issuer for commercial paper, or 10% per fund for money market mutual fund. This limit excludes investments in U.S. treasury securities, federal agencies securities, Local Agency Investment Fund and Los Angeles County Pool.

Investments in any one issuer that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
FHLB	Federal Agency Callable Bonds	\$ 15,002
	Federal Agency Term Notes	93,114
	Total	<u>\$ 108,116</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.

## **CITY OF GLENDALE**

### **Notes to the Basic Financial Statements**

Fiscal Year Ended June 30, 2019

(in thousands)

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 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.

#### **Investment in Internal Revenue Code Section 115 Trust Fund**

The City reviewed the City's obligation to fund the pension obligations and determined that it served the City's interests to prefund those benefits. In July 2017, the City Council approved and adopted the funding for a Pension Rate Stabilization Program IRC Section 115 Trust. The Pension Stabilization Trust is a tax-qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund pension obligations. The Plan Discretionary Trustee is U.S. Bank and U.S. Bank has delegated investment management responsibilities to High Mark Capital Management, and Public Agencies Retirement Services (PARS) is the Trust Administrator. The City elected the 'Moderately Conservative HighMark Plus' investment approach with a blended investment objective strategy. The primary objective is to provide current income with capital appreciation as secondary objective. The Plan's target rate of return is 5 percent. The asset target allocations for this objective are 3% cash source, 50% equity and 47% fixed income. The City's Section 115 trust fund account is reported as restricted assets and fund balance in the General Fund. The value of the trust as of June 30, 2019 was \$29,426 of which all was placed in cash, money market and money market mutual fund accounts.

#### **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:



## **CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

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, 2019. 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.

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.

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.

**CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

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

As of June 30, 2019, the City has the following fair value measurements:

	Balance at June 30, 2019	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	\$ 27,776	-	27,776	-
Federal Agency Term Notes	130,634	-	130,634	-
Federal Agency Callable Bonds	38,573	-	38,573	-
Medium Term Notes	222,951	-	222,951	-
Obligations of Other States	74,330	-	74,330	-
State and Municipal Bonds	59,387	-	59,387	-
U.S. Treasury Notes	75,280	-	75,280	-
Section 115 Trust Fund:				
Money Market Mutual Funds	28,457	28,457	-	-
Total investments by fair value level	657,388	28,457	628,931	-
Investments measured at amortized costs or not subject to fair value hierarchy:				
Los Angeles County Pool	31,029			
State Investment Pool	128,219			
Held by Other Financial Institutions:				
Money Market Accounts	50,172			
Section 115 Trust Fund:				
Money Market Accounts	970			
Held by Fiscal Agents:				
Guaranteed Investment Contracts	2,398			
Money Market Accounts	6,498			
Total investments measured at amortized costs or not subject to fair value hierarchy	219,286			
	<u>\$ 876,674</u>			

**NOTE 4 – LOANS RECEIVABLE*****Verdugo Fire Communications***

The Verdugo Fire Communications Center (Verdugo Fire) is a regional dispatch center that was established by the cities of Burbank, Glendale, and Pasadena. Verdugo Fire received a grant in June 2011 to implement WestNet Inc.'s First-In Fire Station Alerting System. At the time of the grant purchase, all but four (City of Alhambra, City of Burbank, City of Montebello, and Burbank-Glendale-Pasadena Airport Authority) of Verdugo Fire's dispatch agencies chose to buy into the WestNet Inc. station alerting system. Due to Verdugo Fire's CAD upgrade project, the technology needed to connect the fire station alerting systems in each of Verdugo Fire's agencies will change and the four agencies need to implement a fire station alerting system to be compatible with Verdugo Fire. City of

## **CITY OF GLENDALE**

### **Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2019**

(in thousands)

Montebello upgraded to use WestNet Inc's station alerting system. Three Agencies (City of Alhambra, City of Burbank, and Burbank-Glendale-Pasadena Airport Authority), however, elected to purchase the Phoenix G2 Fire Station Alerting System from US Digital Designs Inc. (USDD). As Verdugo Fire currently does not use USDD's fire station alerting system, Verdugo Fire procured the necessary hardware and software from USDD and Northrop Grumman's interface to be able to connect to the three Agencies. As it was the decision of the three Agencies to use USDD's fire station alerting solution and not the solution Verdugo Fire already has in place for its other agencies, it was agreed upon by the Tri-City Fire Chief's and each of the three Agencies, that Verdugo Fire would only be responsible for a portion of the cost of the USDD equipment and Northrop Grumman's interface needed in the dispatch center to connect to the three Agencies' respective fire stations. In May 2019, Verdugo Fire executed a loan agreement with the City of Alhambra, City of Burbank, and Burbank-Glendale-Pasadena Airport Authority for the purchase of USDD's station alerting system. The loan receivable amount was estimated to be \$46, with agreed upon terms of no loan fee or accruing interest, and is required to be repaid within the first quarter of Fiscal Year 2019-20. As of June 30, 2019, the loan receivable is \$25.

### ***Successor 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 ("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 Agency has completed a series of reports, audits and reviews, and approvals with approval from the Oversight Board and state Department of Finance ("DOF"). These have included two detailed Due Diligence Reviews 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 Senate Bill 107, the requirement to prepare biannual payment schedules known as Recognized Obligation Payment Schedules (ROPS) was replaced with an annual ROPS.

As of June 30, 2019, the reinstated loan amount is \$13,554, which includes \$323 of interest accrued in FY 2018-19.

### ***Housing***

The Housing Authority has offered various housing loans to the residents of the City to create and maintain affordable housing for low and moderate income households. 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. 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.

## **CITY OF GLENDALE**

### Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

- *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, 2019, \$1,511 is outstanding, which is recorded in governmental activities in the government-wide financial statement.

- *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, 2019, \$3,018 is outstanding. As of June 30, 2019, the non-forgivable amount is \$0.

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. This includes the most recent HOME funded loans that 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, 2019, the forgivable loan amount at the end of the term is \$4,110, and 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, 2019, the non-forgivable amount is \$5,591 and is recorded in governmental activities in the government-wide financial statement.

- *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 some 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, 2019, the amount of forgivable or contingent loans is \$97,972, which is not recorded on the financial statements.

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**NOTE 5 – INTERFUND TRANSACTIONS**

The composition of interfund 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 interfund loan extending beyond one year and some advances are formal lending agreements between funds.

Due to/from other funds as of June 30, 2019 consist of the following:

Due to General Fund from:

Nonmajor governmental funds	\$	4,587
Internal service funds		<u>196</u>
Total	\$	<u>4,783</u>

The City reports transfers between many of its funds. The sum of all transfers presented in the following table agrees with the sum of interfund transfers presented in the government-wide, governmental and proprietary fund financial statements. Transfers are used to (1) subsidize the activities of other funds 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	\$ 19,022	Fund General Fund operations per Charter
Refuse Disposal Fund	1,150	Fund General Fund operations
Filming Fund	1,455	Close Filming Fund to General Fund
Recreation Fund	<u>3,875</u>	Close Recreation Fund to General Fund
	<u>25,502</u>	
Transfers to Capital Improvement Fund from:		
General Fund	6,526	Fund capital improvement projects
Transfers to nonmajor governmental funds from:		
General Fund	2,008	20% of City GSA loan payment
General Fund	85	Nutritional Meals Grant matching
General Fund	1,000	Fund Police Building Project debt service
Capital Improvement Fund	<u>4,560</u>	Fund Scholl Canyon Landfill reserve
		Close Police Building Project Debt Service
		Fund to Police Building 2019 Lease
Police Building Project Debt Service Fund	<u>15,372</u>	Revenue Refunding Bonds Fund
	<u>23,025</u>	
Transfers to Internal Service Funds from:		
Unemployment Insurance Fund	700	Fund Compensation Insurance Fund
Dental Insurance Fund	600	Fund Medical Insurance Fund
Vision Insurance Fund	<u>250</u>	Fund Medical Insurance Fund
	<u>1,550</u>	
Total Interfund Transfers	\$ <u><u>56,603</u></u>	
Special item - Transfer of bond proceeds from:		
Successor Agency Private Purpose Trust Fund	\$ 8,691	Transfer of 2011 Tax Allocation Bond proceeds (housing portion)
Successor Agency Private Purpose Trust Fund	<u>1,976</u>	Transfer of 2011 Tax Allocation Bond proceeds (non-housing portion)
	\$ <u><u>10,667</u></u>	

**CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

**NOTE 6 – CAPITAL ASSETS**

Capital asset for Governmental activities for the year ended June 30, 2019 was as follows:

	Balance at July 1	Increases	Decreases	Reclass	Balance at June 30*
Capital assets, not being depreciated:					
Land	\$ 421,820	1,084	-	-	422,904
Construction in progress	36,618	17,114	-	(9,390)	44,342
Total assets not being depreciated	458,438	18,198	-	(9,390)	467,246
Depreciable capital assets:					
Building and improvements	413,511	2,120	-	3,479	419,110
Machinery and equipment	127,430	6,784	(1,426)	51	132,839
Infrastructure	325,498	1,682	(347)	600	327,433
Total other capital assets at cost	866,439	10,586	(1,773)	4,130	879,382
Amortizable intangible assets:					
Intangible assets	1,001	718	-	5,260	6,979**
Less accumulated depreciation:					
Building and improvements	169,752	10,726	-	-	180,478
Machinery and equipment	87,450	6,429	(1,426)	-	92,453
Infrastructure	109,814	8,361	(347)	-	117,828
Total accumulated depreciation	367,016	25,516	(1,773)	-	390,759
Less amortization:					
Intangible assets	29	379	-	-	408
Total assets being depreciated and amortized, net	500,395	(14,591)	-	9,390	495,194
Governmental activities capital assets, net	\$ 958,833	3,607	-	-	962,440

\*\$61,441 and \$69,926 of buildings, improvements, machinery, equipment, construction in progress and intangible assets for FY2018 and FY2019 respectively from internal service funds are included in governmental activities. \$30,472 and \$33,387 of accumulated depreciation and amortization for FY2018 and FY2019 respectively from internal service funds are included in governmental activities.

\*\*\$6,979 of intangible assets is software.

Depreciation and amortization expense was charged to functions of the City's governmental activities for the year ended June 30, 2019 as follows:

Depreciation and amortization	
General Government	\$ 2,422
Police	2,211
Fire	861
Public Works	15,341
Parks, Recreation and Community Services	2,888
Library	1,184
Housing, Health and Community Development	988
Total depreciation and amortization expense	\$ 25,895

**CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

Capital asset for Business-type activities for the year ended June 30, 2019 was as follows:

	Balance at July 1	Increases	Decreases	Reclass	Balance at June 30
Capital assets, not being depreciated:					
Land	\$ 9,557	-	-	-	9,557
Construction in progress	60,827	8,508	-	(5,077)	64,258
Total assets not being depreciated	70,384	8,508	-	(5,077)	73,815
Depreciable capital assets:					
Building and improvements	276,064	1,547	-	679	278,290
Machinery and equipment	583,019	4,044	(3,221)	2,386	586,228
Infrastructure	156,433	-	-	2,012	158,445
Total other capital assets at cost	1,015,516	5,591	(3,221)	5,077	1,022,963
Depletable capital assets:					
Natural gas reserve	22,150	11	-	-	22,161
Amortizable intangible assets:					
Intangible assets	105,661	4,075	-	-	109,736
Less accumulated depreciation:					
Building and improvements	105,052	6,041	-	-	111,093
Machinery and equipment	350,719	26,620	(3,221)	-	374,118
Infrastructure	55,679	3,535	-	-	59,214
Total accumulated depreciation	511,450	36,196	(3,221)	-	544,425
Less accumulated natural gas depletion:					
Natural gas reserve	11,025	1,014	-	-	12,039
Less amortization:					
Intangible assets	49,496	2,774	-	-	52,270
Total assets being depreciated, depleted, and amortized, net	571,356	(30,307)	-	5,077	546,126
Business-type activities capital assets, net	\$ 641,740	(21,799)	-	-	619,941

Depreciation, depletion and amortization expense was charged to functions of the City's business-type activities for the year ended June 30, 2019 as follows:

Depreciation	
Sewer	\$ 3,079
Electric	24,845
Water	6,816
Refuse Disposal	1,324
Fire Communication	132
Total depreciation expense	36,196
Depletion - Electric	1,014
Amortization - Sewer	2,774
Total depreciation, depletion, and amortization expense	\$ 39,984

**CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

**NOTE 7 – LONG-TERM DEBT**

The City's long-term debt as of June 30, 2019 consists of the following:

	Issuance Amount	Balance at July 1	Additions	Retirements	Balance at June 30	Due within one year
<b>Governmental Activities:</b>						
Certificates of Participation (COPs)	\$ 64,200	31,880	-	31,880	-	-
2011 HUD Section 108 Loan	2,000	908	-	212	696	222
Loans payable	1,444	594	61	655	-	-
Bonds payable:						
GMFA 2019 lease revenue refunding bonds	24,925	-	24,925	-	24,925	1,830
GMFA 2019 lease revenue bonds premium	-	-	5,327	-	5,327	484
<b>Total Governmental activities</b>	<b>\$ 92,569</b>	<b>33,382</b>	<b>30,313</b>	<b>32,747</b>	<b>30,948</b>	<b>2,536</b>

	Issuance Amount	Balance at July 1	Additions	Retirements	Balance at June 30	Due within one year
<b>Business-type activities:</b>						
Bonds payable:						
Electric revenue bonds, 2013 refunding series	\$ 20,510	18,675	-	975	17,700	1,010
Electric revenue bonds, 2013 series	60,000	56,155	-	1,175	54,980	1,235
Electric revenue bonds, 2016 refunding series	72,615	69,985	-	2,845	67,140	2,960
Electric revenue bonds premium	-	21,735	-	1,131	20,604	1,132
Water revenue bonds, 2008 series	50,000	42,390	-	1,420	40,970	1,470
Water revenue bonds, 2012 series	35,000	34,585	-	435	34,150	475
Water revenue bonds premium	-	1,776	-	87	1,689	86
<b>Total Business-type activities</b>	<b>\$ 238,125</b>	<b>245,301</b>	<b>-</b>	<b>8,068</b>	<b>237,233</b>	<b>8,368</b>

**Governmental Activities:****The City of Glendale Financing Authority*****Variable Rate Demand Certificates of Participation (COPs) - 2000 Police Building Project***

The COPs were refunded on June 25, 2019 with Glendale Municipal Financing Authority 2019 Lease Revenue Refunding Bonds. Accordingly, the liability for the refunded COPs has been removed from the Glendale Financing Authority and the lien of the 2000 Certificates and related lease property securing the 2000 Certificates were discharged, terminated and of no further force and effect. As of June 30, 2019, a final principal payment of \$1,985 was issued on June 1, 2019 and the remaining \$29,895 principal amount was fully refunded and redeemed on June 25, 2019 at a redemption price equal to the outstanding principal amount together with accrued interest to the date of redemption.



## **CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

### **The City of Glendale Municipal Financing Authority**

#### ***Glendale Municipal Financing Authority (GMFA) 2019 Lease Revenue Refunding Bonds***

The GMFA 2019 Lease Revenue Refunding Bonds were issued pursuant to a resolution adopted by the City Council and Joint Exercise of Powers Agreement with the Glendale Housing Authority to establish the Glendale Municipal Financing Authority on April 9, 2019 and a resolution adopted by the City Council authorizing GMFA to issue bonds to refinance the City's 2000 Variable Rate Certificates of Participation on April 16, 2019.

The City of Glendale Municipal Financing Authority issued \$24,925 in lease revenue bonds on June 25, 2019 to refinance the existing lease relating to the City's outstanding Variable Rate Demand Certificates of Participation (2000 Police Building Project). The bond proceeds were deposited in an escrow account and were used to refund and redeem all of the outstanding COPs on June 25, 2019 at a redemption price equal to 100% of the principal amount plus accrued interest up to the redemption date. There was no difference between the reacquisition price of the refunding bonds and the net carrying amount of the refunded bonds. The refunding also resulted in cash flow savings of \$3,710 which is the difference between the cash flows required to service the old COPs and the cash flows required to service the new 2019 bonds.

The GMFA does not require the trustee to establish and maintain a reserve fund for the bonds. The bonds mature in regularly increasing amounts ranging from \$1,830 to \$2,850 annually from FY2019-20 to FY2029-30. The bonds are not subject to optional redemption prior to their respective stated maturities.

The bonds are payable and secured from the revenues pledged under the Indenture of Trust, dated June 1, 2019. Pursuant to a Site Lease, dated June 1, 2019, by and between the GMFA and the City, the City has leased the Police building to GMFA. GMFA has subleased the Police building back to the City under the Lease Agreement, dated June 1, 2019, by and between the City and GMFA. The revenues consist primarily of lease payments to be made by the City under the terms of the Lease Agreement. The annual lease payments from the City are to be made at a rate sufficient to meet the debt service requirements of the outstanding bond indebtedness on the leased property.

The bonds payable contain a provision that Glendale Municipal Financing Authority will not pledge to collateral any assets owned by the City, but the Lease Agreement permits the Glendale Municipal Financing Authority and its Trustee to take possession of and re-lease the Police Building in the event of a default by the City. The governmental activities bonds payable has no remedy of acceleration of any lease payments which has not come due and payable in accordance with the Lease Agreement. The governmental activities bonds payable contain an event of default that changes the timing of repayment of outstanding principal and interest to become immediately due if the City is unable to make payment.

### **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 \$222 to \$242 annually from FY 2019-20 to FY 2021-22. The Section 108 loan payment is budgeted as a CDBG project each year based on the payment schedule.

## **CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

The governmental activities HUD Section 108 guaranteed loan contain a provision that the City obtain as collateral a sole first priority lien on the real property S.H. Hope and Compassion Center used as a homeless shelter. The guaranteed loan also contains a subjective acceleration clause that allows the HUD Secretary to accelerate payment with respect to principal amount subject to optional redemption. The guaranteed loan contain an event of default that all rights, title and interest of the City in the loan shall vest immediately to HUD Secretary for use in making payment and changes the timing of repayment of outstanding amounts to become immediately due if the City is unable to make payment.

### **The City of Glendale**

#### ***Loans Payable***

In December 2014, the City entered into an agreement with Modern Parking, Inc. ("Agreement") for the procurement and installation of a modernized Parking Access and Revenue Control System (PARCS) for City-owned downtown parking garages. This PARCS replacement contains new automated vehicle exits, updated payment acceptance options (primarily credit card), more thorough auditing reports for improved revenue controls, and an updated camera and intercom system. The total cost of the equipment was \$1,851 with an effective annual interest rate of 6.0%. Subject to the terms of the Agreement, once substantial completion has occurred, the City will pay Modern Parking the monthly amortization payment amount. The substantial completion occurred in November 2017. The City made a deposit of \$406 upon execution of the "Agreement" and made total payments of \$655 as of June 30, 2019. The outstanding balance of the loan agreement as of June 30, 2019 was \$0 and fully paid.

The City has outstanding long-term debt of \$30,948 and has no direct borrowings and no direct placements related to governmental activities as of June 30, 2019. The City also has no outstanding or unused line of credit related to long-term debt of governmental activities as of June 30, 2019.

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

##### **Enterprise Fund – Electric utility**

###### ***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 loss on refunding of \$104 as of June 30, 2019, and is being amortized through FY 2031-32. The refunding also resulted in cash flow savings of \$3,699 which is the difference between the cash flows required from the prior debt service and the cash flows required for the new refunding debt service. As of June 30, 2019, the reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$4,649 on parity with other Electric revenue bonds. The 2013 Refunding Bonds mature in regularly increasing amounts ranging from \$1,010 to \$1,805 annually from FY 2019-20 to FY 2031-32.

The 2013 Refunding Bonds has an optional redemption on and after February 1, 2024.

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

The Electric utility of Glendale Water & Power issued \$60,000 in revenue bonds in December 2013 to finance the costs of acquisition and construction of certain improvements to the City's electric public utility including the rebuilding of Grandview substation and other reliability improvements to the distribution system.

The terms of the 2013 Bonds indenture require the trustee to establish and maintain a parity reserve fund. The parity reserve fund means, as of any date on which it is calculated with respect to any issue of Parity Lien Bonds, the least

## **CITY OF GLENDALE**

### **Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2019**

**(in thousands)**

of (a) 10% of the principal amount of said Parity Lien Bonds, (b) the maximum annual debt service for the current or any subsequent year on all Parity Lien Bonds or (c) 125% of the average annual debt service on all Parity Lien Bonds. As of June 30, 2019, the City has outstanding \$17,700 aggregate principal amount of 2013 Refunding Bonds which is payable on parity with the outstanding \$54,980 aggregate principal amount of 2013 Bonds. The 2013 Bonds mature in regularly increasing amounts ranging from \$1,235 to \$3,795 annually from FY 2019-20 to FY 2042-43.

The 2013 Bonds has an optional redemption on and after February 1, 2024. The 2013 Bonds maturing on February 1, 2039 and February 1, 2043 are subject to mandatory sinking fund redemption from mandatory sinking account payments set aside in the Parity Obligation Payment Fund.

#### ***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 the recognition of a deferred loss on refunding of \$4,231 as of June 30, 2019, and is being amortized through FY 2037-38. The refunding also resulted in cash flow savings of \$13,026 which is the difference between the cash flows required from the prior debt service and the cash flows required for the new refunding debt service. The terms of the 2016 Refunding Bonds indenture require the trustee to establish and maintain a parity reserve fund. The parity reserve fund means, as of any date on which it is calculated with respect to any issue of Parity Lien Bonds, the least of (a) 10% of the principal amount of said Parity Lien Bonds, (b) the maximum annual debt service for the current or any subsequent year on all Parity Lien Bonds or (c) 125% of the average annual debt service on all Parity Lien Bonds. As of June 30, 2019, the City has outstanding \$17,700 aggregate principal amount of 2013 Refunding Bonds and outstanding \$54,980 aggregate principal amount of 2013 Bonds which are payable on parity with the outstanding \$67,140 aggregate principal amount of 2016 Refunding Bonds. The 2016 Refunding Bonds mature in regularly increasing amounts ranging from \$2,700 to \$4,715 annually from FY 2019-20 to FY 2037-38.

The 2016 Refunding Bonds has an optional redemption on and after February 1, 2027. The 2016 Refunding Bonds maturing on February 1, 2038 are subject to mandatory sinking fund redemption from mandatory sinking account payments set aside in the Parity Obligation Payment Fund.

The Electric utility has pledged future electric customer revenues, net of specified operating expenses, to pay the remaining total principal and interest on the Electric revenue bonds of \$217,824 through FY 2042-43. The bonds are payable solely from Electric utility's net income and is expected to require the net income to be at least equal to 1.10 times the amount of the annual debt services as it become due each fiscal year. The rates to be charged for services furnished by the Electric utility should incorporate the debt service requirements to provide revenues sufficient to pay, as the principal and interest become due. Total debt service paid and total net available revenues for debt service coverage for FY 2018-19 were \$12,205 and \$53,334, respectively.

#### **Enterprise Fund – Water utility**

##### ***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 City's water public utility including Chevy Chase 968 reservoir and pump station replacement, Grandview pump station third unit upgrade, Verdugo-Metro pump station upgrade and main cleaning, lining and replacement projects.

As of June 30, 2019, the reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$2,889. The 2008 bonds mature in regularly increasing amounts ranging from \$1,470 to \$3,060 annually from FY 2019-20 to FY 2037-38.

## **CITY OF GLENDALE**

### **Notes to the Basic Financial Statements**

Fiscal Year Ended June 30, 2019

(in thousands)

The 2008 Bonds has an optional redemption on and after February 1, 2019. The 2008 Bonds maturing on February 1, 2032 and February 1, 2038 are subject to mandatory sinking fund redemption from mandatory sinking account payments set aside in the Parity Obligation Payment Fund.

#### ***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 certain improvements to the City's water public utility including construction and development of Rockhaven Well, construction of a new energy and asset management system, Supervisory Control and Data Administration (SCADA), Glorietta Well improvements and pump station and water quality improvements.

As of June 30, 2019, the reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$1,358. As of June 30, 2019, the outstanding \$40,970 aggregate principal amount of 2008 Bonds which are payable on parity with the outstanding \$34,150 aggregate principal amount of 2012 Bonds. The bonds mature in regularly increasing amounts ranging from \$475 to \$4,945 annually from FY 2019-20 to FY 2041-42.

The 2012 Bonds has an optional redemption on and after February 1, 2023. The 2012 Bonds maturing on February 1, 2042 are subject to mandatory sinking fund redemption from mandatory sinking account payments set aside in the Parity Obligation Payment Fund.

The Water utility has pledged future water customer revenues, net of specified operating expenses, to pay the remaining total principal and interest on the Water revenue bonds of \$119,410 through FY 2041-42. The bonds are payable solely from Water utility's net revenues and is expected to require the net revenues to be at least equal to 1.25 times the amount of the annual debt services as it become due each fiscal year. The rates to be charged for services furnished by the Water utility should incorporate the debt service requirements to provide revenues sufficient to pay, as the principal and interest become due. Total debt service paid and total net available revenues for debt service coverage for FY 2018-19 were \$5,117 and \$11,027, respectively.

The City has outstanding long-term debt of \$237,233 and has no direct borrowings and no direct placements related to business-type activities as of June 30, 2019. The City also has no outstanding or unused line of credit related to long-term debt of business-type activities as of June 30, 2019. The business-type activities bonds payable contain a provision that none of the electric utility and water utility assets owned by the City will be sold or leased if the City is unable to satisfy the debt service requirement. The business-type activities bonds payable contain a provision that in an event of default, the owners of 25% in aggregate Bond Obligations of Bonds then outstanding may call a meeting of the bond owners for the purpose of electing a bondowners' committee. The business-type activities bonds payable contain a subjective acceleration clause that allows the bondowners' committee to accelerate payment of the entire principal and interest amounts to become immediately due in an event of default by the City, with the exception of Water Revenue Bonds, 2008 Series that has bond insurance with Assured Guaranty Municipal Corporation to guarantee scheduled payment of principal and interest on the 2008 Bonds when due as set forth in the bond insurance policy.

#### **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, 2019, the City's net assessed value of taxable property was \$25.5 billion and has no general obligation debt.

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**Annual Debt Service Requirement Schedule**

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

## Governmental Activities

Fiscal Year	GMFA 2019 Lease Revenue Refunding Bonds		Section 108 Loan (HUD 2011 Series)	
	Interest	Principal	Interest	Principal
2020	\$ 1,163	1,830	14	222
2021	1,155	1,835	9	232
2022	1,063	1,930	3	242
2023	967	2,025	-	-
2024	865	2,125	-	-
2025-2029	2,621	12,330	-	-
2030-2034	143	2,850	-	-
	<u>\$ 7,977</u>	<u>24,925</u>	<u>26</u>	<u>696</u>

## Business-type Activities

Fiscal Year	Electric Revenue Bonds		Water Revenue Bonds	
	Interest	Principal	Interest	Principal
2020	\$ 6,866	5,205	3,134	1,945
2021	6,611	5,460	3,039	2,040
2022	6,339	5,710	2,948	2,135
2023	6,047	5,995	2,853	2,225
2024	5,741	6,300	2,749	2,325
2025-2029	23,561	36,420	12,084	13,265
2030-2034	14,405	32,540	9,265	16,410
2035-2039	6,919	28,060	6,305	20,435
2040-2044	1,515	14,130	1,913	14,340
	<u>\$ 78,004</u>	<u>139,820</u>	<u>44,290</u>	<u>75,120</u>

Fiscal Year	Total Governmental Activities		Total Business-type Activities		Total Debt Service
	Interest	Principal	Interest	Principal	
2020	\$ 1,177	2,052	10,000	7,150	20,379
2021	1,164	2,067	9,650	7,500	20,381
2022	1,066	2,172	9,287	7,845	20,370
2023	967	2,025	8,901	8,220	20,113
2024	865	2,125	8,491	8,625	20,106
2025-2029	2,621	12,330	35,645	49,685	100,281
2030-2034	143	2,850	23,669	48,950	75,612
2035-2039	-	-	13,223	48,495	61,718
2040-2044	-	-	3,428	28,470	31,898
	<u>\$ 8,003</u>	<u>25,621</u>	<u>122,294</u>	<u>214,940</u>	<u>370,858</u>

## **CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

### **NOTE 8 – PENSION PLANS**

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

##### ***General Information about the Pension Plans***

##### **Plan Description**

All eligible employees participate in the City's defined benefit pension plans, either Safety (police and fire sworn members) or Miscellaneous (all other members), 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 for Classic members and age 52 for PEPRA members, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 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 1959 Survivor Benefit Program Level 4\* (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 1959 Survivor Benefit Program Level 4\* (may not be payable if the Special Death Benefit is elected).

*\*1959 Survivor Benefit Program Level 4 may not be applicable if there is no eligible Spouse/Registered Domestic Partner and an unmarried eligible dependent child under age 22. An eligible surviving spouse/registered domestic partner may be entitled to the 1959 Survivor Benefit Program Level 4 benefits as long as they have care of an eligible child (unmarried dependent child of the member living with the member in a parent-child relationship, while under age 22) or the surviving spouse/registered domestic partner is at least age 62 (age 60 at Level 4 and under the Indexed Level). An eligible surviving spouse/registered domestic partner may remarry and continue to receive the allowance.*

**CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

Hire date	Miscellaneous		
	Prior to January 1, 2011	Between January 1, 2011 and December 31, 2012	On or after January 1, 2013
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%

Hire date	Safety		
	Prior to January 1, 2011	Between January 1, 2011 and December 31, 2012	On or after January 1, 2013
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, 2019, the following employees were covered by the benefit terms for each plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	1,725	608
Inactive employees entitled to but not yet receiving benefits	1,722	97
Active employees	1,424	384
Total	4,871	1,089

**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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Starting for FY 2017-18, the contribution for the unfunded liability is a fixed amount, rather than a rate of the payroll. The City converts the fixed amount into a rate based on the payroll, and combines it with the normal cost rate to calculate the total employer contribution rate.

# **CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

In FY 2018-19, for the Miscellaneous Plan, the normal cost rate is 8.599%, the amount for the unfunded liability is \$20,296, and the prepayment amount for the unfunded liability is \$19,586. The City chose the prepayment option to pay the \$19,586 in July 2018, instead of paying 1/12<sup>th</sup> of \$20,296 on a monthly basis. For FY 2018-19, the City calculates the rate for the unfunded liability to be 20.613%.

The City's Miscellaneous Plan member contribution rates and employer contribution rates for FY 2018-19, including the employees' cost sharing toward the employer rates, are shown in the table below:

<b>Miscellaneous Plan</b>						
<b>Employee Group</b>	<b>CalPERS Membership</b>	<b>Retirement Formula</b>	<b>Member Contribution Rate</b>	<b>Employer Contribution Rate</b>		
				Employees' Cost Sharing	City Portion	Total
Council Member	Classic (1st Tier)	2.5% @ 55	8.00%	3.00%	26.212%	29.212%
	Classic (2nd Tier)	2.0% @ 55	7.00%	3.00%	26.212%	29.212%
	PEPRA (3rd Tier)	2.0% @ 62	5.75%	3.00%	26.212%	29.212%
Executive	Classic (1st Tier)	2.5% @ 55	8.00%	4.00%	25.212%	29.212%
	Classic (2nd Tier)	2.0% @ 55	7.00%	4.00%	25.212%	29.212%
	PEPRA (3rd Tier)	2.0% @ 62	5.75%	4.00%	25.212%	29.212%
GCEA	Classic (1st Tier)	2.5% @ 55	12.00%	0.00%*	25.212%	25.212%
	Classic (2nd Tier)	2.0% @ 55	11.00%	0.00%*	25.212%	25.212%
	PEPRA (3rd Tier)	2.0% @ 62	9.75%	0.00%*	25.212%	25.212%
IBEW	Classic (1st Tier)	2.5% @ 55	8.00%	3.00%	26.212%	29.212%
	Classic (2nd Tier)	2.0% @ 55	7.00%	3.00%	26.212%	29.212%
	PEPRA (3rd Tier)	2.0% @ 62	5.75%	3.00%	26.212%	29.212%
GMA	Classic (1st Tier)	2.5% @ 55	12.00%	0.00%**	25.212%	25.212%
	Classic (2nd Tier)	2.0% @ 55	11.00%	0.00%**	25.212%	25.212%
	PEPRA (3rd Tier)	2.0% @ 62	9.75%	0.00%**	25.212%	25.212%

GCEA - Glendale City Employee Association

IBEW - International Brotherhood of Electrical Workers

GMA - Glendale Management Association

\*Effective May 2013, GCEA members' cost sharing rate (3%-4%) became part of their member contribution rate.

\*\*Effective November 2018, GMA members' cost sharing rate (4%) became part of their member contribution rate.



# **CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

In FY 2018-19, for the Safety Plan, the normal cost rate is 19.589%, the amount for the unfunded liability is \$15,858, and the prepayment amount for the unfunded liability is \$15,304. The City chose the prepayment option to pay the \$15,304 in July 2018, instead of paying 1/12<sup>th</sup> of \$15,858 on a monthly basis. For FY 2018-19, the City calculates the rate for the unfunded liability to be 29.068%.

The City's Safety Plan member contribution rates and employer contribution rates for FY 2018-19, including the employees' cost sharing toward the employer rates, are shown in the table below:

<b>Safety Plan</b>						
<b>Employee Group</b>	<b>CalPERS Membership</b>	<b>Retirement Formula</b>	<b>Member Contribution Rate</b>	<b>Employer Contribution Rate</b>		
				Employees' Cost Sharing	City Portion	Total
Executive - Fire	Classic (1st Tier)	3.0% @ 50	9.00%	4.00%	44.657%	48.657%
	Classic (2nd Tier)	3.0% @ 55	9.00%	4.00%	44.657%	48.657%
	PEPRA (3rd Tier)	2.7% @ 57	10.75%	4.00%	44.657%	48.657%
Executive - Police	Classic (1st Tier)	3.0% @ 50	9.00%	4.00%	44.657%	48.657%
	Classic (2nd Tier)	3.0% @ 55	9.00%	4.00%	44.657%	48.657%
	PEPRA (3rd Tier)	2.7% @ 57	10.75%	4.00%	44.657%	48.657%
GMA - Fire	Classic (1st Tier)	3.0% @ 50	13.00%	0.00%*	44.657%	44.657%
	Classic (2nd Tier)	3.0% @ 55	13.00%	0.00%*	44.657%	44.657%
	PEPRA (3rd Tier)	2.7% @ 57	14.75%	0.00%*	44.657%	44.657%
GMA - Police	Classic (1st Tier)	3.0% @ 50	12.50%	0.00%*	45.157%	45.157%
	Classic (2nd Tier)	3.0% @ 55	12.50%	0.00%*	45.157%	45.157%
	PEPRA (3rd Tier)	2.7% @ 57	14.25%	0.00%*	45.157%	45.157%
GFFA	Classic (1st Tier)	3.0% @ 50	9.00%	4.00%	44.657%	48.657%
	Classic (2nd Tier)	3.0% @ 55	9.00%	4.00%	44.657%	48.657%
	PEPRA (3rd Tier)	2.7% @ 57	10.75%	3.50%	45.157%	48.657%
GPOA	Classic (1st Tier)	3.0% @ 50	9.00%	3.50%	45.157%	48.657%
	Classic (2nd Tier)	3.0% @ 55	9.00%	3.50%	45.157%	48.657%
	PEPRA (3rd Tier)	2.7% @ 57	10.75%	1.75%	46.907%	48.657%

GMA - Glendale Management Association

GFFA - Glendale Fire Fighter Association

GPOA - Glendale Police Officer Association

\*Effective November 2018, GMA members' cost sharing rate (3.5%-4%) became part of their member contribution rate.

**CITY OF GLENDALE**

## Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

As shown in the rates tables, in addition to the required member contributions, the City employees also contribute a portion of the required employer contribution, based on bargaining units' MOUs. The required employer contributions to the Miscellaneous and Safety plans were \$27,791 and \$25,487, respectively, for the year ended June 30, 2019. The breakdown of the required employer contribution between the City portion and the employee portion is as follows:

Plan	Annual Required Employer Contribution	City Contribution	Employees' Cost Sharing
Miscellaneous	\$ 27,791	24,078	3,713
Safety			
Police	14,962	13,955	1,007
Fire	10,525	9,682	843
Total Safety	25,487	23,637	1,850
Total	\$ 53,278	47,715	5,563

**Net Pension Liability**

The City's net pension liability for each plan was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017.

**Actuarial Assumptions**

The June 30, 2017 valuation was rolled forward to measure the June 30, 2018 total pension liability, based on the following actuarial methods and assumptions:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry Age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increase	Varies by Entry Age and Service
Mortality rate table	Derived using CalPERS' Membership Data for all Funds
Post retirement benefit increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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. Using historical returns of all the funds' assets classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class*	Assumed Target Allocation	Real Return Years 1-10 **	Real Return Years 11+ ***
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.96%
Liquidity	1.00%	-	(0.92%)
Total	100.00%		

\*In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

\*\*An expected inflation of 2.00% used for this period.

\*\*\*An expected inflation of 2.92% used for this period.

**Discount Rates**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**Changes in the Net Pension Liability**

The changes in the Net Pension Liability measured as of June 30, 2018 for each plan is as follows:

**Miscellaneous Plan:**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c) = (a) – (b)</b>
<b>Balance at June 30, 2018</b>	\$ 1,098,040	801,698	296,342
<b>Changes in the year:</b>			
Service cost	15,956	-	15,956
Interest on the total pension liability	76,746	-	76,746
Changes of assumptions	(6,403)	-	(6,403)
Differences between actual and expected experience	1,240	-	1,240
Net plan to plan resource movement	-	(2)	2
Contribution from the employer	-	22,006	(22,006)
Contribution from the employees	-	8,996	(8,996)
Net investment income	-	67,307	(67,307)
Benefit payments, including refunds of employee contributions	(54,969)	(54,969)	-
Administrative expense	-	(1,249)	1,249
Other miscellaneous income/(expense)	-	(2,372)	2,372
<b>Net changes</b>	<b>32,570</b>	<b>39,717</b>	<b>(7,147)</b>
<b>Balance at June 30, 2019</b>	<b>\$ 1,130,610</b>	<b>841,415</b>	<b>289,195</b>

**Safety Plan:**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c) = (a) – (b)</b>
<b>Balance at June 30, 2018</b>	\$ 827,494	543,661	283,833
<b>Changes in the year:</b>			
Service cost	14,872	-	14,872
Interest on the total pension liability	57,734	-	57,734
Changes of assumptions	(3,509)	-	(3,509)
Differences between actual and expected experience	(3,943)	-	(3,943)
Net plan to plan resource movement	-	(1)	1
Contribution from the employer	-	22,548	(22,548)
Contribution from the employees	-	4,602	(4,602)
Net investment income	-	45,731	(45,731)
Benefit payments, including refunds of employee contributions	(40,017)	(40,017)	-
Administrative expense	-	(847)	847
Other miscellaneous income/(expense)	-	(1,609)	1,609
<b>Net changes</b>	<b>25,137</b>	<b>30,407</b>	<b>(5,270)</b>
<b>Balance at June 30, 2019</b>	<b>852,631</b>	<b>574,068</b>	<b>278,563</b>
<b>Total for both plans at June 30, 2019</b>	<b>\$ 1,983,241</b>	<b>1,415,483</b>	<b>567,758</b>

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(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 7.15%, 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		6.15%	6.15%	6.15%
Net Pension Liability	\$	440,304	396,268	836,572
Current Discount Rate		7.15%	7.15%	7.15%
Net Pension Liability	\$	289,195	278,563	567,758
1% Increase		8.15%	8.15%	8.15%
Net Pension Liability	\$	164,667	182,142	346,809

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

As of June 30, 2019, the City reported net pension liability, deferred outflows of resources and deferred inflows of resources for both Miscellaneous and Safety Plans as follows:

Governmental activities:	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Miscellaneous plan	\$ 186,356	32,284	4,988	24,952
Safety plan	278,563	51,478	11,231	33,547
Total	<u>\$ 464,919</u>	<u>83,762</u>	<u>16,219</u>	<u>58,499</u>
Business-type activities:	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Miscellaneous plan	\$ 102,839	18,453	2,860	14,649

**Miscellaneous Plan:**

At June 30, 2019, 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	\$ 27,791	-
Changes of assumptions	19,292	4,337
Differences between expected and actual experience	840	3,511
Net differences between projected and actual earnings on plan investments	2,814	-
Total	<u>\$ 50,737</u>	<u>7,848</u>

**CITY OF GLENDALE**

## Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

The amount of \$27,791 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, 2020.

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

<u>Year ended June 30,</u>	<u>Amounts</u>
2020	\$ 24,883
2021	859
2022	(8,426)
2023	(2,218)
Total	<u>\$ 15,098</u>

**Safety Plan:**

At June 30, 2019, 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	\$ 25,487	-
Changes of assumptions	23,852	3,279
Differences between expected and actual experience	-	7,952
Net differences between projected and actual earnings on plan investments	2,139	-
Total	<u>\$ 51,478</u>	<u>11,231</u>

The amount of \$25,487 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, 2020.

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

<u>Year ended June 30,</u>	<u>Amounts</u>
2020	\$ 13,862
2021	9,838
2022	(7,274)
2022	(1,666)
Total	<u>\$ 14,760</u>

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's 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, 2019

(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 \$45 was paid to PARS in FY 2018-19.

### **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 2018-19, PARS payments were \$92 and \$19 for employee portion and employer portion, respectively. Since the plan is a 401(a) Defined Contribution, there is no unfunded liability to the City. A participant in the PARS ARS Plan (or their beneficiary in the event of death) becomes eligible to receive their funds when one of the following events occurs: Separation of Employment, Retirement, Permanent and Total Disability, or change of employment status to a position covered by another retirement system. For active employees, if there are no contributions into their PARS ARS account for two years, they may be eligible for a distribution of their account.

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**NOTE 9 – Other Post Employment Benefits Than Pensions (OPEB)****Plan Description**

The City's defined benefit OPEB plan, City of Glendale Retiree Benefits Plan (Plan), provides OPEB for all permanent full-time general and public safety employees of the City. The Plan is a single-employer defined benefit OPEB plan administered by the City and governed by the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Benefits Provided**

The City provides Medicare Part A reimbursements to retirees and their spouses if the retirees were hired in the City prior to April 1, 1986, and ineligible for premium-free Medicare Part A.

The City also provides cash subsidy for medical insurance premiums to three groups of retirees: (1) retirees who retired before July 1, 2001, and the length of the subsidy was pre-determined based on the retirees' sick leave balances at the time of retirement. The subsidy is capped by the actual premium, and the unreduced city-paid amount continues to surviving spouses if the retirees die prior to the pre-determined payment period; (2) retirees who retired before June 1, 2016 with a minimum of 10 years of City service, enroll in a City sponsored medical plan and meet the annual income requirement. The eligibility and subsidy amount are evaluated on an annual basis. This is a lifetime subsidy for the eligible retirees except it will discontinue at age 65 for the retirees with enhanced pension benefits. The benefit will continue to surviving spouses, if applicable; (3) the surviving spouses and dependents of deceased retirees if the retirees retired before June 1, 2008 and enrolled in Anthem Blue Cross PPO at the time of the death, and the length of subsidy is two years.

The City also provides cash subsidy for medical insurance premium to surviving spouses and dependents of active non-safety employees who pass away during their employment with the City. The subsidy is two years for the City Council, the Executives and the GMA employees, regardless of the medical insurance plans enrolled at the time of the death. The subsidy is two years for GCEA and IBEW employees if enrolled in Anthem Blue Cross PPO at the time of the death. The subsidy is two years for GCEA and IBEW employees if enrolled in HMO plans at the time of the death and if the employees' death is a result of injuries incurred in the performance of his/her assigned duties. At the same time, the City provides cash subsidy for dental insurance premium to surviving spouses and dependents of active safety employees who pass away during their employment with the City. The subsidy continues until the spouses turn 65 and the children turn 26 (if applicable).

The above benefits offered to retirees are no longer available to new entrants because of the restriction of the retirement dates. Benefits payments made by the City for the year ended June 30, 2019 were \$476.

**Employees Covered by Benefit Terms**

At June 30, 2018, the most recent valuation date, the following current and former employees were covered by the benefit terms under the Plan:

Inactive employees or beneficiaries currently receiving benefit payments	85
Inactive employees entitled to but not yet receiving benefit payments	226
Active employees	1,399
Total	<u>1,710</u>

**Total OPEB Liability**

The City's total OPEB liability of \$15,214 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017. A summary of principal assumptions and methods used to determine the total OPEB liability is shown below.



**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date	June 30, 2017
Measurement date	June 30, 2018
Discount rate	3.87%
General inflation	2.75% annually
Medicare Part A trend	3.75% annually (inflation + 1%) Not related to health care trend
Medical Trend	Non-Medicare – 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare – 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076

The discount rate was based on the Bond Buyer 20-Bond GO index.

Mortality information was derived from data collected during 1997 to 2015 CalPERS Experience Study. Post-retirement mortality was projected fully generational using Society of Actuaries (SOA) Scale MP-2017.

**Changes in the Total OPEB Liability**

The changes in the total OPEB liability measured as of June 30, 2018 is as follows:

		<u>Total OPEB Liability</u>
Balance at June 30, 2018	\$	15,738
Changes in the year:		
Service cost		46
Interest		556
Assumption changes		(619)
Benefit payments		<u>(507)</u>
Net changes		<u>(524)</u>
Balance at June 30, 2019	\$	<u><u>15,214</u></u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

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

		<u>2.87%</u>	<u>3.87%</u>	<u>4.87%</u>
Total OPEB Liability	\$	17,524	15,214	13,343

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

		1% Decrease (Trend -1%)	Current Healthcare Cost Trend Rates	1% Increase (Trend +1%)
Total OPEB Liability	\$	15,009	15,214	15,458

Non-Medicare trend rate of 7.5%, decreasing to an ultimate rate of 4.0% in 2076. Medicare trend rate of 6.5%, decreasing to an ultimate rate of 4.0% in 2076.

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the City recognized OPEB expense of \$339. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB payments made subsequent to the measurement date	\$	476	
Changes of assumptions			\$ 1,949

The amount of \$476 reported as deferred outflows of resources related to OPEB payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020.

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

Year ended June 30,		Amounts
2020	\$	(263)
2021		(263)
2022		(263)
2023		(263)
2024		(263)
Thereafter		(634)
Total	\$	<u>(1,949)</u>

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**NOTE 10 – NET DEFICITS OF INDIVIDUAL FUNDS**

As of June 30, 2019, the following funds have negative fund balances or net position:

## Governmental funds:

## Special revenue funds:

CDBG Fund	\$	198
Continuum of Care Grant Fund		396
Measure H Fund		56
PW Special Grants Fund		36
Measure R Regional Return Fund		2,074
Fire Grant Fund		44

## Capital projects funds:

CIP Reimbursement Fund	\$	3,498
------------------------	----	-------

## Proprietary funds:

## Internal service funds:

Compensation Insurance Fund	\$	4,771
Post Employment Benefits Fund		179

The CDBG Fund, Continuum of Care Grant Fund, Measure H Fund, PW Special Grants Fund, Measure R Regional Return Fund, Fire Grant Fund and CIP Reimbursement Fund are reimbursement type funds. The City requests reimbursement of actual 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.

Compensation Insurance Fund – The deficit has decreased in FY 2018-19 due to the premium increases. The City will continue to increase future premiums to eliminate the deficit.

Post Employment Benefits Fund – The deficit has decreased in FY 2018-19 due to the premium increases. The City will continue to increase future premiums to eliminate the deficit.

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**NOTE 11 – 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 2018-19 is as follows:

Insurance Type	Program Limits	Deductible/SIR (self-insured retention)
Excess Liability Insurance	\$ 25,000	\$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)	500,000	\$25 deductible all locations
Aviation Insurance (Police Helicopter)	50,000	Various deductibles
Employee Dishonesty – Crime Policy	5,000	\$25
Cyber Insurance	5,000	\$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.

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, 2019 are adequate to cover the cost of claims incurred to date. However, such liabilities are, by necessity, based upon estimates and there can be no assurance that the ultimate cost will not exceed such estimates. A reconciliation of the changes in the aggregate liabilities for Liability Insurance Fund, Compensation Insurance Fund and Medical Insurance Fund for claims for the current fiscal and the prior fiscal year are as follows:

Fiscal Year	Beginning Balance	Claims and Charges	Claim Payments	Ending Balance	Due within One Year
2017-18	\$ 51,394	42,708	40,834	53,268	14,369
2018-19	\$ 53,268	46,706	41,626	58,348	16,485

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.

For the governmental activities, claims payable is primarily liquidated by the respective internal service funds.

## **CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

### **NOTE 12 – 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. In January 1987, the City renewed the contract with the United States Bureau of Reclamation providing for the advancement of funds for the Hoover Upgrading 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. In September 2016, the Boulder Canyon Project agreement was amended and restated to extend the term through September 30, 2067. The City is entitled to 20.198 megawatts.

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.

In September 2014, the City entered into a 25-year contract with Skylar Resources LP for the procurement of 50 megawatts of firmed renewable solar. At least fifty percent of 50 megawatts/hour is guaranteed by the seller to qualify as Portfolio Content Category 1 (PCC1) 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 January 1, 2020 through November 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. In June 2017, the 21-year contract with Skylar was terminated and replaced concurrently with a new power purchase agreement with a higher percentage of renewable and zero-carbon energy. Under the new agreement, Skylar is obligated to deliver at least 55% PCC1 renewable and 20% zero-carbon energy.

#### **Landfill Postclosure Care**

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 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, 2018 was 11.81 million tons. The permitted capacity filled between July 11, 2018 and July 10, 2019 was 0.43 million tons. The total permitted capacity as of August 18, 1989 remains 14.75 million tons. Therefore, the City has 2.51 million tons unfilled capacity remaining. Using an inflation factor from the Sanitation Districts of 1.022, the total estimated care postclosure cost is \$62,150. Using the data above, the amount of \$51,574 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 \$10,576. The City records the annual provision for the required landfill deposits as restricted cash in the Landfill Postclosure Fund. At the end of June 30, 2019, the City has set aside \$37,103 of this

## **CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

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.

### **General Fund Transfer Litigation**

The City is currently litigating two related cases regarding its 2013 electric rates and transfer from the Electric Fund to the General Fund, which were filed in the Los Angeles Superior Court in 2014 (together, the "2014 lawsuits"). In July 2018, the Glendale Coalition for a Better Government filed a petition for writ of mandate challenging the City's adopted 2018 electric rates on similar grounds, and the lawsuit has been set for trial in February 2020.

The 2014 lawsuits challenged the City's electric rate plan which includes transfers of electric revenue from the Glendale Water & Power Electric Fund to the General Fund (the "GFT"). The City Charter provides that the City may transfer 25% of electric operating revenues to the General Fund. The City has made the GFT under the authority of its City Charter since it was approved in 1921, although not recently for the fully authorized 25%.

The 2013 electric rates were challenged primarily on the grounds they violated Proposition 26, in that they constituted a "tax". The trial court concluded that the 2013 electric rates violated Proposition 26 and ordered that the City credit ratepayers for the GFT in the cumulative amount of the transfer beginning with FY 2013-14, plus interest. Lastly, the trial court ordered that credits for any subsequent years would accrue. The trial court has also issued 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 the Glendale electorate approves the tax in the rates.

On appeal, the appellate court reversed the trial court and remanded the judgments to the trial court. Among other things, the appellate court found that any invalid "tax" in the 2013 rates was not necessarily equivalent to the GFT. Rather, the appellate court found that there is an unlawful tax only to the extent that rate revenues exceed lawful expenses of the utility, whether or not electric rates actually cover all lawful expenses identified when setting rates. The appellate court also found that to the extent the City maintained a "tax" - in the proportion of excess revenues to costs - prior to Propositions 26's adoption in 2010, and it could continue to maintain said "tax" at the same rate going forward. The appellate court reversed the portion of the trial court's judgement declaring the 2013 rates invalid and requiring rebates in the amount of the annual transfers, and remanded the cases to the trial court to make certain factual determinations regarding the amount of the tax, if any. The City believes it will be able to demonstrate that the amount of the "tax" has not increased for the rate plan years at issue and thus no refunds/credits will be required.

Under a decision rendered in a separate case, *Citizens for Fair REU Rates v. City of Redding*, Proposition 26 has been held not to limit the use of revenues raised from sources other than rates and charges levied on users of the enterprise, such as wholesale revenues and sales to other utilities ("non-rate revenues"). To the extent the GFT can be allocated to such non-rate revenues, the amount of the GFT would not be precluded by Proposition 26. The City believes that it will be able to demonstrate that the amount of such non-rate revenues is sufficient to offset amounts that would otherwise be required to be rebated to ratepayers.

The City adopted a new electric rate plan in 2018, which it believes complies with the appellate court's conclusion that the GFT is not a tax if it is less than non-rate revenues (and in some cases, amounts to recover the capital replacement reserves and other expenses not fully funded in prior years). The adoption of the 2018 electric rate plan ends the accrual of any new potential refund of the GFT (but not interest) under the original trial court decision, which would now be limited to transfers made during the period FY 2013-14 to FY 2017-18 plus interest. As noted above, the GFT component of the 2018 electric rate plan is also being challenged.

No assurances can be given that the General Fund Transfer will be permitted in the future, or that any amount of the prior GFT will not be subject to rebate. However, the City expects to defend the foregoing litigation vigorously and believes that it has a sound factual basis to establish that the GFT can continue to be made, and that no rebates of prior GFTs will be required, as a result of the allowable treatment of non-rate revenues. Further, the General Fund would have the ability to repay any refund to the electric utility over the same period of time that the original transfers were made (5 years).

## **CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

### **NOTE 13 – 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 seven board representatives for each City Council district located entirely or partially in the San Fernando Valley, two 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, Glendale, 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.

#### **Joint Power Agreement for Arroyo Verdugo Communities**

The Arroyo Verdugo Communities was created through a Joint Power Agreement in 2017. The City is an active member of the Arroyo Verdugo Communities. Other members include City of Burbank, City La Canada Flintridge, City of Pasadena, City of South Pasadena and County of Los Angeles. The purpose of the creation of the Joint Power Authority is to provide a vehicle for the members to coordinate regional and cooperative planning, primarily in the area of transportation and determining how to prioritize regional transportation projects and allocation of Measure M sub-regional funds and other public monies, including building a more connective transportation system between the member agencies.

#### **“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 51% of its total energy requirements during FY 2018-19. 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, 2019, Glendale’s excess entitlement share is 0.46%. The City’s total obligation from IPP is between 35 and 38 megawatts.

## CITY OF GLENDALE

### Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

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, 2019, Glendale's share is 4.40%.
- 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, 2019, 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. The City is obligated for 20 megawatts or 9.80% of the SCPPA entitlement. In July 2015, the City Council authorized the SCPPA to execute, on Glendale's behalf, a set of three agreements that collectively shut down Unit 3 at the coal-fired San Juan Power Plant in New Mexico at the end of December 2017. 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 after the December 2017 exit date. As such a liability for decommissioning the power plant cannot be determined at this time. As of June 30, 2019, 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, 2019, 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, 2019, Glendale's share is 14.80%.
- The sixth project financed through SCPPA is the Magnolia Power Project (MPP) located on Burbank Water and 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, 2019, Glendale's generation cost share is 16.53% and indenture cost share is 17.25%.



## CITY OF GLENDALE

### Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

- 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, 2019, 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 megawatts capacity wind farm. The 25 year purchase power agreement with SCPPA is for the purchase of 10.00% (approximately 5 megawatts) 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, 2019, Glendale's share is 10.00%.
- 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, 2019, 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, 2019, 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, 2019, 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:

Project	Contract Expiration Date	Glendale's Share
Intermountain Power Project (IPP)	2027	2.16%
Palo Verde Project (PV)	2030	4.40%
Southern Transmission System (STS)	2027	2.27%
San Juan Project (SJ)	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%

# **CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

A summary of the City's "Take or Pay" debt service commitment and the final maturity date as of June 30, 2019:

Fiscal Year		IPP	STS	MA	MP	MPP	NGPP	LIN	THP	WP	MIL2	Total
2020	\$	4,273	1,533	2,339	941	2,589	4,858	1,005	1,667	3,090	622	22,917
2021		3,825	1,736	1,747	698	20,954	5,066	1,007	1,667	3,089	622	40,411
2022		2,324	2,096	-	-	2,216	5,245	1,004	1,666	3,085	622	18,258
2023		2,296	1,585	-	-	1,940	5,309	1,003	1,665	3,081	621	17,500
2024		239	1,594	-	-	1,817	5,537	1,003	1,661	3,079	620	15,550
2025-2029		-	2,913	-	-	9,232	30,813	5,002	9,063	15,351	3,092	75,466
2030-2034		-	-	-	-	9,523	36,025	4,923	8,217	6,118	1,846	66,652
2035-2039		-	-	-	-	10,295	8,697	1,861	8,182	-	-	29,035
2040-2044		-	-	-	-	-	-	-	4,903	-	-	4,903
Total	\$	12,957	11,457	4,086	1,639	58,566	101,550	16,808	38,691	36,893	8,045	290,692

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 2019 and 2018 are as follows:

Fiscal Year		IPP	PV	STS	SJ	MA	MP	MPP	NGPP	LIN	THP	WP	MIL2	Total
2019		\$8,380	2,919	1,058	15	388	111	4,045	3,669	-	1,380	-	-	21,965
2018		\$8,044	2,975	808	2,498	247	206	4,652	1,831	-	1,372	-	-	22,633

## **NOTE 14 – 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 ("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 Agency has completed a series of reports, audits and reviews, and approvals with approval from the Oversight Board and state Department of Finance ("DOF"). These have included two detailed Due Diligence Reviews 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.

## **CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

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

On February 6, 2013, and again on February 11, 2014, Glendale received approval from its Oversight Board to reinstate its City-Agency loans, however, the DOF refused to approve the Oversight Board's action contending that the Agency had incorrectly calculated the interest earned on the loans. Following unsuccessful efforts to informally resolve the disagreement by meeting and conferring with the DOF, on August 14, 2014, the City and Agency filed suit against the DOF for a determination that the Agency had correctly calculated interest on the loans. On April 16, 2015, the Sacramento Superior Court issued an order and judgment finding for the Agency and City and holding the DOF had abused its discretion when it rejected the Oversight Board's action reinstating the City-Agency loans using the historic Local Agency Investment Fund (LAIF) rates for calculating the interest earned thereon. The Oversight Board subsequently approved a Recognized Obligation Payment Schedule (ROPS) that included the reinstated City-Agency loans using the interest rate calculation recognized by the Court's 2015 order and judgment, but DOF denied the entire balance of the reinstated loans. Following another round of unsuccessful efforts to informally resolve the dispute by meeting and conferring with the DOF, on July 28, 2015, the City and Agency filed another lawsuit against the DOF seeking to overturn the DOF's decision to reject the reinstated loans. On February 18, 2016, the Sacramento Superior Court entered its Judgment granting the City's and Agency's writ and reversing the DOF's decision to deny the reinstated loans as enforceable obligations. The annual loan payment amount is determined by a formula specified in the Dissolution Act.

In 2011, the Agency issued \$50,000 in Subordinate Taxable Tax Allocation Bonds, the proceeds of which were to be deposited with the Trustee pursuant to the Indenture of Trust. The Dissolution Act initially froze all the 2011 Bond Proceeds, including the Agency's \$50,000, but subsequently authorized redevelopment agencies to spend a sliding-scale percentage of the proceeds for housing and non-housing purposes established by the Bonds depending on when the agency bonds were issued. With respect to 2011 Bonds, Glendale is authorized to spend 30% of non-housing bond proceeds (5% immediately and an additional 25% upon approval of the Agency's Last and Final ROPS) and 100% of the housing proceeds. On January 18, 2018, the Oversight Board approved a resolution authorizing a bond expenditure agreement which would transfer bond proceeds to the City and Housing Authority, respectively, in amounts authorized by law subject to the DOF approval of the Agency's Last and Final ROPS. Although the bond expenditure agreement did not specify any amounts and was expressly contingent of the DOF's approval of the Last and Final ROPS, the DOF nonetheless disapproved the Agency's Bond Expenditure Agreement alleging that the Agreement was premature, and that the Agreement would also impermissibly authorize transfer of bond reserves. On January 24, 2018, the Oversight Board approved the ROPS with line items authorizing transfer of 5% of the non-housing bond proceeds and 100% of the housing bond proceeds, but the DOF also disapproved these ROPS line items because DOF disagreed as to how the percentage of "proceeds" should be calculated. The Agency had calculated the percentage based on the commonly understood meaning of what constitutes bond "proceeds," in this case \$50,000, which is the aggregate principal amount delivered to the trustee for application to the payment of costs, deposited into the required reserve account, and transferred to the redevelopment and housing funds. DOF believed that the percentage of "proceeds" should be calculated only after reducing the proceeds by the amount of the required reserves. The Agency and DOF attempts to informally resolve the disagreement over the meaning of "proceeds" were unsuccessful and on June 28, 2018, the City and Agency filed a Petition for Writ of Mandate to overturn the DOF's rejection of the bond transfer agreement and the ROPS line items authorizing transfer of a certain percentages of the bond proceeds. On April 8, 2019, the courts ruled the Successor Agency had correctly calculated the percentage of expendable housing and non-housing bond proceeds. The Ruling also reversed DOF's disapproval of the Bond Expenditure Agreement and ordered DOF to approve the agreement. In FY 2018-19, DOF approved \$10,667 transfer to the City: \$1,976 transfer of 2011 Tax Allocation Bonds non-housing proceeds to the 2011 TABs Project Fund, and \$8,691 of 2011 Tax Allocation Bonds housing proceeds to the 2011 TABs Housing Fund.

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

Effective July 1, 2018, the Oversight Board to the Glendale Successor Agency was dissolved and replaced with a Consolidated Oversight Board to be administered by the County of Los Angeles, District 5.

**Cash and Investments**

The Fiduciary fund's cash and investments as of June 30, 2019 consist of the following:

Cash and investments	\$ 63,155
Cash and investments with fiscal agents	11,649
Total	<u>\$ 74,804</u>

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

Cash and investments	\$ 63,126
Restricted cash and investments	29
Cash and investments with fiscal agents	11,649
Total	<u>\$ 74,804</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 Successor Agency's investment 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	\$ 14,966	14,966	-
Certificate of Deposit (Negotiable)	7,501	7,501	-
State Investment Pool	25,727	25,727	-
Money Market Mutual Fund	14,960	14,960	-
Held by Fiscal Agents:			
Guaranteed Investment Contracts	6,580	-	6,580
Money Market Accounts	5,070	5,070	-
	<u>\$ 74,804</u>	<u>68,224</u>	<u>6,580</u>

**CITY OF GLENDALE**

## Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**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 Successor Agency's investments 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, 2019		
		Aaa	P1	Unrated
Commercial Paper	\$ 14,966	-	14,966	-
Certificate of Deposit (Negotiable)	7,501	-	7,501	-
State Investment Pool	25,727	-	-	25,727
Money Market Mutual Fund	14,960	14,960	-	-
Held by Fiscal Agents:				
Guaranteed Investment Contracts	6,580	-	-	6,580
Money Market Accounts	5,070	-	5,070	-
	<u>\$ 74,804</u>	<u>14,960</u>	<u>27,537</u>	<u>32,307</u>

**Concentration Risk**

The investment policy of the City covers the Glendale Successor Agency and limits the amounts that may be invested in any one issuer to 5%, 10% per bank for bankers' acceptances, 10% per issuer for commercial paper or 10% per fund for money market mutual fund. This limit excludes investments in U.S. Treasury securities, federal agencies securities, Local Agency Investment Fund and Los Angeles County Pool.

Investments in any one issuer that represents 10% or more for commercial paper of total Successor Agency investments are as follows:

Issuer	Investment Type	Reported Amount
MUFG Bank LDT NY	Commercial Paper	\$ 14,966
	Certificate of Deposit (Negotiable)	7,501
		<u>\$ 22,467</u>

**CITY OF GLENDALE**

## Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**Fair Value Measurements**

The City categorizes Successor Agency's 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). See note 3 for additional information on the three levels of the fair value hierarchy.

As of June 30, 2019, the Successor Agency has the following fair value measurements:

	Balance at June 30, 2019	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	\$ 14,966	-	14,966	-
Certificate of Deposit (Negotiable)	7,501	-	7,501	-
Total investments by fair value level	22,467	-	22,467	-
Investments measured at amortized costs or not subject to fair value hierarchy:				
State Investment Pool	25,727			
Money Market Mutual Funds	14,960			
Held by Fiscal Agents:				
Guaranteed Investment Contracts	6,580			
Money Market Accounts	5,070			
Total investments measured at amortized costs or not subject to fair value hierarchy	52,337			
	\$ 74,804			

**Capital Assets**

	Balance at July 1	Increases	Decreases	Balance at June 30
Fiduciary fund:				
Capital assets, not being depreciated:				
Land	\$ 33	-	(33)	-
Depreciable capital assets:				
Building and improvements	377	-	(377)	-
Less accumulated depreciation:				
Building and improvements	254	123	(377)	-
Total assets being depreciated, net	123	(123)	-	-
Fiduciary fund capital assets, net	\$ 156	(123)	(33)	-

Glendale Successor Agency sold the land and building located at 117-131 Artsakh Avenue to the City in the amount of \$1,530.

**CITY OF GLENDALE**

Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2019  
(in thousands)

**Long-Term Debt**

The Glendale Successor Agency's (Fiduciary Fund) bond ratings as of June 30, 2019 are as follows:

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

**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, 2019, the Glendale Successor Agency (Agency) had 2 tax-exempt tax allocation bond and 1 subordinate taxable tax allocation bonds. The Agency engages a consultant to prepare and disseminate continuing disclosure for its 2 tax-exempt tax allocation bonds and 1 subordinate taxable tax allocation bonds. These disclosures are disseminated through the use of Electronic Municipal Market Access ("EMMA"), the Municipal Securities Rulemaking Board's ("MSRB") disclosure website. Timely and accurate communication with the municipal marketplace is vital in retaining the City's creditworthiness and market access. Continuing Disclosure and compliance reporting constitute a significant part of Debt Management's compliance activity for the life of each series of bonds.

The Fiduciary fund's long-term debts as of June 30, 2019 consist of the following:

		Issuance Amount	Balance at July 1	Additions	Retirements	Balance at June 30	Due within one year
<b>Fiduciary Activities</b>							
Bonds payable:							
2011 GRA Subordinate Taxable Tax							
Allocation Bonds	\$	50,000	35,980	-	3,560	32,420	3,835
2013 GSA Tax Allocation Refunding Bonds		44,985	24,205	-	5,685	18,520	5,910
2016 GSA Tax Allocation Refunding Bonds		20,810	20,810	-	-	20,810	-
GSA Tax Allocation Bonds Premium /							
Discount		-	3,349	-	861	2,488	861
Reinstatement of Loans Payable to the City		40,133	23,271	323	10,040	13,554	3,733
<b>Total Fiduciary Activities</b>	<b>\$</b>	<b>155,928</b>	<b>107,615</b>	<b>323</b>	<b>20,146</b>	<b>87,792</b>	<b>14,339</b>

## **CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

### ***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. 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 pledged 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, 2019, the principal balance is \$32,420. The bonds mature in amounts ranging from \$3,835 to \$7,210 from FY 2019-20 to FY 2024-25. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$5,051 as of June 30, 2019.

The 2011 Bonds has no optional redemption prior to maturity. The 2011 Bonds maturing on December 1, 2021 and December 1, 2024 are term bonds and subject to mandatory sinking fund redemption from mandatory sinking account payments.

### ***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 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, 2019 for \$652 is recognized and reported in the financial statements as a deferred outflows of resources and is being amortized through FY 2020-22. The refunding also resulted in cash flow savings of \$6,583 which is the difference between the cash flows required to service the prior debt service and the cash flows required to service the new 2013 refunding bonds. 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 pledged 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, 2019, the principal balance is \$18,520. The 2013 Bonds mature in regularly increasing principal amounts ranging from \$5,910 to \$6,455 from FY 2019-20 to FY 2021-22. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$4,504 as of June 30, 2019.

The 2013 Refunding Bonds are not subject to redemption prior to their stated maturities.

### ***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 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, 2019 for \$999 is recognized and reported in the financial statements as a deferred outflows of resources and is being amortized through FY 2024-25. The refunding also resulted in cash flow savings of \$5,231 which is the difference between the cash flows required to service the prior debt service and the cash flows required to service the new 2016 refunding bonds.



## **CITY OF GLENDALE**

### **Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2019**

(in thousands)

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 pledged 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, 2019, the principal balance is \$20,810. The 2016 Bonds mature in regularly increasing principal amounts ranging from \$6,665 to \$7,210 from FY 2022-23 to FY 2024-25. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$2,094 as of June 30, 2019.

The 2016 Refunding Bonds are not subject to redemption prior to their stated maturities.

### ***Loans Payable***

On February 6, 2013, and again on February 11, 2014, Glendale received approval from its Oversight Board to reinstate its City-Agency loans; however, the DOF refused to approve the Oversight Board's action contending that the Agency had incorrectly calculated the interest earned on the loans. Following unsuccessful efforts to informally resolve the disagreement by meeting and conferring with the DOF, on August 14, 2014, the City and Agency filed suit against the DOF for a determination that the Agency had correctly calculated interest on the loans. On April 16, 2015, the Sacramento Superior Court issued an order and judgment finding for the Agency and City and holding the DOF had abused its discretion when it rejected the Oversight Board's action reinstating the City-Agency Loans using the historic LAIF rates for calculating the interest earned thereon. The Oversight Board subsequently approved a Recognized Obligation Payment Schedule (ROPS) that included the reinstated City-Agency loans using the interest rate calculation recognized by the Court's 2015 order and judgment, but DOF denied the entire balance of the reinstated loans. Following another round of unsuccessful efforts to informally resolve the dispute by meeting and conferring with the DOF, on July 28, 2015, the City and Agency filed another lawsuit against the DOF seeking to overturn the DOF's decision to reject the reinstated loans. On February 18, 2016, the Sacramento Superior Court entered its Judgment granting the City's and Agency's writ and reversing the DOF's decision to deny the reinstated loans as enforceable obligations. The annual loan payment amount is determined by a formula specified in the Dissolution Act. The DOF has approved, and the County Auditor-Controller has paid Glendale \$10,040 via the ROPS process in FY 2018-19.

Furthermore, 20% of any loan repayment is required to be deducted and transferred to the City's Low and Moderate Income Housing Asset Fund. \$2,008 was transferred in FY 2018-19 to the Low and Moderate Income Housing Asset Fund. As of June 30, 2019, the reinstated loan amount is \$13,554 which includes \$323 of capitalized interest for FY 2018-19.

The Successor Agency has outstanding long-term debt of \$74,238, and has direct borrowing of \$13,554 with the City, and no direct placements related to fiduciary activities as of June 30, 2019. The Successor Agency also has no outstanding or unused line of credit related to long-term debt of fiduciary activities as of June 30, 2019. The fiduciary activities bonds payable do not contain a provision to pledge as collateral for debt any assets or properties owned by the Successor Agency in the event of default by the Successor Agency. The fiduciary activities bonds payable contain a provision that in an event of default, the majority owners in aggregate principal amount of the Bonds at the time outstanding can accelerate payment of the entire principal and interest amounts to become immediately due if the Successor Agency is unable to make payment, with the exception of Tax Allocation Bonds, 2013 Refunding Series and Subordinate Tax Allocation Bonds, 2016 Refunding Series that have bond insurance with Assured Guaranty Municipal Corporation and Build America Mutual Assurance Company, respectively, these bond insurers may elect at its sole discretion to pay the accelerated principal and interest payments to the extent unpaid by the Successor Agency.

The fiduciary activities bonds payable contain a provision to comply with the requirements of the Redevelopment Law and shall take all actions required to prepare and file the Recognized Obligation Payment Schedules in order for the Los Angeles County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to Redevelopment Obligation Retirement Fund all amounts required to enable the Successor Agency to pay timely principal and interest on the 2016 Bonds, 2013 Bonds and 2011 Bonds when due including any amounts due to Bond insurers in respect of the Bond Insurance Policy.

**CITY OF GLENDALE**

## Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

Glendale Successor Agency annual debt service requirement schedule:

		Fiduciary Activities						
		GSA Tax Allocation Bonds		Loans Payable		Total Fiduciary Activities		Total Debt Service
Fiscal Year		Interest	Principal	Interest	Principal	Interest	Principal	
2020	\$	4,137	9,745	-	3,733	4,137	13,478	17,615
2021		3,557	10,280	-	4,911	3,557	15,191	18,748
2022		2,909	10,905	-	4,910	2,909	15,815	18,724
2023		2,185	12,810	-	-	2,185	12,810	14,995
2024		1,380	13,590	-	-	1,380	13,590	14,970
2025-2029		481	14,420	-	-	481	14,420	14,901
	\$	14,649	71,750	-	13,554	14,649	85,304	99,953

**Net Position (Deficits)**

A \$10,757 deficit in net position is reported in fiduciary fund as of June 30, 2019. The primary reason for the deficit is due to the outstanding tax allocation bonds and outstanding Agency loan to the City.

**NOTE 15 – 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. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement is effective for periods beginning after December 15, 2018.
- GASB Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement is effective for periods beginning after December 15, 2019.
- GASB Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for periods beginning after December 15, 2018.
- GASB Statement No. 91 – *Conduit Debt Obligations*. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments-extend by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement is effective for periods beginning after December 15, 2020.

**CITY OF GLENDALE**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2019

(in thousands)

**NOTE 16 – IMPLEMENTATION OF PRONOUNCEMENTS**

The City has adopted and implemented, where applicable, the following GASB Statements during the year ended June 30, 2019:

- GASB Statement No. 83 – *Certain Asset Retirement Obligations*. The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations. This statement was implemented effective July 1, 2018, and did not have a material effect on the financial statements.
- GASB Statement No. 88 – *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarified which liabilities government should include when disclosing information related to debt. This statement was implemented effective July 1, 2018.

**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				
	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 15,956	15,513	13,413	14,372	14,951
Interest on the total pension liability	76,746	74,508	73,104	71,411	69,351
Differences between expected and actual experience	1,240	(11,313)	(12,487)	(8,835)	-
Changes of assumptions	(6,403)	62,163	-	(17,578)	-
Benefit payments, including refunds of employee contributions	(54,969)	(52,599)	(51,297)	(50,059)	(47,552)
Net change in total pension liability	32,570	88,272	22,733	9,311	36,750
Total pension liability - beginning	1,098,040	1,009,768	987,035	977,724	940,974
Total pension liability - ending (A)	1,130,610	1,098,040	1,009,768	987,035	977,724
Plan fiduciary net position					
Plan to plan resource movement	(2)	2	-	(25)	-
Contributions from the employer	22,006	18,558	16,517	13,344	14,431
Contributions from employees	8,996	8,518	8,092	8,142	8,202
Net investment income	67,307	82,439	3,709	17,215	117,615
Benefit payments, including refunds of employee contributions	(54,969)	(52,599)	(51,297)	(50,059)	(47,552)
Administrative expense	(1,249)	(1,101)	(469)	(881)	-
Other miscellaneous income/(expense)	(2,372)	-	-	-	-
Net change in fiduciary net position	39,717	55,817	(23,448)	(12,264)	92,696
Plan fiduciary net position - beginning	801,698	745,881	769,329	781,593	688,897
Plan fiduciary net position - ending (B)	841,415	801,698	745,881	769,329	781,593
Net pension liability - ending (A) - (B)	\$ 289,195	296,342	263,887	217,706	196,131
Plan fiduciary net position as a percentage of the total pension liability	74.42%	73.01%	73.87%	77.94%	79.94%
Covered payroll	\$ 92,799	90,627	86,558	91,786	91,275
Net pension liability as a percentage of covered payroll	311.64%	326.99%	304.87%	237.19%	214.88%
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Note:

FY 2015 is the first year of implementation of GASB 68; therefore, only five years of data are shown.

**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				
	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 14,872	14,641	12,975	13,038	13,249
Interest on the total pension liability	57,734	56,003	54,489	52,434	50,558
Differences between expected and actual experience	(3,943)	(7,654)	(3,055)	(5,684)	-
Changes of assumptions	(3,509)	47,703	-	(13,128)	-
Benefit payments, including refunds of employee contributions	(40,017)	(38,186)	(36,522)	(34,522)	(32,654)
Net change in total pension liability	25,137	72,507	27,887	12,138	31,153
Total pension liability - beginning	827,494	754,987	727,100	714,962	683,809
Total pension liability - ending (A)	852,631	827,494	754,987	727,100	714,962
Plan fiduciary net position					
Plan to plan resource movement	(1)	(2)	-	-	-
Contributions from the employer	22,548	19,843	18,266	16,789	14,887
Contributions from employees	4,602	4,305	4,517	4,394	4,716
Net investment income	45,731	55,289	2,584	11,489	77,826
Benefit payments, including refunds of employee contributions	(40,017)	(38,186)	(36,522)	(34,522)	(32,654)
Administrative expense	(847)	(743)	(314)	(579)	-
Other miscellaneous income/(expense)	(1,609)	-	-	-	-
Net change in fiduciary net position	30,407	40,506	(11,469)	(2,429)	64,775
Plan fiduciary net position - beginning	543,661	503,155	514,624	517,053	452,278
Plan fiduciary net position - ending (B)	574,068	543,661	503,155	514,624	517,053
Net pension liability - ending (A) - (B)	\$ 278,563	283,833	251,832	212,476	197,909
Plan fiduciary net position as a percentage of the total pension liability	67.33%	65.70%	66.64%	70.78%	72.32%
Covered payroll	\$ 49,624	48,322	48,245	48,174	47,373
Net pension liability as a percentage of covered payroll	561.35%	587.38%	521.99%	441.06%	417.77%
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Note:

FY 2015 is the first year of implementation of GASB 68; therefore, only five years of data are shown.

**CITY OF GLENDALE**

Required Supplementary Information

Last Ten Fiscal Years

(in thousands)

**Schedule of Plan Contributions - Miscellaneous Plan**

	Fiscal Year				
	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 27,791	23,741	18,972	16,519	13,357
Contributions in relation to the actuarially determined contribution	(27,791)	(23,741)	(18,972)	(16,519)	(13,357)
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	\$ 95,021	92,799	90,627	86,558	91,786
Contributions as a percentage of covered payroll	29.247%	25.583%	20.934%	19.084%	14.552%

**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 contribution are reported.

Actuarial cost method                      Entry age normal cost method

Amortization method                      Level percentage of payroll. Beginning with the 2013 actuarial valuation, new gains or losses are amortized over a fixed 30-year period with a 5 year ramp up at the beginning and a 5 year ramp down at the end of the amortization period. All changes in liability due to plan amendments (other than golden handshakes) over a 20 year period with no ramp. Changes in actuarial assumptions, or changes in actuarial methodology over a 20-year period with a 5 year ramp up at the beginning and a 5 year ramp down at the end of the amortization period. Changes in liability due to a golden handshake over a period of 5 years.

Asset valuation method                      Direct rate smoothing. Beginning with the 2013 actuarial valuation, the market value method was used.

Discount rate                                      7.375% (net of investment and administrative expenses)

Projected salary increases                      3.30% to 14.20%, depending on age, service, and type of employment. Beginning with the 2014 actuarial valuation, 3.20% to 12.20%, depending on age, service, and type of employment.

Inflation    2.75%

Payroll growth                                      3.00%

Retirement age                                      59

## Note:

FY 2015 is the first year of implementation of GASB 68; therefore, only five years of data are shown.

**CITY OF GLENDALE**

Required Supplementary Information

Last Ten Fiscal Years

(in thousands)

**Schedule of Plan Contributions - Safety Plan**

	Fiscal Year				
	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 25,487	22,470	19,984	18,257	16,772
Contributions in relation to the actuarially determined contribution	(25,487)	(22,470)	(19,984)	(18,257)	(16,772)
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	\$ 52,647	49,624	48,322	48,245	48,174
Contributions as a percentage of covered payroll	48.411%	45.281%	41.356%	37.842%	34.815%

**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 contribution are reported.

Actuarial cost method

Entry age normal cost method

Amortization method

Level percentage of payroll. Beginning with the 2013 actuarial valuation, new gains or losses are amortized over a fixed 30-year period with a 5 year ramp up at the beginning and a 5 year ramp down at the end of the amortization period. All changes in liability due to plan amendments (other than golden handshakes) over a 20 year period with no ramp. Changes in actuarial assumptions, or changes in actuarial methodology over a 20-year period with a 5 year ramp up at the beginning and a 5 year ramp down at the end of the amortization period. Changes in liability due to a golden handshake over a period of 5 years.

Asset valuation method

Direct rate smoothing. Beginning with the 2013 actuarial valuation, the market value method was used.

Discount rate

7.375% (net of investment and administrative expenses)

Projected salary increases

3.30% to 14.20%, depending on age, service, and type of employment. Beginning with the 2014 actuarial valuation, 3.40% to 20.00%, depending on age, service, and type of employment.

Inflation

2.75%

Payroll growth

3.00%

Retirement age

54

## Note:

FY 2015 is the first year of implementation of GASB 68; therefore, only five years of data are shown.

**CITY OF GLENDALE**

Required Supplementary Information

Last Ten Fiscal Years

(in thousands)

**Schedule of Changes in Total OPEB Liability and Related Ratios**

	Fiscal Year	
	2019	2018
Total OPEB liability		
Service cost	\$ 46	57
Interest on the total OPEB liability	556	493
Changes of assumptions	(619)	(1,790)
Benefit payments	(507)	(487)
Net change in total OPEB liability	(524)	(1,727)
Total OPEB liability - beginning	15,738	17,465
Total OPEB liability - ending	15,214	15,738
Covered-employee payroll	\$ 156,117	150,107
Total OPEB liability as a percentage of covered employee payroll	9.75%	10.48%
Measurement date	June 30, 2018	June 30, 2017

## Note:

FY 2018 is the first year of implementation of GASB 75; therefore, only two years of data is shown.



# 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.



Exhibit G-1  
CITY OF GLENDALE  
Combining Governmental Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019  
(amounts expressed in thousands)

	Special revenue funds	Debt service funds	Capital projects funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Pooled cash and investments	\$ 104,780	\$ 15,303	\$ 83,498	\$ 203,581
Restricted cash and investments	-	-	37,103	37,103
Interest receivable	498	74	567	1,139
Accounts receivable, net	10,616	-	5,257	15,873
Prepaid items	47	-	-	47
Total assets	<u>115,941</u>	<u>15,377</u>	<u>126,425</u>	<u>257,743</u>
<b>LIABILITIES</b>				
Accounts payable	6,026	5	2,997	9,028
Wages and benefits payable	834	-	86	920
Due to other funds	2,743	-	1,844	4,587
Unearned revenues	564	-	-	564
Deposits	60	-	15	75
Total liabilities	<u>10,227</u>	<u>5</u>	<u>4,942</u>	<u>15,174</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	3,436	-	3,805	7,241
Total liabilities and deferred inflows of resources	<u>13,663</u>	<u>5</u>	<u>8,747</u>	<u>22,415</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Prepaid	47	-	-	47
Restricted				
Air quality improvement	635	-	-	635
Cable access	4,044	-	-	4,044
Capital projects	-	-	45,773	45,773
Electric public benefit AB1890	5,903	-	-	5,903
Federal and state grants	5,043	-	-	5,043
Landfill postclosure	-	-	37,286	37,286
Landscaping district	239	-	-	239
Low and moderate housing	23,413	-	-	23,413
Public safety	3,600	-	-	3,600
State gas tax mandates	-	-	8,473	8,473
Transportation	37,223	-	-	37,223
Youth employment	33	-	-	33
Committed				
Capital projects	-	-	1,976	1,976
Debt service	-	15,372	-	15,372
Hazardous materials	3,294	-	-	3,294
Impact fee funded projects	-	-	27,668	27,668
Parking	13,077	-	-	13,077
Public safety	448	-	-	448
Urban art	8,130	-	-	8,130
Unassigned	(2,851)	-	(3,498)	(6,349)
Total fund balances (deficits)	<u>102,278</u>	<u>15,372</u>	<u>117,678</u>	<u>235,328</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 115,941</u>	<u>\$ 15,377</u>	<u>\$ 126,425</u>	<u>\$ 257,743</u>

Exhibit G-2  
CITY OF GLENDALE  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Special revenue funds	Debt service funds	Capital projects funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Sales tax	\$ 5,390	\$ -	\$ -	\$ 5,390
Other taxes	6,714	-	-	6,714
Revenue from other agencies	26,799	-	17,603	44,402
Licenses and permits	919	-	3,342	4,261
Fines and forfeitures	3,003	-	-	3,003
Charges for services	25,277	-	-	25,277
Use of money and property	4,977	687	3,961	9,625
Miscellaneous revenue	1,780	-	44	1,824
Total revenues	<u>74,859</u>	<u>687</u>	<u>24,950</u>	<u>100,496</u>
<b>EXPENDITURES</b>				
Current:				
General government	925	-	-	925
Police	1,048	8	-	1,056
Fire	3,075	-	-	3,075
Public works	8,736	-	1,826	10,562
Transportation	14,760	-	-	14,760
Housing, health and community development	6,681	-	35	6,716
Employment programs	7,449	-	-	7,449
Public service	6,177	-	-	6,177
Parks, recreation and community services	4,341	-	162	4,503
Library	438	-	16	454
Debt service:				
Principal retirement	212	1,985	-	2,197
Interest	18	751	-	769
Bond issuance costs	-	357	-	357
Capital outlay	5,112	-	9,710	14,822
Total expenditures	<u>58,972</u>	<u>3,101</u>	<u>11,749</u>	<u>73,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,887</u>	<u>(2,414)</u>	<u>13,201</u>	<u>26,674</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,093	16,372	4,560	23,025
Transfers out	(5,330)	(15,372)	-	(20,702)
Refunding bonds issued	-	24,925	-	24,925
Premium on refunding bonds issued	-	5,327	-	5,327
Payment to refunded bond escrow agent	-	(29,895)	-	(29,895)
Total other financing sources (uses)	<u>(3,237)</u>	<u>1,357</u>	<u>4,560</u>	<u>2,680</u>
<b>SPECIAL ITEM</b>				
Transfer of bond proceeds from Successor Agency	<u>8,691</u>	<u>-</u>	<u>1,976</u>	<u>10,667</u>
Net change in fund balances	21,341	(1,057)	19,737	40,021
Fund balances - beginning	80,937	16,429	97,941	195,307
Fund balances - ending	<u>\$ 102,278</u>	<u>\$ 15,372</u>	<u>\$ 117,678</u>	<u>\$ 235,328</u>

# Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue resources that are restricted or committed to expenditures for specified purposes, as required by law or administrative regulation.



## SPECIAL REVENUE FUNDS

- 2010 - CDBG Fund - To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant (CDBG) Program.
- 2030 - 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.
- 2040 - 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.
- 2050 - 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.
- 2060 - Workforce Innovation and Opportunity Act Fund - To account for monies received and expended for the federal, state and local-funded job training programs.
- 2090 - 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.
- 2100 - 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.
- 2110 - Glendale Youth Alliance Fund - To account for monies received and expended in the youth employment programs.
- 2120 - 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
- 2130 - Low & Moderate Income Housing Asset Fund - To account for monies received and expended for low and moderate income housing activities pursuant to AB1484.
- 2160 - Grant Fund - To account for miscellaneous grant monies received and expended by the City that are not accounted for in other specific grant funds.
- 2170 - Filming Fund - To account for monies received and expended by the City relating to filming activities.
- 2180 - 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.
- 2190 - 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.
- 2210 - 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.
- 2220 – Measure M Local Return Fund - To account for monies received from the ½ cent sales tax increase approved in November 2016 by Los Angeles County voters and the related transportation and traffic congestion expenses.
- 2240 - Measure H Fund - To account for monies received from the ¼ cent sales tax increase approved in March 2017 by Los Angeles County voters and the related homeless services and prevention expenses.



- 2250 - 2011 TABs Housing Fund - To account for housing expenses funded by the Glendale Successor Agency 2011 Tax Allocation Bonds (housing portion).
- 2510 - Air Quality Improvement Fund - To account for monies received from South Coast Air Quality Management District and expended on air pollution reduction.
- 2520 - PW Special Grants Fund - To account for various grants received and expended by the City in the Public Works (PW) department.
- 2530 - San Fernando Landscape District Fund - To account for assessments and expenditures associated with the San Fernando Road Corridor (SFRC) Landscape & Maintenance District Project.
- 2540 - 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.
- 2550 - 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.
- 2560 - 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.
- 2570 - 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.
- 2580 - 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.
- 2600 - 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.
- 2610 - Police Special Grants Fund - To account for various grants received and expended by the City in the Police department.
- 2620 - 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).
- 2650 - Fire Grant Fund - To account for grant monies received and expended for fire prevention programs.
- 2660 - 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.
- 2670 - 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.
- 2700 - Nutritional Meals Grant Fund - To account for monies received from Federal assistance programs for senior citizen services.
- 2750 - Library Fund - To account for the various grant monies and donations received from Federal, State and local agencies that are restricted for library services.
- 2800 - 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.
- 2910 - 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.

Exhibit H-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2019  
(amounts expressed in thousands)

	CDBG Fund	Home Grant Fund	Continuum of Care Grant Fund	Emergency Solutions Grant Fund
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ 467	\$ -	\$ -
Interest receivable	-	2	-	-
Accounts receivable, net	198	873	1,013	35
Prepaid items	-	-	47	-
Total assets	<u>198</u>	<u>1,342</u>	<u>1,060</u>	<u>35</u>
<b>LIABILITIES</b>				
Accounts payable	103	4	226	19
Wages and benefits payable	19	5	9	-
Due to other funds	76	-	825	16
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>198</u>	<u>9</u>	<u>1,060</u>	<u>35</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	<u>198</u>	<u>1</u>	<u>396</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>396</u>	<u>10</u>	<u>1,456</u>	<u>35</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Prepaid	-	-	47	-
Restricted				
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Federal and state grants	-	1,332	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Youth employment	-	-	-	-
Committed				
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Public safety	-	-	-	-
Urban art	-	-	-	-
Unassigned	(198)	-	(443)	-
Total fund balances (deficits)	<u>(198)</u>	<u>1,332</u>	<u>(396)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 198</u>	<u>\$ 1,342</u>	<u>\$ 1,060</u>	<u>\$ 35</u>

Exhibit H-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2019  
(amounts expressed in thousands)

	Workforce Innovation and Opportunity Act Fund	Affordable Housing Trust Fund	Urban Art Fund	Glendale Youth Alliance Fund
<b>ASSETS</b>				
Pooled cash and investments	\$ 1,146	\$ 2,555	\$ 8,098	\$ -
Interest receivable	5	12	39	-
Accounts receivable, net	1,179	-	-	239
Prepaid items	-	-	-	-
Total assets	<u>2,330</u>	<u>2,567</u>	<u>8,137</u>	<u>239</u>
<b>LIABILITIES</b>				
Accounts payable	578	-	7	1
Wages and benefits payable	162	-	-	124
Due to other funds	-	-	-	80
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>740</u>	<u>-</u>	<u>7</u>	<u>205</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	-	1
Total liabilities and deferred inflows of resources	<u>740</u>	<u>-</u>	<u>7</u>	<u>206</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Prepaid	-	-	-	-
Restricted				
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Federal and state grants	1,590	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	2,567	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Youth employment	-	-	-	33
Committed				
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Public safety	-	-	-	-
Urban art	-	-	8,130	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>1,590</u>	<u>2,567</u>	<u>8,130</u>	<u>33</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 2,330</u>	<u>\$ 2,567</u>	<u>\$ 8,137</u>	<u>\$ 239</u>

(Continued)



Exhibit H-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2019  
(amounts expressed in thousands)

	BEGIN Affordable Homeownership Fund	Low & Moderate Income Housing Asset Fund	Grant Fund	Filming Fund
<b>ASSETS</b>				
Pooled cash and investments	\$ 11	\$ 12,065	\$ 680	\$ -
Interest receivable	-	59	3	-
Accounts receivable, net	-	-	165	-
Prepaid items	-	-	-	-
Total assets	11	12,124	848	-
<b>LIABILITIES</b>				
Accounts payable	-	188	65	-
Wages and benefits payable	-	24	7	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	-	212	72	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	68	-
Total liabilities and deferred inflows of resources	-	212	140	-
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Prepaid	-	-	-	-
Restricted				
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Federal and state grants	11	-	708	-
Landscaping district	-	-	-	-
Low and moderate housing	-	11,912	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Youth employment	-	-	-	-
Committed				
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Public safety	-	-	-	-
Urban art	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	11	11,912	708	-
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 11	\$ 12,124	\$ 848	\$ -

(Continued)

Exhibit H-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2019  
(amounts expressed in thousands)

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Measure M Local Return Fund
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ 3,576	\$ 13,887	\$ 4,538
Interest receivable	-	17	65	21
Accounts receivable, net	-	459	902	31
Prepaid items	-	-	-	-
Total assets	-	4,052	14,854	4,590
<b>LIABILITIES</b>				
Accounts payable	-	113	1614	37
Wages and benefits payable	-	77	163	55
Due to other funds	-	-	-	-
Unearned revenues	-	564	-	-
Deposits	-	-	-	-
Total liabilities	-	754	1,777	92
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	4	-	-
Total liabilities and deferred inflows of resources	-	758	1,777	92
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Prepaid	-	-	-	-
Restricted				
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Federal and state grants	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	4,498
Youth employment	-	-	-	-
Committed				
Hazardous materials	-	3,294	-	-
Parking	-	-	13,077	-
Public safety	-	-	-	-
Urban art	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	-	3,294	13,077	4,498
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ -	\$ 4,052	\$ 14,854	\$ 4,590

(Continued)

Exhibit H-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2019  
(amounts expressed in thousands)

	Measure H Fund	2011 TABs Housing Fund	Air Quality Improvement Fund	PW Special Grants Fund
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ 8,896	\$ 590	\$ -
Interest receivable	-	38	3	-
Accounts receivable, net	38	-	69	86
Prepaid items	-	-	-	-
Total assets	<u>38</u>	<u>8,934</u>	<u>662</u>	<u>86</u>
<b>LIABILITIES</b>				
Accounts payable	18	-	25	-
Wages and benefits payable	-	-	2	-
Due to other funds	62	-	-	36
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>80</u>	<u>-</u>	<u>27</u>	<u>36</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	<u>14</u>	<u>-</u>	<u>-</u>	<u>86</u>
Total liabilities and deferred inflows of resources	<u>94</u>	<u>-</u>	<u>27</u>	<u>122</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Prepaid	-	-	-	-
Restricted				
Air quality improvement	-	-	635	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Federal and state grants	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	8,934	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Youth employment	-	-	-	-
Committed				
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Public safety	-	-	-	-
Urban art	-	-	-	-
Unassigned	<u>(56)</u>	<u>-</u>	<u>-</u>	<u>(36)</u>
Total fund balances (deficits)	<u>(56)</u>	<u>8,934</u>	<u>635</u>	<u>(36)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 38</u>	<u>\$ 8,934</u>	<u>\$ 662</u>	<u>\$ 86</u>

(Continued)

Exhibit H-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2019  
(amounts expressed in thousands)

	San Fernando Landscape District Fund	Measure R Local Return Fund	Measure R Regional Return Fund	Transit Prop A Local Return Fund
<b>ASSETS</b>				
Pooled cash and investments	\$ 260	\$ 13,874	\$ -	\$ 12,009
Interest receivable	1	68	-	50
Accounts receivable, net	3	2	2,354	325
Prepaid items	-	-	-	-
Total assets	<u>264</u>	<u>13,944</u>	<u>2,354</u>	<u>12,384</u>
<b>LIABILITIES</b>				
Accounts payable	25	592	797	475
Wages and benefits payable	-	-	15	24
Due to other funds	-	-	1,418	-
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>25</u>	<u>592</u>	<u>2,230</u>	<u>499</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	2,198	22
Total liabilities and deferred inflows of resources	<u>25</u>	<u>592</u>	<u>4,428</u>	<u>521</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Prepaid	-	-	-	-
Restricted				
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Federal and state grants	-	-	-	-
Landscaping district	239	-	-	-
Low and moderate housing	-	-	-	-
Public safety	-	-	-	-
Transportation	-	13,352	-	11,863
Youth employment	-	-	-	-
Committed				
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Public safety	-	-	-	-
Urban art	-	-	-	-
Unassigned	-	-	(2,074)	-
Total fund balances (deficits)	<u>239</u>	<u>13,352</u>	<u>(2,074)</u>	<u>11,863</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 264</u>	<u>\$ 13,944</u>	<u>\$ 2,354</u>	<u>\$ 12,384</u>

(Continued)

Exhibit H-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2019  
(amounts expressed in thousands)

	Transit Prop C Local Return Fund	Transit Utility Fund	Asset Forfeiture Fund	Police Special Grants Fund
<b>ASSETS</b>				
Pooled cash and investments	\$ 7,785	\$ -	\$ 2,777	\$ 354
Interest receivable	43	-	13	1
Accounts receivable, net	307	-	-	404
Prepaid items	-	-	-	-
Total assets	<u>8,135</u>	<u>-</u>	<u>2,790</u>	<u>759</u>
<b>LIABILITIES</b>				
Accounts payable	605	-	-	67
Wages and benefits payable	11	-	-	47
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Deposits	-	-	-	60
Total liabilities	<u>616</u>	<u>-</u>	<u>-</u>	<u>174</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	<u>9</u>	<u>-</u>	<u>-</u>	<u>198</u>
Total liabilities and deferred inflows of resources	<u>625</u>	<u>-</u>	<u>-</u>	<u>372</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Prepaid	-	-	-	-
Restricted				
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Federal and state grants	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Public safety	-	-	2,790	387
Transportation	7,510	-	-	-
Youth employment	-	-	-	-
Committed				
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Public safety	-	-	-	-
Urban art	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>7,510</u>	<u>-</u>	<u>2,790</u>	<u>387</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 8,135</u>	<u>\$ -</u>	<u>\$ 2,790</u>	<u>\$ 759</u>

(Continued)

Exhibit H-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2019  
(amounts expressed in thousands)

	Supplemental Law Enforcement Fund	Fire Grant Fund	Fire Mutual Aid Fund
<b>ASSETS</b>			
Pooled cash and investments	\$ 436	\$ -	\$ -
Interest receivable	2	-	3
Accounts receivable, net	-	168	735
Prepaid items	-	-	-
Total assets	<u>438</u>	<u>168</u>	<u>738</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	16
Wages and benefits payable	15	15	-
Due to other funds	-	94	136
Unearned revenues	-	-	-
Deposits	-	-	-
Total liabilities	<u>15</u>	<u>109</u>	<u>152</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	-	103	138
Total liabilities and deferred inflows of resources	<u>15</u>	<u>212</u>	<u>290</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable			
Prepaid	-	-	-
Restricted			
Air quality improvement	-	-	-
Cable access	-	-	-
Electric public benefit AB1890	-	-	-
Federal and state grants	-	-	-
Landscaping district	-	-	-
Low and moderate housing	-	-	-
Public safety	423	-	-
Transportation	-	-	-
Youth employment	-	-	-
Committed			
Hazardous materials	-	-	-
Parking	-	-	-
Public safety	-	-	448
Urban art	-	-	-
Unassigned	-	(44)	-
Total fund balances (deficits)	<u>423</u>	<u>(44)</u>	<u>448</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 438</u>	<u>\$ 168</u>	<u>\$ 738</u>

Exhibit H-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2019  
(amounts expressed in thousands)

	Special Events Fund	Nutritional Meals Grant Fund	Library Fund
<b>ASSETS</b>			
Pooled cash and investments	\$ -	\$ 83	\$ 1,405
Interest receivable	-	-	7
Accounts receivable, net	-	30	3
Prepaid items	-	-	-
Total assets	-	113	1,415
<b>LIABILITIES</b>			
Accounts payable	-	102	9
Wages and benefits payable	-	11	4
Due to other funds	-	-	-
Unearned revenues	-	-	-
Deposits	-	-	-
Total liabilities	-	113	13
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	-	-	-
Total liabilities and deferred inflows of resources	-	113	13
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable			
Prepaid	-	-	-
Restricted			
Air quality improvement	-	-	-
Cable access	-	-	-
Electric public benefit AB1890	-	-	-
Federal and state grants	-	-	1,402
Landscaping district	-	-	-
Low and moderate housing	-	-	-
Public safety	-	-	-
Transportation	-	-	-
Youth employment	-	-	-
Committed			
Hazardous materials	-	-	-
Parking	-	-	-
Public safety	-	-	-
Urban art	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	-	-	1,402
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ -	\$ 113	\$ 1,415

Exhibit H-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2019  
(amounts expressed in thousands)

	Cable Access Fund	Electric Public Benefit Fund	Total Nonmajor Special revenue funds
<b>ASSETS</b>			
Pooled cash and investments	\$ 3,904	\$ 5,384	\$ 104,780
Interest receivable	19	27	498
Accounts receivable, net	121	877	10,616
Prepaid items	-	-	47
Total assets	4,044	6,288	115,941
<b>LIABILITIES</b>			
Accounts payable	-	340	6,026
Wages and benefits payable	-	45	834
Due to other funds	-	-	2,743
Unearned revenues	-	-	564
Deposits	-	-	60
Total liabilities	-	385	10,227
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	-	-	3,436
Total liabilities and deferred inflows of resources	-	385	13,663
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable			
Prepaid	-	-	47
Restricted			
Air quality improvement	-	-	635
Cable access	4,044	-	4,044
Electric public benefit AB1890	-	5,903	5,903
Federal and state grants	-	-	5,043
Landscaping district	-	-	239
Low and moderate housing	-	-	23,413
Public safety	-	-	3,600
Transportation	-	-	37,223
Youth employment	-	-	33
Committed			
Hazardous materials	-	-	3,294
Parking	-	-	13,077
Public safety	-	-	448
Urban art	-	-	8,130
Unassigned	-	-	(2,851)
Total fund balances (deficits)	4,044	5,903	102,278
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 4,044	\$ 6,288	\$ 115,941



Exhibit H-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	CDBG Fund	Home Grant Fund	Continuum of Care Grant Fund	Emergency Solutions Grant Fund
<b>REVENUES</b>				
Sales tax	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Revenue from other agencies	922	1,893	1,880	140
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	11	-	-
Miscellaneous revenue	-	312	-	-
Total revenues	922	2,216	1,880	140
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Transportation	-	-	-	-
Housing, health and community development	888	1,726	2,179	140
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Debt service:				
Principal retirement	212	-	-	-
Interest	18	-	-	-
Capital outlay:				
Capital outlay	-	981	-	-
Total expenditures	1,118	2,707	2,179	140
Excess (deficiency) of revenues over (under) expenditures	(196)	(491)	(299)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<b>SPECIAL ITEM</b>				
Transfer of bond proceeds from Successor Agency	-	-	-	-
Net change in fund balances	(196)	(491)	(299)	-
Fund balances - beginning	(2)	1,823	(97)	-
Fund balances - ending	\$ (198)	\$ 1,332	\$ (396)	\$ -

Exhibit H-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Workforce Innovation and Opportunity Act Fund	Affordable Housing Trust Fund	Urban Art Fund	Glendale Youth Alliance Fund
<b>REVENUES</b>				
Sales tax	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Revenue from other agencies	5,053	-	-	-
Licenses and permits	-	-	883	-
Fines and forfeitures	-	-	-	-
Charges for services	259	-	-	2,070
Use of money and property	34	103	318	-
Miscellaneous revenue	-	250	-	1
Total revenues	<u>5,346</u>	<u>353</u>	<u>1,201</u>	<u>2,071</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Transportation	-	-	-	-
Housing, health and community development	-	9	-	-
Employment programs	5,267	-	-	2,082
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	45	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
Capital outlay	-	-	-	-
Total expenditures	<u>5,267</u>	<u>9</u>	<u>45</u>	<u>2,082</u>
Excess (deficiency) of revenues over (under) expenditures	<u>79</u>	<u>344</u>	<u>1,156</u>	<u>(11)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEM</b>				
Transfer of bond proceeds from Successor Agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	79	344	1,156	(11)
Fund balances - beginning	1,511	2,223	6,974	44
Fund balances - ending	<u>\$ 1,590</u>	<u>\$ 2,567</u>	<u>\$ 8,130</u>	<u>\$ 33</u>

Exhibit H-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	BEGIN Affordable Homeownership Fund	Low & Moderate Income Housing Asset Fund	Grant Fund	Filming Fund
<b>REVENUES</b>				
Sales tax	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Revenue from other agencies	-	-	1,654	-
Licenses and permits	-	-	-	36
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	673
Use of money and property	-	497	5	381
Miscellaneous revenue	10	870	-	-
Total revenues	10	1,367	1,659	1,090
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	580
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Transportation	-	-	-	-
Housing, health and community development	-	1,494	183	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	148	-
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
Capital outlay	-	-	-	-
Total expenditures	-	1,494	331	580
Excess (deficiency) of revenues over (under) expenditures	10	(127)	1,328	510
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	2,008	-	-
Transfers out	-	-	-	(1,455)
Total other financing sources (uses)	-	2,008	-	(1,455)
<b>SPECIAL ITEM</b>				
Transfer of bond proceeds from Successor Agency	-	-	-	-
Net change in fund balances	10	1,881	1,328	(945)
Fund balances - beginning	1	10,031	(620)	945
Fund balances - ending	\$ 11	\$ 11,912	\$ 708	\$ -

(Continued)

Exhibit H-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Measure M Local Return Fund
<b>REVENUES</b>				
Sales tax	\$ -	\$ -	\$ -	\$ 2,870
Other taxes	-	-	-	-
Revenue from other agencies	7	89	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	2,282	-
Charges for services	3,222	1,755	9,067	-
Use of money and property	641	139	530	140
Miscellaneous revenue	20	1	91	-
Total revenues	<u>3,890</u>	<u>1,984</u>	<u>11,970</u>	<u>3,010</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	1,573	-	-
Public works	-	-	8,319	-
Transportation	-	-	-	624
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	3,762	-	-	-
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
Capital outlay	28	2	212	-
Total expenditures	<u>3,790</u>	<u>1,575</u>	<u>8,531</u>	<u>624</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100</u>	<u>409</u>	<u>3,439</u>	<u>2,386</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(3,875)	-	-	-
Total other financing sources (uses)	<u>(3,875)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEM</b>				
Transfer of bond proceeds from Successor Agency	-	-	-	-
Net change in fund balances	(3,775)	409	3,439	2,386
Fund balances - beginning	3,775	2,885	9,638	2,112
Fund balances - ending	<u>\$ -</u>	<u>\$ 3,294</u>	<u>\$ 13,077</u>	<u>\$ 4,498</u>

Exhibit H-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Measure H Fund	2011 TABs Housing Fund	Air Quality Improvement Fund	PW Special Grants Fund
<b>REVENUES</b>				
Sales tax	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Revenue from other agencies	158	-	267	49
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	243	22	-
Miscellaneous revenue	-	-	-	-
Total revenues	158	243	289	49
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	1
Transportation	-	-	172	-
Housing, health and community development	62	-	-	-
Employment programs	100	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
Capital outlay	-	-	-	-
Total expenditures	162	-	172	1
Excess (deficiency) of revenues over (under) expenditures	(4)	243	117	48
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<b>SPECIAL ITEM</b>				
Transfer of bond proceeds from Successor Agency	-	8,691	-	-
Net change in fund balances	(4)	8,934	117	48
Fund balances - beginning	(52)	-	518	(84)
Fund balances - ending	\$ (56)	\$ 8,934	\$ 635	\$ (36)

Exhibit H-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	San Fernando Landscape District Fund	Measure R Local Return Fund	Measure R Regional Return Fund	Transit Prop A Local Return Fund
<b>REVENUES</b>				
Sales tax	\$ -	\$ 2,520	\$ -	\$ -
Other taxes	-	-	-	-
Revenue from other agencies	-	-	2,678	4,050
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	14
Use of money and property	10	546	-	435
Miscellaneous revenue	83	-	-	-
Total revenues	<u>93</u>	<u>3,066</u>	<u>2,678</u>	<u>4,499</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	61	-	355	-
Transportation	-	20	-	3,606
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
Capital outlay	-	1,217	2,551	-
Total expenditures	<u>61</u>	<u>1,237</u>	<u>2,906</u>	<u>3,606</u>
Excess (deficiency) of revenues over (under) expenditures	<u>32</u>	<u>1,829</u>	<u>(228)</u>	<u>893</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEM</b>				
Transfer of bond proceeds from Successor Agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	32	1,829	(228)	893
Fund balances - beginning	207	11,523	(1,846)	10,970
Fund balances - ending	<u>\$ 239</u>	<u>\$ 13,352</u>	<u>\$ (2,074)</u>	<u>\$ 11,863</u>

Exhibit H-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Transit Prop C Local Return Fund	Transit Utility Fund	Asset Forfeiture Fund	Police Special Grants Fund
<b>REVENUES</b>				
Sales tax	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Revenue from other agencies	3,360	1,208	-	718
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	721	-
Charges for services	6	7,211	-	81
Use of money and property	335	9	104	6
Miscellaneous revenue	-	-	-	11
Total revenues	<u>3,701</u>	<u>8,428</u>	<u>825</u>	<u>816</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	-	78	742
Fire	-	-	-	-
Public works	-	-	-	-
Transportation	1,910	8,428	-	-
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
Capital outlay	-	-	-	70
Total expenditures	<u>1,910</u>	<u>8,428</u>	<u>78</u>	<u>812</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,791</u>	<u>-</u>	<u>747</u>	<u>4</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEM</b>				
Transfer of bond proceeds from Successor Agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,791	-	747	4
Fund balances - beginning	5,719	-	2,043	383
Fund balances - ending	<u>\$ 7,510</u>	<u>\$ -</u>	<u>\$ 2,790</u>	<u>\$ 387</u>

Exhibit H-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Supplemental Law Enforcement Fund	Fire Grant Fund	Fire Mutual Aid Fund
<b>REVENUES</b>			
Sales tax	\$ -	\$ -	\$ -
Other taxes	-	-	-
Revenue from other agencies	470	318	1,455
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Use of money and property	13	-	33
Miscellaneous revenue	-	5	-
Total revenues	<u>483</u>	<u>323</u>	<u>1,488</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Police	228	-	-
Fire	-	143	1,359
Public works	-	-	-
Transportation	-	-	-
Housing, health and community development	-	-	-
Employment programs	-	-	-
Public service	-	-	-
Parks, recreation and community services	-	-	-
Library	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Capital outlay:			
Capital outlay	-	45	-
Total expenditures	<u>228</u>	<u>188</u>	<u>1,359</u>
Excess (deficiency) of revenues over (under) expenditures	<u>255</u>	<u>135</u>	<u>129</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEM</b>			
Transfer of bond proceeds from Successor Agency	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	255	135	129
Fund balances - beginning	168	(179)	319
Fund balances - ending	<u>\$ 423</u>	<u>\$ (44)</u>	<u>\$ 448</u>



Exhibit H-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Special Events Fund	Nutritional Meals Grant Fund	Library Fund
<b>REVENUES</b>			
Sales tax	\$ -	\$ -	\$ -
Other taxes	-	-	-
Revenue from other agencies	-	306	124
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	331	-	93
Use of money and property	-	-	48
Miscellaneous revenue	-	40	86
Total revenues	<u>331</u>	<u>346</u>	<u>351</u>
<b>EXPENDITURES</b>			
Current:			
General government	345	-	-
Police	-	-	-
Fire	-	-	-
Public works	-	-	-
Transportation	-	-	-
Housing, health and community development	-	-	-
Employment programs	-	-	-
Public service	-	-	-
Parks, recreation and community services	-	431	-
Library	-	-	393
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Capital outlay:			
Capital outlay	-	-	-
Total expenditures	<u>345</u>	<u>431</u>	<u>393</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14)</u>	<u>(85)</u>	<u>(42)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	85	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>85</u>	<u>-</u>
<b>SPECIAL ITEM</b>			
Transfer of bond proceeds from Successor Agency	-	-	-
Net change in fund balances	(14)	-	(42)
Fund balances - beginning	14	-	1,444
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,402</u>

Exhibit H-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Cable Access Fund	Electric Public Benefit Fund	Total Nonmajor Special revenue funds
<b>REVENUES</b>			
Sales tax	\$ -	\$ -	\$ 5,390
Other taxes	-	6,714	6,714
Revenue from other agencies	-	-	26,799
Licenses and permits	-	-	919
Fines and forfeitures	-	-	3,003
Charges for services	495	-	25,277
Use of money and property	154	220	4,977
Miscellaneous revenue	-	-	1,780
Total revenues	649	6,934	74,859
<b>EXPENDITURES</b>			
Current:			
General government	-	-	925
Police	-	-	1,048
Fire	-	-	3,075
Public works	-	-	8,736
Transportation	-	-	14,760
Housing, health and community development	-	-	6,681
Employment programs	-	-	7,449
Public service	-	6,177	6,177
Parks, recreation and community services	-	-	4,341
Library	-	-	438
Debt service:			
Principal retirement	-	-	212
Interest	-	-	18
Capital outlay:			
Capital outlay	6	-	5,112
Total expenditures	6	6,177	58,972
Excess (deficiency) of revenues over (under) expenditures	643	757	15,887
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	2,093
Transfers out	-	-	(5,330)
Total other financing sources (uses)	-	-	(3,237)
<b>SPECIAL ITEM</b>			
Transfer of bond proceeds from Successor Agency	-	-	8,691
Net change in fund balances	643	757	21,341
Fund balances - beginning	3,401	5,146	80,937
Fund balances - ending	\$ 4,044	\$ 5,903	\$ 102,278

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>CDBG Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ 1,853	\$ 1,853	\$ 922	\$ (931)
Total revenues	1,853	1,853	922	(931)
<b>EXPENDITURES</b>				
Current:				
Housing, health and community development	1,621	3,663	888	2,775
Debt service:				
Principal retirement	212	212	212	-
Interest	20	20	18	2
Total expenditures	\$ 1,853	\$ 3,895	\$ 1,118	\$ 2,777
<b>Home Grant Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ 1,302	\$ 1,302	\$ 1,893	\$ 591
Use of money and property	-	-	11	11
Miscellaneous revenue	367	367	312	(55)
Total revenues	1,669	1,669	2,216	547
<b>EXPENDITURES</b>				
Current:				
Housing, health and community development	1,669	5,704	1,726	3,978
Capital outlay:				
Capital outlay	-	-	981	(981)
Total expenditures	\$ 1,669	\$ 5,704	\$ 2,707	\$ 2,997

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
<b>Continuum of Care Grant Fund:</b>						
<b>REVENUES</b>						
Revenue from other agencies	\$ 2,416	\$ 2,416	\$ 1,880	\$ (536)		
Total revenues	2,416	2,416	1,880	(536)		
<b>EXPENDITURES</b>						
Current:						
Housing, health and community development	2,416	3,716	2,179	1,537		
Total expenditures	\$ 2,416	\$ 3,716	\$ 2,179	\$ 1,537		
<b>Emergency Solutions Grant Fund:</b>						
<b>REVENUES</b>						
Revenue from other agencies	\$ 148	\$ 148	\$ 140	\$ (8)		
Total revenues	148	148	140	(8)		
<b>EXPENDITURES</b>						
Current:						
Housing, health and community development	148	203	140	63		
Total expenditures	\$ 148	\$ 203	\$ 140	\$ 63		

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>Workforce Innovation and Opportunity Act Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ 6,094	\$ 7,294	\$ 5,053	\$ (2,241)
Charges for services	-	-	259	259
Use of money and property	-	-	34	34
Miscellaneous revenue	186	186	-	(186)
Total revenues	6,280	7,480	5,346	(2,134)
<b>EXPENDITURES</b>				
Current:				
Employment programs	6,123	9,831	5,267	4,564
Total expenditures	\$ 6,123	\$ 9,831	\$ 5,267	\$ 4,564
<b>Affordable Housing Trust Fund:</b>				
<b>REVENUES</b>				
Use of money and property	\$ 13	\$ 13	\$ 103	\$ 90
Miscellaneous revenue	12	12	250	238
Total revenues	25	25	353	328
<b>EXPENDITURES</b>				
Current:				
Housing, health and community development	25	50	9	41
Total expenditures	\$ 25	\$ 50	\$ 9	\$ 41

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Urban Art Fund:</b>				
<b>REVENUES</b>				
Licenses and permits	\$ 500	\$ 500	\$ 883	\$ 383
Use of money and property	75	75	318	243
Total revenues	575	575	1,201	626
<b>EXPENDITURES</b>				
Current:				
Library	90	896	45	851
Total expenditures	\$ 90	\$ 896	\$ 45	\$ 851
<b>Glendale Youth Alliance Fund:</b>				
<b>REVENUES</b>				
Charges for services	\$ 2,088	\$ 2,088	\$ 2,070	\$ (18)
Miscellaneous revenue	-	-	1	1
Total revenues	2,088	2,088	2,071	(17)
<b>EXPENDITURES</b>				
Current:				
Employment programs	2,088	2,124	2,082	42
Total expenditures	\$ 2,088	\$ 2,124	\$ 2,082	\$ 42

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>BEGIN Affordable Homeownership Fund:</b>				
<b>REVENUES</b>				
Miscellaneous revenue	\$ 300	\$ 300	\$ 10	\$ (290)
Total revenues	300	300	10	(290)
<b>EXPENDITURES</b>				
Current:				
Housing, health and community development	300	300	-	300
Total expenditures	\$ 300	\$ 300	\$ -	\$ 300
<b>Low &amp; Moderate Income Housing</b>				
<b>Asset Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ 213	\$ 213	\$ -	\$ (213)
Use of money and property	25	25	497	472
Miscellaneous revenue	-	-	870	870
Total revenues	238	238	1,367	1,129
<b>EXPENDITURES</b>				
Current:				
Housing, health and community development	1,660	2,393	1,494	899
Total expenditures	1,660	2,393	1,494	899
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,008	2,008	2,008	-
Total other financing sources (uses)	\$ 2,008	\$ 2,008	\$ 2,008	\$ -

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Grant Fund:				
REVENUES				
Revenue from other agencies	\$ 367	\$ 1,480	\$ 1,654	\$ 174
Use of money and property	-	-	5	5
Total revenues	367	1,480	1,659	179
EXPENDITURES				
Current:				
Public works	-	2,143	-	2,143
Housing, health and community development	-	1,136	183	953
Parks, recreation and community services	367	1,249	148	1,101
Total expenditures	\$ 367	\$ 4,528	\$ 331	\$ 4,197
Filming Fund:				
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 36	\$ 36
Charges for services	546	546	673	127
Use of money and property	315	315	381	66
Total revenues	861	861	1,090	229
EXPENDITURES				
Current:				
General government	609	609	580	29
Total expenditures	609	609	580	29
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(1,455)	(1,455)
Total other financing sources (uses)	\$ -	\$ -	\$ (1,455)	\$ (1,455)



Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>Recreation Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ 179	\$ 179	\$ 7	\$ (172)
Charges for services	3,215	3,215	3,222	7
Use of money and property	491	491	641	150
Miscellaneous revenue	14	14	20	6
Total revenues	3,899	3,899	3,890	(9)
<b>EXPENDITURES</b>				
Current:				
Parks, recreation and community services	4,217	4,217	3,762	455
Capital outlay:				
Capital outlay	-	2,332	28	2,304
Total expenditures	4,217	6,549	3,790	2,759
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(3,875)	(3,875)
Total other financing sources (uses)	\$ -	\$ -	\$ (3,875)	\$ (3,875)
<b>Hazardous Disposal Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ -	\$ -	\$ 89	\$ 89
Charges for services	1,509	1,509	1,755	246
Use of money and property	20	20	139	119
Miscellaneous revenue	13	63	1	(62)
Total revenues	1,542	1,592	1,984	392
<b>EXPENDITURES</b>				
Current:				
Fire	1,761	1,761	1,573	188
Capital outlay:				
Capital outlay	-	85	2	83
Total expenditures	\$ 1,761	\$ 1,846	\$ 1,575	\$ 271

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>Parking Fund:</b>				
<b>REVENUES</b>				
Fines and forfeitures	\$ 2,600	\$ 2,600	\$ 2,282	\$ (318)
Charges for services	6,435	6,435	9,067	2,632
Use of money and property	150	150	530	380
Miscellaneous revenue	-	-	91	91
Total revenues	9,185	9,185	11,970	2,785
<b>EXPENDITURES</b>				
Current:				
Public works	9,561	10,654	8,319	2,335
Capital outlay:				
Capital outlay	-	2,654	212	2,442
Total expenditures	\$ 9,561	\$ 13,308	\$ 8,531	\$ 4,777
<b>Measure M Local Return Fund:</b>				
<b>REVENUES</b>				
Sales tax	\$ 2,400	\$ 2,400	\$ 2,870	\$ 470
Use of money and property	15	15	140	125
Total revenues	2,415	2,415	3,010	595
<b>EXPENDITURES</b>				
Current:				
Transportation	2,043	3,374	624	2,750
Capital outlay:				
Capital outlay	-	711	-	711
Total expenditures	\$ 2,043	\$ 4,085	\$ 624	\$ 3,461

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Measure H Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ 278	\$ 378	\$ 158	\$ (220)
Total revenues	278	378	158	(220)
<b>EXPENDITURES</b>				
Current:				
Housing, health and community development	278	511	62	449
Employment programs	-	-	100	(100)
Total expenditures	\$ 278	\$ 511	\$ 162	\$ 349
<b>2011 TABs Housing Fund:</b>				
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 243	\$ 243
Total revenues	-	-	243	243
<b>SPECIAL ITEM</b>				
Transfer of bond proceeds from Successor Agency	-	-	8,691	8,691
Total special item	\$ -	\$ -	\$ 8,691	\$ 8,691

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>Air Quality Improvement Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ 250	\$ 250	\$ 267	\$ 17
Charges for services	6	6	-	(6)
Use of money and property	5	5	22	17
Total revenues	<u>261</u>	<u>261</u>	<u>289</u>	<u>28</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	334	334	172	162
Total expenditures	<u>\$ 334</u>	<u>\$ 334</u>	<u>\$ 172</u>	<u>\$ 162</u>
<b>PW Special Grants Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ -	\$ -	\$ 49	\$ 49
Total revenues	<u>-</u>	<u>-</u>	<u>49</u>	<u>49</u>
<b>EXPENDITURES</b>				
Current:				
Public works	-	16	1	15
Capital outlay:				
Capital outlay	-	41	-	41
Total expenditures	<u>\$ -</u>	<u>\$ 57</u>	<u>\$ 1</u>	<u>\$ 56</u>

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>San Fernando Landscape District Fund:</b>				
<b>REVENUES</b>				
Use of money and property	\$ 2	\$ 2	\$ 10	\$ 8
Miscellaneous revenue	90	90	83	(7)
Total revenues	92	92	93	1
<b>EXPENDITURES</b>				
Current:				
Public works	91	91	61	30
Total expenditures	\$ 91	\$ 91	\$ 61	\$ 30
<b>Measure R Local Return Fund:</b>				
<b>REVENUES</b>				
Sales tax	\$ 2,346	\$ 2,346	\$ 2,520	\$ 174
Use of money and property	60	60	546	486
Total revenues	2,406	2,406	3,066	660
<b>EXPENDITURES</b>				
Current:				
Transportation	-	-	20	(20)
Capital outlay:				
Capital outlay	340	9,291	1,217	8,074
Total expenditures	\$ 340	\$ 9,291	\$ 1,237	\$ 8,054

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Measure R Regional Return Fund:				
REVENUES				
Revenue from other agencies	\$ 2,051	\$ 4,829	\$ 2,678	\$ (2,151)
Total revenues	2,051	4,829	2,678	(2,151)
EXPENDITURES				
Current:				
Public works	-	-	355	(355)
Capital outlay:				
Capital outlay	4,520	12,051	2,551	9,500
Total expenditures	\$ 4,520	\$ 12,051	\$ 2,906	\$ 9,145
Transit Prop A Local Return Fund:				
REVENUES				
Revenue from other agencies	\$ 3,800	\$ 3,800	\$ 4,050	\$ 250
Charges for services	100	100	14	(86)
Use of money and property	75	75	435	360
Total revenues	3,975	3,975	4,499	524
EXPENDITURES				
Current:				
Transportation	3,856	3,856	3,606	250
Capital outlay:				
Capital outlay	-	3,942	-	3,942
Total expenditures	\$ 3,856	\$ 7,798	\$ 3,606	\$ 4,192

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Transit Prop C Local Return Fund:				
REVENUES				
Revenue from other agencies	\$ 3,150	\$ 3,150	\$ 3,360	\$ 210
Charges for services	25	25	6	(19)
Use of money and property	31	31	335	304
Total revenues	3,206	3,206	3,701	495
EXPENDITURES				
Current:				
Transportation	4,147	4,147	1,910	2,237
Capital outlay:				
Capital outlay	-	383	-	383
Total expenditures	\$ 4,147	\$ 4,530	\$ 1,910	\$ 2,620
Transit Utility Fund:				
REVENUES				
Revenue from other agencies	\$ 1,180	\$ 1,180	\$ 1,208	\$ 28
Charges for services	9,148	9,148	7,211	(1,937)
Use of money and property	5	5	9	4
Miscellaneous revenue	1	1	-	(1)
Total revenues	10,334	10,334	8,428	(1,906)
EXPENDITURES				
Current:				
Transportation	10,334	10,334	8,428	1,906
Total expenditures	\$ 10,334	\$ 10,334	\$ 8,428	\$ 1,906

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Asset Forfeiture Fund:</b>				
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ -	\$ 721	\$ 721
Use of money and property	-	-	104	104
Total revenues	-	-	825	825
<b>EXPENDITURES</b>				
Current:				
Police	727	770	78	692
Total expenditures	\$ 727	\$ 770	\$ 78	\$ 692
<b>Police Special Grants Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ 495	\$ 1,983	\$ 718	\$ (1,265)
Charges for services	90	90	81	(9)
Use of money and property	-	-	6	6
Miscellaneous revenue	135	135	11	(124)
Total revenues	720	2,208	816	(1,392)
<b>EXPENDITURES</b>				
Current:				
Police	776	3,390	742	2,648
Capital outlay:				
Capital outlay	-	73	70	3
Total expenditures	\$ 776	\$ 3,463	\$ 812	\$ 2,651



Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>Supplemental Law Enforcement Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ 485	\$ 485	\$ 470	\$ (15)
Use of money and property	-	-	13	13
Total revenues	485	485	483	(2)
<b>EXPENDITURES</b>				
Current:				
Police	485	485	228	257
Total expenditures	\$ 485	\$ 485	\$ 228	\$ 257
<b>Fire Grant Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ -	\$ 155	\$ 318	\$ 163
Miscellaneous revenue	4	56	5	(51)
Total revenues	4	211	323	112
<b>EXPENDITURES</b>				
Current:				
Fire	4	371	143	228
Capital outlay:				
Capital outlay	-	45	45	-
Total expenditures	\$ 4	\$ 416	\$ 188	\$ 228

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Fire Mutual Aid Fund:</b>				
<b>REVENUES</b>				
Revenue from other agencies	\$ 600	\$ 600	\$ 1,455	\$ 855
Use of money and property	-	-	33	33
Total revenues	600	600	1,488	888
<b>EXPENDITURES</b>				
Current:				
Fire	600	600	1,359	(759)
Total expenditures	\$ 600	\$ 600	\$ 1,359	\$ (759)
<b>Special Events Fund:</b>				
<b>REVENUES</b>				
Charges for services	\$ 1,195	\$ 1,195	\$ 331	\$ (864)
Total revenues	1,195	1,195	331	(864)
<b>EXPENDITURES</b>				
Current:				
General government	1,195	1,195	345	850
Total expenditures	\$ 1,195	\$ 1,195	\$ 345	\$ 850

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Nutritional Meals Grant Fund:				
REVENUES				
Revenue from other agencies	\$ 321	\$ 351	\$ 306	\$ (45)
Miscellaneous revenue	52	52	40	(12)
Total revenues	373	403	346	(57)
EXPENDITURES				
Current:				
Parks, recreation and community services	458	488	431	57
Total expenditures	458	488	431	57
OTHER FINANCING SOURCES (USES)				
Transfers in	85	85	85	-
Total other financing sources (uses)	\$ 85	\$ 85	\$ 85	\$ -
Library Fund:				
REVENUES				
Revenue from other agencies	\$ -	\$ 82	\$ 124	\$ 42
Charges for services	99	99	93	(6)
Use of money and property	12	12	48	36
Miscellaneous revenue	37	37	86	49
Total revenues	148	230	351	121
EXPENDITURES				
Current:				
Library	185	500	393	107
Total expenditures	\$ 185	\$ 500	\$ 393	\$ 107

Exhibit H-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Special revenue funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
<b>Cable Access Fund:</b>						
<b>REVENUES</b>						
Charges for services	\$ 500	\$ 500	\$ 495	\$ (5)		
Use of money and property	25	25	154	129		
Total revenues	525	525	649	124		
<b>EXPENDITURES</b>						
Current:						
General government	15	15	-	15		
Capital outlay:						
Capital outlay	850	1,843	6	1,837		
Total expenditures	\$ 865	\$ 1,858	\$ 6	\$ 1,852		
<b>Electric Public Benefit Fund:</b>						
<b>REVENUES</b>						
Other taxes	\$ 7,700	\$ 7,700	\$ 6,714	\$ (986)		
Use of money and property	50	50	220	170		
Total revenues	7,750	7,750	6,934	(816)		
<b>EXPENDITURES</b>						
Current:						
Public service	9,243	9,243	6,177	3,066		
Total expenditures	\$ 9,243	\$ 9,243	\$ 6,177	\$ 3,066		

# Debt Service Funds

Debt Service Funds are used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest on general long-term debt of the City of Glendale.



## DEBT SERVICE FUND

- 3030 - 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.
- 3031 - Police Building 2019 Lease Revenue Refunding Bonds Fund - To accumulate monies for the payment of interest and principal of the 2019 lease revenue refunding bonds. The debt service is financed via lease payments from the City to the Municipal Financing Authority.

This page is left blank intentionally.

Exhibit I-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Debt service funds  
June 30, 2019  
(amounts expressed in thousands)

	Police Building Project Debt Service Fund	Police Building 2019 Lease Revenue Refunding Bonds Fund	Total Nonmajor Debt service funds
<b>ASSETS</b>			
Pooled cash and investments	\$ -	\$ 15,303	\$ 15,303
Interest receivable	-	74	74
Total assets	-	15,377	15,377
<b>LIABILITIES</b>			
Accounts payable	-	5	5
<b>FUND BALANCES (DEFICITS)</b>			
Committed			
Debt service	-	15,372	15,372
Total liabilities and fund balances (deficits)	\$ -	\$ 15,377	\$ 15,377



Exhibit I-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Debt service funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Police Building Project Debt Service Fund	Police Building 2019 Lease Revenue Refunding Bonds Fund	Total Nonmajor Debt service funds
<b>REVENUES</b>			
Use of money and property	\$ 687	\$ -	\$ 687
Total revenues	687	-	687
<b>EXPENDITURES</b>			
Current:			
Police	8	-	8
Debt service:			
Principal retirement	1,985	-	1,985
Interest	751	-	751
Bond issuance costs	-	357	357
Total expenditures	2,744	357	3,101
Excess (deficiency) of revenues over (under) expenditures	(2,057)	(357)	(2,414)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,000	15,372	16,372
Transfers out	(15,372)	-	(15,372)
Refunding bonds issued	-	24,925	24,925
Premium on refunding bonds issued	-	5,327	5,327
Payment to refunded bond escrow agent	-	(29,895)	(29,895)
Total other financing sources (uses)	(14,372)	15,729	1,357
Net change in fund balances	(16,429)	15,372	(1,057)
Fund balances - beginning	16,429	-	16,429
Fund balances - ending	\$ -	\$ 15,372	\$ 15,372

Exhibit I-3  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Nonmajor Debt service funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>Police Building Project</b>				
<b>Debt Service Fund:</b>				
<b>REVENUES</b>				
Use of money and property	\$ 200	\$ 200	\$ 687	\$ 487
Total revenues	200	200	687	487
<b>EXPENDITURES</b>				
Current:				
Police	3	3	8	(5)
Debt service:				
Principal retirement	1,985	1,985	1,985	-
Interest	632	632	751	(119)
Total expenditures	2,620	2,620	2,744	(124)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,000	1,000	1,000	-
Transfers out	-	-	(15,372)	(15,372)
Total other financing sources (uses)	\$ 1,000	\$ 1,000	\$ (14,372)	\$ (15,372)
<b>Police Building 2019 Lease Revenue</b>				
<b>Refunding Bonds Fund:</b>				
<b>EXPENDITURES</b>				
Debt service:				
Bond issuance costs	\$ -	\$ -	\$ 357	\$ (357)
Total expenditures	-	-	357	(357)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	15,372	15,372
Refunding bonds issued	-	-	24,925	24,925
Premium on refunding bonds issued	-	-	5,327	5,327
Payment to refunded bond escrow agent	-	-	(29,895)	(29,895)
Total other financing sources (uses)	\$ -	\$ -	\$ 15,729	\$ 15,729

This page is left blank intentionally.

# Capital Projects Funds

Capital Projects Funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays of major capital facilities other than those financed by Proprietary Funds.



## CAPITAL PROJECTS FUNDS

- 4020 - State Gas Tax Fund - To account for monies received and expended from state gas tax allocations and Senate Bill 1 for street improvement purposes.
- 4030 - 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:

- 4050 - 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.
- 4070 - 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.
- 4080 - 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.
- 4090 - 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.
- 4100 - 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.
- 4120 – 2011 TABs Projects Fund - To account for capital improvement project expenses funded by the Glendale Successor Agency 2011 Tax Allocation Bonds (non-housing portion).

This page is left blank intentionally.

Exhibit J-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Capital projects funds  
June 30, 2019  
(amounts expressed in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Parks Mitigation Fee Fund	Library Mitigation Fee Fund	Parks Quimby Fee Fund
<b>ASSETS</b>					
Pooled cash and investments	\$ 7,662	\$ -	\$ 26,010	\$ 1,744	\$ 524
Restricted cash and investments	-	37,103	-	-	-
Interest receivable	36	183	128	7	4
Accounts receivable, net	1,048	-	-	-	-
Total assets	<u>8,746</u>	<u>37,286</u>	<u>26,138</u>	<u>1,751</u>	<u>528</u>
<b>LIABILITIES</b>					
Accounts payable	252	-	723	18	-
Wages and benefits payable	21	-	8	-	-
Due to other funds	-	-	-	-	-
Deposits	-	-	-	-	-
Total liabilities	<u>273</u>	<u>-</u>	<u>731</u>	<u>18</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>273</u>	<u>-</u>	<u>731</u>	<u>18</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable					
Restricted					
Capital projects	-	-	-	-	-
Landfill postclosure	-	37,286	-	-	-
State gas tax mandates	8,473	-	-	-	-
Committed					
Capital projects	-	-	-	-	-
Impact fee funded projects	-	-	25,407	1,733	528
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>8,473</u>	<u>37,286</u>	<u>25,407</u>	<u>1,733</u>	<u>528</u>
Total liabilities, deferred inflow of resources and fund balances (deficits)	<u>\$ 8,746</u>	<u>\$ 37,286</u>	<u>\$ 26,138</u>	<u>\$ 1,751</u>	<u>\$ 528</u>

Exhibit J-1  
CITY OF GLENDALE  
Combining Balance Sheet  
Nonmajor Capital projects funds  
June 30, 2019  
(amounts expressed in thousands)

	CIP Reimbursement Fund	SF Corridor Tax Share Fund	2011 TABs Project Fund	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ 45,582	\$ 1,976	\$ 83,498
Restricted cash and investments	-	-	-	37,103
Interest receivable	-	209	-	567
Accounts receivable, net	4,209	-	-	5,257
Total assets	<u>4,209</u>	<u>45,791</u>	<u>1,976</u>	<u>126,425</u>
<b>LIABILITIES</b>				
Accounts payable	2,004	-	-	2,997
Wages and benefits payable	39	18	-	86
Due to other funds	1,844	-	-	1,844
Deposits	15	-	-	15
Total liabilities	<u>3,902</u>	<u>18</u>	<u>-</u>	<u>4,942</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	<u>3,805</u>	<u>-</u>	<u>-</u>	<u>3,805</u>
Total liabilities and deferred inflows of resources	<u>7,707</u>	<u>18</u>	<u>-</u>	<u>8,747</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Restricted				
Capital projects	-	45,773	-	45,773
Landfill postclosure	-	-	-	37,286
State gas tax mandates	-	-	-	8,473
Committed				
Capital projects	-	-	1,976	1,976
Impact fee funded projects	-	-	-	27,668
Unassigned	(3,498)	-	-	(3,498)
Total fund balances (deficits)	<u>(3,498)</u>	<u>45,773</u>	<u>1,976</u>	<u>117,678</u>
Total liabilities, deferred inflow of resources and fund balances (deficits)	<u>\$ 4,209</u>	<u>\$ 45,791</u>	<u>\$ 1,976</u>	<u>\$ 126,425</u>



Exhibit J-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Capital projects funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Parks Mitigation Fee Fund	Library Mitigation Fee Fund	Parks Quimby Fee Fund
<b>REVENUES</b>					
Revenue from other agencies	\$ 7,921	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	2,580	272	490
Use of money and property	258	876	1,030	73	12
Miscellaneous revenue	-	-	-	4	-
Total revenues	8,179	876	3,610	349	502
<b>EXPENDITURES</b>					
Current:					
Public works	1,221	-	-	-	-
Housing, health and community development	-	-	-	-	-
Parks, recreation and community services	-	-	158	-	-
Library	-	-	-	16	-
Capital outlay	2,890	-	972	212	-
Total expenditures	4,111	-	1,130	228	-
Excess (deficiency) of revenues over (under) expenditures	4,068	876	2,480	121	502
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	4,560	-	-	-
Total other financing sources (uses)	-	4,560	-	-	-
<b>SPECIAL ITEM</b>					
Transfer of bond proceeds from Successor Agency	-	-	-	-	-
Net change in fund balances	4,068	5,436	2,480	121	502
Fund balances - beginning	4,405	31,850	22,927	1,612	26
Fund balances - ending	\$ 8,473	\$ 37,286	\$ 25,407	\$ 1,733	\$ 528

Exhibit J-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Nonmajor Capital projects funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	CIP Reimbursement Fund	SF Corridor Tax Share Fund	2011 TABs Project Fund	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>				
Revenue from other agencies	\$ 4,386	\$ 5,296	\$ -	\$ 17,603
Licenses and permits	-	-	-	3,342
Use of money and property	1	1,711	-	3,961
Miscellaneous revenue	40	-	-	44
Total revenues	4,427	7,007	-	24,950
<b>EXPENDITURES</b>				
Current:				
Public works	487	118	-	1,826
Housing, health and community development	35	-	-	35
Parks, recreation and community services	4	-	-	162
Library	-	-	-	16
Capital outlay	5,636	-	-	9,710
Total expenditures	6,162	118	-	11,749
Excess (deficiency) of revenues over (under) expenditures	(1,735)	6,889	-	13,201
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	4,560
Total other financing sources (uses)	-	-	-	4,560
<b>SPECIAL ITEM</b>				
Transfer of bond proceeds from Successor Agency	-	-	1,976	1,976
Net change in fund balances	(1,735)	6,889	1,976	19,737
Fund balances - beginning	(1,763)	38,884	-	97,941
Fund balances - ending	\$ (3,498)	\$ 45,773	\$ 1,976	\$ 117,678

# 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**

- 5300 - Refuse Disposal Fund - To account for operations of the City-owned refuse collection and disposal service.
- 5800 - 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.

This page is left blank intentionally.

Exhibit K-1  
CITY OF GLENDALE  
Combining Statement of Net Position  
Nonmajor Enterprise funds  
June 30, 2019  
(amounts expressed in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current assets:			
Pooled cash and investments	\$ 38,763	\$ 8,634	\$ 47,397
Interest receivable	187	42	229
Accounts receivable, net	2,651	-	2,651
Loans receivable	-	25	25
Prepaid items	-	89	89
Total current assets	41,601	8,790	50,391
Noncurrent assets:			
Capital assets, not being depreciated	1,692	797	2,489
Capital assets, net	7,685	615	8,300
Total noncurrent assets	9,377	1,412	10,789
Total assets	50,978	10,202	61,180
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	2,364	631	2,995
Total assets and deferred outflows of resources	53,342	10,833	64,175
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	3,463	35	3,498
Wages and benefits payable	504	182	686
Deposits	480	-	480
Total current liabilities	4,447	217	4,664
Noncurrent liabilities:			
Net pension liability	14,551	3,235	17,786
Total liabilities	18,998	3,452	22,450
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	392	157	549
Total liabilities and deferred inflows of resources	19,390	3,609	22,999
<b>NET POSITION</b>			
Net investment in capital assets	9,377	1,412	10,789
Unrestricted	24,575	5,812	30,387
Total net position	\$ 33,952	\$ 7,224	\$ 41,176

Exhibit K-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Net Position  
Nonmajor Enterprise funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 22,727	\$ 4,225	\$ 26,952
Miscellaneous revenue	564	2	566
Total operating revenues	23,291	4,227	27,518
<b>OPERATING EXPENSES</b>			
Maintenance and operation	20,675	4,262	24,937
Depreciation	1,324	132	1,456
Total operating expenses	21,999	4,394	26,393
Operating income (loss)	1,292	(167)	1,125
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Use of money and property	1,595	360	1,955
Intergovernmental grants	158	-	158
Total nonoperating revenues (expenses)	1,753	360	2,113
Income (loss) before transfers	3,045	193	3,238
Transfers out	(1,150)	-	(1,150)
Change in net position	1,895	193	2,088
Total net position - beginning	32,057	7,031	39,088
Total net position - ending	\$ 33,952	\$ 7,224	\$ 41,176

Exhibit K-3  
CITY OF GLENDALE  
Statement of Cash Flows  
Nonmajor Enterprise funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 23,233	\$ 4,227	\$ 27,460
Payments to employees	(7,751)	(3,086)	(10,837)
Payments to suppliers	(9,437)	(895)	(10,332)
Net cash provided (used) by operating activities	6,045	246	6,291
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in (out)	(1,150)	-	(1,150)
Operating grants received	158	-	158
Loans receivable	-	(25)	(25)
Net cash provided (used) by noncapital financing activities	(992)	(25)	(1,017)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of property, plant, equipment and gas reserves	(2,227)	(25)	(2,252)
Proceed from sales of capital assets	66	-	66
Net cash provided (used) by capital and related financing activities	(2,161)	(25)	(2,186)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	1,480	353	1,833
Net increase (decrease) in cash and cash equivalents	4,372	549	4,921
Balances - beginning of year	34,391	8,085	42,476
Balances - end of the year	38,763	8,634	47,397
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating Income (loss)	1,292	(167)	1,125
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,324	132	1,456
Changes in assets and liabilities:			
Pension expense	850	349	1,199
(Increase) Decrease Accounts receivable, net	(111)	-	(111)
(Increase) Decrease Prepaid expenses	-	(89)	(89)
Increase (Decrease) Accrued wages payable	33	(1)	32
Increase (Decrease) Accounts payable	2,604	22	2,626
Increase (Decrease) Deposits	53	-	53
Net cash provided (used) by operating activities	\$ 6,045	\$ 246	\$ 6,291



This page is left blank intentionally.

# 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

- 6010 - 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.
- 6020 - 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.
- 6030 - 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.
- 6040 - 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.
- 6070 - Building Maintenance Fund - To account for maintenance, repairs or services necessary to sustain facility operations at approximately one hundred City owned facilities.
- 6100 - 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.
- 6120 - 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.
- 6140 - 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.
- 6150 - 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.
- 6160 - 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.
- 6170 - 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.
- 6400 - Employee Benefits Fund - To account for the resources and the liability for employees' compensated absences (vacation and comp time).
- 6410 - Retiree Health Savings Plan (RHSP) Benefits Fund - To account for the resources and the liability for employees' sick leave conversion under RHSP plan.
- 6420 - Post Employment Benefits Fund - To account for the resources and the liability for all the benefits provided after the employees' separation from the City.
- 6600 - ISD Wireless Fund - To account for the operation of the citywide radio system, including maintenance, replacement and acquisition of equipment.

This page is left blank intentionally.

Exhibit L-1  
CITY OF GLENDALE  
Combining Statement of Net Position  
Internal service funds  
June 30, 2019  
(amounts expressed in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	ISD Infrastructure Fund	ISD Applications Fund
<b>ASSETS</b>				
Current assets:				
Pooled cash and investments	\$ 17,432	\$ 4,133	\$ 4,744	\$ 9,776
Interest receivable	86	19	22	44
Accounts receivable, net	9	238	-	-
Inventories	190	-	-	-
Prepaid items	1,325	-	-	-
Total current assets	19,042	4,390	4,766	9,820
Noncurrent assets:				
Capital assets, not being depreciated	161	-	1,754	373
Capital assets, net	15,163	1,400	3,317	6,122
Total noncurrent assets	15,324	1,400	5,071	6,495
Total assets	34,366	5,790	9,837	16,315
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	771	211	201	251
Wages and benefits payable	275	9	142	141
Due to other funds	-	-	-	-
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Total current liabilities	1,046	220	343	392
Noncurrent liabilities:				
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	1,046	220	343	392
<b>NET POSITION</b>				
Net investment in capital assets	15,324	1,400	5,071	6,495
Unrestricted	17,996	4,170	4,423	9,428
Total net position (deficit)	\$ 33,320	\$ 5,570	\$ 9,494	\$ 15,923

Exhibit L-1  
CITY OF GLENDALE  
Combining Statement of Net Position  
Internal service funds  
June 30, 2019  
(amounts expressed in thousands)

	Building Maintenance Fund	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund
<b>ASSETS</b>				
Current assets:				
Pooled cash and investments	\$ 3,938	\$ 187	\$ 18,997	\$ 40,045
Interest receivable	19	1	350	196
Accounts receivable, net	-	3	1,680	1,120
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Total current assets	<u>3,957</u>	<u>191</u>	<u>21,027</u>	<u>41,361</u>
Noncurrent assets:				
Capital assets, not being depreciated	316	-	-	-
Capital assets, net	10	-	-	7
Total noncurrent assets	<u>326</u>	<u>-</u>	<u>-</u>	<u>7</u>
Total assets	<u>4,283</u>	<u>191</u>	<u>21,027</u>	<u>41,368</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	430	56	452	206
Wages and benefits payable	214	-	14	360
Due to other funds	-	-	-	-
Claims payable	-	-	6,761	8,885
Compensated absences	-	-	-	-
Total current liabilities	<u>644</u>	<u>56</u>	<u>7,227</u>	<u>9,451</u>
Noncurrent liabilities:				
Claims payable	-	-	5,175	36,688
Compensated absences	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>5,175</u>	<u>36,688</u>
Total liabilities	<u>644</u>	<u>56</u>	<u>12,402</u>	<u>46,139</u>
<b>NET POSITION</b>				
Net investment in capital assets	326	-	-	7
Unrestricted	3,313	135	8,625	(4,778)
Total net position (deficit)	<u>\$ 3,639</u>	<u>\$ 135</u>	<u>\$ 8,625</u>	<u>\$ (4,771)</u>

Exhibit L-1  
CITY OF GLENDALE  
Combining Statement of Net Position  
Internal service funds  
June 30, 2019  
(amounts expressed in thousands)

	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund
<b>ASSETS</b>				
Current assets:				
Pooled cash and investments	\$ 473	\$ 2,314	\$ 275	\$ 17,405
Interest receivable	3	11	1	85
Accounts receivable, net	44	855	10	339
Inventories	-	-	-	-
Prepaid items	-	503	-	-
Total current assets	520	3,683	286	17,829
Noncurrent assets:				
Capital assets, not being depreciated	-	-	-	-
Capital assets, net	-	-	-	-
Total noncurrent assets	-	-	-	-
Total assets	520	3,683	286	17,829
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	-	2,501	13	-
Wages and benefits payable	-	-	-	423
Due to other funds	-	-	-	-
Claims payable	-	839	-	-
Compensated absences	-	-	-	2,124
Total current liabilities	-	3,340	13	2,547
Noncurrent liabilities:				
Claims payable	-	-	-	-
Compensated absences	-	-	-	13,352
Total noncurrent liabilities	-	-	-	13,352
Total liabilities	-	3,340	13	15,899
<b>NET POSITION</b>				
Net investment in capital assets	-	-	-	-
Unrestricted	520	343	273	1,930
Total net position (deficit)	\$ 520	\$ 343	\$ 273	\$ 1,930

Exhibit L-1  
CITY OF GLENDALE  
Combining Statement of Net Position  
Internal service funds  
June 30, 2019  
(amounts expressed in thousands)

	Retiree Health Savings Plan (RHSP) Benefits Fund	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal service funds
<b>ASSETS</b>				
Current assets:				
Pooled cash and investments	\$ 17,621	\$ -	\$ 1,055	\$ 138,395
Interest receivable	86	-	1	924
Accounts receivable, net	103	44	2,195	6,640
Inventories	-	-	-	190
Prepaid items	-	-	404	2,232
Total current assets	<u>17,810</u>	<u>44</u>	<u>3,655</u>	<u>148,381</u>
Noncurrent assets:				
Capital assets, not being depreciated	-	-	2,253	4,857
Capital assets, net	-	-	5,663	31,682
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>7,916</u>	<u>36,539</u>
Total assets	<u>17,810</u>	<u>44</u>	<u>11,571</u>	<u>184,920</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	-	27	414	5,533
Wages and benefits payable	24	-	63	1,665
Due to other funds	-	196	-	196
Claims payable	-	-	-	16,485
Compensated absences	1,209	-	-	3,333
Total current liabilities	<u>1,233</u>	<u>223</u>	<u>477</u>	<u>27,212</u>
Noncurrent liabilities:				
Claims payable	-	-	-	41,863
Compensated absences	13,744	-	-	27,096
Total noncurrent liabilities	<u>13,744</u>	<u>-</u>	<u>-</u>	<u>68,959</u>
Total liabilities	<u>14,977</u>	<u>223</u>	<u>477</u>	<u>96,171</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	-	7,916	36,539
Unrestricted	2,833	(179)	3,178	52,210
Total net position (deficit)	<u>\$ 2,833</u>	<u>\$ (179)</u>	<u>\$ 11,094</u>	<u>\$ 88,749</u>



Exhibit L-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Net Position  
Internal service funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	ISD Infrastructure Fund	ISD Applications Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 11,834	\$ 1,308	\$ 7,516	\$ 6,838
Miscellaneous revenue	30	-	-	-
Total operating revenues	11,864	1,308	7,516	6,838
<b>OPERATING EXPENSES</b>				
Maintenance and operation	9,969	954	7,431	7,160
Claims and settlement	-	-	-	-
Depreciation	1,650	103	853	-
Amortization	-	-	11	75
Total operating expenses	11,619	1,057	8,295	7,235
Operating income (loss)	245	251	(779)	(397)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Use of money and property	895	156	209	407
Intergovernmental grants	39	-	1	-
Total nonoperating revenues (expenses)	934	156	210	407
Income (loss) before capital grants and contributions and transfers	1,179	407	(569)	10
Capital grants and contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	1,179	407	(569)	10
Total net position - beginning	32,141	5,163	10,063	15,913
Total net position - ending	\$ 33,320	\$ 5,570	\$ 9,494	\$ 15,923

(Continued)

Exhibit L-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Net Position  
Internal service funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Building Maintenance Fund	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 7,442	\$ 52	\$ 6,425	\$ 18,409
Miscellaneous revenue	-	-	2,664	-
Total operating revenues	<u>7,442</u>	<u>52</u>	<u>9,089</u>	<u>18,409</u>
<b>OPERATING EXPENSES</b>				
Maintenance and operation	7,409	5	2,139	3,672
Claims and settlement	-	121	6,682	12,564
Depreciation	-	-	-	3
Amortization	-	-	-	-
Total operating expenses	<u>7,409</u>	<u>126</u>	<u>8,821</u>	<u>16,239</u>
Operating income (loss)	<u>33</u>	<u>(74)</u>	<u>268</u>	<u>2,170</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Use of money and property	164	23	752	1,572
Intergovernmental grants	-	-	-	-
Total nonoperating revenues (expenses)	<u>164</u>	<u>23</u>	<u>752</u>	<u>1,572</u>
Income (loss) before capital grants and contributions and transfers	197	(51)	1,020	3,742
Capital grants and contributions	-	-	-	-
Transfers in	-	-	-	700
Transfers out	-	(700)	-	-
Change in net position	<u>197</u>	<u>(751)</u>	<u>1,020</u>	<u>4,442</u>
Total net position - beginning	<u>3,442</u>	<u>886</u>	<u>7,605</u>	<u>(9,213)</u>
Total net position - ending	<u>\$ 3,639</u>	<u>\$ 135</u>	<u>\$ 8,625</u>	<u>\$ (4,771)</u>

(Continued)

Exhibit L-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Net Position  
Internal service funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,321	\$ 23,595	\$ 226	\$ 6,498
Miscellaneous revenue	-	8	-	-
Total operating revenues	1,321	23,603	226	6,498
<b>OPERATING EXPENSES</b>				
Maintenance and operation	58	1,208	14	67
Claims and settlement	1,204	22,380	200	5,151
Depreciation	-	-	-	-
Amortization	-	-	-	-
Total operating expenses	1,262	23,588	214	5,218
Operating income (loss)	59	15	12	1,280
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Use of money and property	34	74	17	688
Intergovernmental grants	-	-	-	-
Total nonoperating revenues (expenses)	34	74	17	688
Income (loss) before capital grants and contributions and transfers	93	89	29	1,968
Capital grants and contributions	-	-	-	-
Transfers in	-	850	-	-
Transfers out	(600)	-	(250)	-
Change in net position	(507)	939	(221)	1,968
Total net position - beginning	1,027	(596)	494	(38)
Total net position - ending	\$ 520	\$ 343	\$ 273	\$ 1,930

(Continued)

Exhibit L-2  
CITY OF GLENDALE  
Combining Statement of Revenues,  
Expenditures, and Changes in Net Position  
Internal service funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Retiree Health Savings Plan (RHSP) Benefits Fund	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal service funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,724	\$ 688	\$ 4,420	\$ 98,296
Miscellaneous revenue	-	-	5	2,707
Total operating revenues	1,724	688	4,425	101,003
<b>OPERATING EXPENSES</b>				
Maintenance and operation	29	19	3,717	43,851
Claims and settlement	1,763	619	-	50,684
Depreciation	-	-	1,082	3,691
Amortization	-	-	-	86
Total operating expenses	1,792	638	4,799	98,312
Operating income (loss)	(68)	50	(374)	2,691
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Use of money and property	720	-	62	5,773
Intergovernmental grants	-	-	2	42
Total nonoperating revenues (expenses)	720	-	64	5,815
Income (loss) before capital grants and contributions and transfers	652	50	(310)	8,506
Capital grants and contributions	-	-	2,718	2,718
Transfers in	-	-	-	1,550
Transfers out	-	-	-	(1,550)
Change in net position	652	50	2,408	11,224
Total net position - beginning	2,181	(229)	8,686	77,525
Total net position - ending	\$ 2,833	\$ (179)	\$ 11,094	\$ 88,749

Exhibit L-3  
CITY OF GLENDALE  
Statement of Cash Flows  
Internal service funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	ISD Infrastructure Fund	ISD Applications Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 11,861	\$ 1,208	\$ 7,516	\$ 6,838
Payments to employees	(4,165)	(147)	(2,551)	(2,656)
Payments to suppliers	(5,741)	(632)	(5,026)	(4,517)
Net cash provided (used) by operating activities	1,955	429	(61)	(335)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Amounts paid to other funds	-	-	-	-
Transfers in (out)	-	-	-	-
Operating grants received	39	-	1	-
Net cash provided (used) by noncapital financing activities	39	-	1	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</b>				
Acquisition of property, plant, equipment and gas reserves	(5,234)	-	(845)	(607)
Capital grants received	-	-	-	-
Proceed from sales of capital assets	98	-	-	-
Net cash provided (used) by capital and related financing activities	(5,136)	-	(845)	(607)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	792	149	210	405
Net increase (decrease) in cash and cash equivalents	(2,350)	578	(695)	(537)
Balances - beginning of year	19,782	3,555	5,439	10,313
Balances - end of the year	17,432	4,133	4,744	9,776
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income (loss)	245	251	(779)	(397)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,650	103	853	-
Amortization	-	-	11	75
Changes in assets and liabilities:				
(Increase) Decrease Accounts receivable, net	(5)	(101)	-	-
(Increase) Inventories	20	-	-	-
(Increase) Decrease Prepaid expenses	-	-	-	-
Increase (Decrease) Accrued wages payable	61	1	14	3
Increase Compensated absences	-	-	-	-
Increase (Decrease) Accounts payable	(16)	175	(160)	(16)
Increase Claims payable	-	-	-	-
Net cash provided (used) by operating activities	\$ 1,955	\$ 429	\$ (61)	\$ (335)

Exhibit L-3  
CITY OF GLENDALE  
Statement of Cash Flows  
Internal service funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Building Maintenance Fund	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 7,442	\$ 52	\$ 8,279	\$ 18,423
Payments to employees	(3,146)	-	(385)	(2,166)
Payments to suppliers	(4,042)	(67)	(5,725)	(11,238)
Net cash provided (used) by operating activities	254	(15)	2,169	5,019
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Amounts paid to other funds	-	-	-	-
Transfers in (out)	-	(700)	-	700
Operating grants received	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	(700)	-	700
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</b>				
Acquisition of property, plant, equipment and gas reserves	(326)	-	-	-
Capital grants received	-	-	-	-
Proceed from sales of capital assets	-	-	-	-
Net cash provided (used) by capital and related financing activities	(326)	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	161	25	728	1,512
Net increase (decrease) in cash and cash equivalents	89	(690)	2,897	7,231
Balances - beginning of year	3,849	877	16,100	32,814
Balances - end of the year	3,938	187	18,997	40,045
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income (loss)	33	(74)	268	2,170
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	-	3
Amortization	-	-	-	-
Changes in assets and liabilities:				
(Increase) Decrease Accounts receivable, net	-	-	(809)	16
(Increase) Inventories	-	-	-	-
(Increase) Decrease Prepaid expenses	-	-	-	-
Increase (Decrease) Accrued wages payable	42	3	(107)	61
Increase Compensated absences	-	-	-	-
Increase (Decrease) Accounts payable	179	56	301	174
Increase Claims payable	-	-	2,516	2,595
Net cash provided (used) by operating activities	\$ 254	\$ (15)	\$ 2,169	\$ 5,019

Exhibit L-3  
CITY OF GLENDALE  
Statement of Cash Flows  
Internal service funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 1,321	\$ 23,603	\$ 226	\$ 6,498
Payments to employees	-	-	-	(4,376)
Payments to suppliers	(1,349)	(22,808)	(216)	(40)
Net cash provided (used) by operating activities	(28)	795	10	2,082
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Amounts paid to other funds	-	-	-	-
Transfers in (out)	(600)	850	(250)	-
Operating grants received	-	-	-	-
Net cash provided (used) by noncapital financing activities	(600)	850	(250)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</b>				
Acquisition of property, plant, equipment and gas reserves	-	-	-	-
Capital grants received	-	-	-	-
Proceed from sales of capital assets	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	37	65	17	665
Net increase (decrease) in cash and cash equivalents	(591)	1,710	(223)	2,747
Balances - beginning of year	1,064	604	498	14,658
Balances - end of the year	473	2,314	275	17,405
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income (loss)	59	15	12	1,280
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
Amortization	-	-	-	-
Changes in assets and liabilities:				
(Increase) Decrease Accounts receivable, net	-	-	-	-
(Increase) Inventories	-	-	-	-
(Increase) Decrease Prepaid expenses	-	-	-	-
Increase (Decrease) Accrued wages payable	1	(30)	-	424
Increase Compensated absences	-	-	-	378
Increase (Decrease) Accounts payable	(88)	840	(2)	-
Increase Claims payable	-	(30)	-	-
Net cash provided (used) by operating activities	\$ (28)	\$ 795	\$ 10	\$ 2,082

Exhibit L-3  
CITY OF GLENDALE  
Statement of Cash Flows  
Internal service funds  
For the Year Ended June 30, 2019  
(amounts expressed in thousands)

	Retiree Health Savings Plan (RHSP) Benefits Fund	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal service funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 1,724	\$ 688	\$ 2,230	\$ 97,909
Payments to employees	-	-	(1,029)	(20,621)
Payments to suppliers	(780)	(668)	(3,648)	(66,497)
Net cash provided (used) by operating activities	944	20	(2,447)	10,791
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Amounts paid to other funds	-	(20)	-	(20)
Transfers in (out)	-	-	-	-
Operating grants received	-	-	2	42
Net cash provided (used) by noncapital financing activities	-	(20)	2	22
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</b>				
Acquisition of property, plant, equipment and gas reserves	-	-	(2,336)	(9,348)
Capital grants received	-	-	2,718	2,718
Proceed from sales of capital assets	-	-	-	98
Net cash provided (used) by capital and related financing activities	-	-	382	(6,532)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	698	-	72	5,536
Net increase (decrease) in cash and cash equivalents	1,642	-	(1,991)	9,817
Balances - beginning of year	15,979	-	3,046	128,578
Balances - end of the year	17,621	-	1,055	138,395
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income (loss)	(68)	50	(374)	2,691
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	1,082	3,691
Amortization	-	-	-	86
Changes in assets and liabilities:				
(Increase) Decrease Accounts receivable, net	-	-	(2,195)	(3,094)
(Increase) Inventories	-	-	-	20
(Increase) Decrease Prepaid expenses	-	-	(404)	(404)
Increase (Decrease) Accrued wages payable	1,012	(30)	(55)	1,400
Increase Compensated absences	-	-	-	378
Increase (Decrease) Accounts payable	-	-	(501)	942
Increase Claims payable	-	-	-	5,081
Net cash provided (used) by operating activities	\$ 944	\$ 20	\$ (2,447)	\$ 10,791



## 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.



**CITY OF GLENDALE**

## Net Position by Component

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

		Fiscal Year				
		2019	2018	2017	2016	2015
<b>Governmental activities</b>	\$					
Net investment in capital assets		932,188	926,357	922,498	888,998	882,741
Restricted		175,754	168,556	124,491	110,281	74,413
Unrestricted		(166,779) <sup>(1)</sup>	(195,007) <sup>(1)</sup>	(162,510) <sup>(1)</sup>	(153,423) <sup>(1)</sup>	(315,057) <sup>(1)</sup>
Total governmental activities net position		<u>941,163</u>	<u>899,906</u>	<u>884,479</u>	<u>845,856</u>	<u>642,097</u>
<b>Business-type activities:</b>						
Net investment in capital assets		387,043	401,010	409,287	422,656	437,125
Restricted		5,669	5,669	5,669	5,669	5,669
Unrestricted		<u>320,351</u>	<u>288,494</u>	<u>263,001</u>	<u>222,463</u>	<u>159,220</u>
Total business-type activities net position		<u>713,063</u>	<u>695,173</u>	<u>677,957</u>	<u>650,788</u>	<u>602,014</u>
<b>Primary government:</b>						
Net investment in capital assets		1,319,231	1,327,367	1,331,785	1,311,654	1,319,866
Restricted		181,423	174,225	130,160	115,950	80,082
Unrestricted		<u>153,572</u>	<u>93,487</u>	<u>100,491</u>	<u>69,040</u>	<u>(155,837)</u>
Total primary government net position	\$	<u>1,654,226</u>	<u>1,595,079</u>	<u>1,562,436</u>	<u>1,496,644</u>	<u>1,244,111</u>

		Fiscal Year				
		2014	2013	2012 <sup>(2)</sup>	2011	2010
<b>Governmental activities</b>	\$					
Net investment in capital assets		829,862	816,785	802,729	814,946	806,721
Restricted		73,323	70,047	40,119	53,953	56,854
Unrestricted		<u>47,188</u>	<u>62,419</u>	<u>104,152</u>	<u>85,930</u>	<u>91,582</u>
Total governmental activities net position		<u>950,373</u>	<u>949,251</u>	<u>947,000</u>	<u>954,829</u>	<u>955,157</u>
<b>Business-type activities:</b>						
Net investment in capital assets		484,467	516,774	545,511	526,011	476,440
Restricted		5,669	5,669	5,669	15,474	13,864
Unrestricted		<u>210,397</u>	<u>159,224</u>	<u>140,283</u>	<u>159,353</u>	<u>208,562</u>
Total business-type activities net position		<u>700,533</u>	<u>681,667</u>	<u>691,463</u>	<u>700,838</u>	<u>698,866</u>
<b>Primary government:</b>						
Net investment in capital assets		1,314,329	1,333,559	1,348,240	1,340,957	1,283,161
Restricted		78,992	75,716	45,788	69,427	70,718
Unrestricted		<u>257,585</u>	<u>221,643</u>	<u>244,435</u>	<u>245,283</u>	<u>300,144</u>
Total primary government net position	\$	<u>1,650,906</u>	<u>1,630,918</u>	<u>1,638,463</u>	<u>1,655,667</u>	<u>1,654,023</u>

## Notes:

- (1) From FY2015 to FY2019, the negative unrestricted net position for governmental activities was due to the recognition of net pension liability pursuant to GASB Statement No. 68.
- (2) In FY2012, only seven months of the Glendale Redevelopment Agency transactions was included in the governmental activities due to ABx1 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 auditor's report

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Position

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year					(1)
	2019	2018	2017	2016	2015	
<b>Expenses</b>						
<b>Governmental activities:</b>						
General government	\$ 24,272	33,037	29,958	20,335	47,822	
Police	92,931	92,679	80,687	72,274	74,596	
Fire	65,484	67,285	59,228	51,386	48,796	
Public works	40,720	30,072	28,021	31,925	26,558	
Transportation	15,863	13,196	14,215	14,367	15,222	
Housing, health, and community development	57,379	44,349	41,831	39,860	42,472	
Employment programs	7,550	5,848	6,099	5,265	5,557	
Public service	6,190	5,999	6,751	6,230	5,895	
Parks, recreation and community services	20,204	19,697	18,710	15,889	13,325	
Library	12,650	12,485	9,590	8,222	8,392	
Interest and fiscal charges	1,125	2,139	2,763	2,203	1,398	
Total governmental activities expenses	<u>344,368</u>	<u>326,786</u>	<u>297,853</u>	<u>267,956</u>	<u>290,033</u>	
<b>Business-type activities:</b>						
Recreation	-	-	-	-	2,584	
Hazardous disposal	-	-	-	-	1,511	
Fire communications	4,286	4,126	3,399	3,149	2,965	
Parking	-	-	-	-	7,702	
Sewer	21,448	20,383	16,697	15,327	17,421	
Refuse disposal	21,566	20,844	19,448	18,518	18,519	
Electric	202,232	188,573	186,772	172,647	187,864	
Water	49,750	48,458	43,400	42,017	45,068	
Total business-type activities expenses	<u>299,282</u>	<u>282,384</u>	<u>269,716</u>	<u>251,658</u>	<u>283,634</u>	
Total primary government expenses	<u>\$ 643,650</u>	<u>609,170</u>	<u>567,569</u>	<u>519,614</u>	<u>573,667</u>	

## Notes:

(1) Effective FY 2015, Recreation, Hazardous Disposal and Parking Funds were reclassified from enterprise funds to special revenue funds.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

## Changes in Net Position

## Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year					(1)
	2019	2018	2017	2016	2015	
<b>Program Revenues</b>						
<b>Governmental activities:</b>						
Charges for services:						
General government	\$ 21,604	20,810	16,601	17,554	18,554	
Police	2,185	1,487	1,282	1,229	1,087	
Fire	9,313	9,672	8,405	8,242	6,330	
Public works	31,712	29,117	23,629	20,732	14,469	
Transportation	6,874	7,115	10,632	9,882	6,849	
Housing, health, and community development	1,253	177	118	68	55	
Employment programs	2,330	1,691	1,711	1,509	1,401	
Parks, recreation and community services	3,346	3,285	2,984	2,999	11	
Library	118	138	83	156	174	
Operating grants and contributions	58,580	55,448	56,317	56,398	55,415	
Capital grants and contributions	17,458	9,447	8,776	8,083	6,969	
Total governmental activities program revenues	<u>154,773</u>	<u>138,387</u>	<u>130,538</u>	<u>126,852</u>	<u>111,314</u>	
<b>Business-type activities:</b>						
Charges for services:						
Recreation	-	-	-	-	2,773	
Hazardous disposal	-	-	-	-	1,632	
Fire communications	4,225	3,984	3,794	3,515	3,253	
Parking	-	-	-	-	9,303	
Sewer	24,892	13,806	13,859	14,273	15,790	
Refuse disposal	22,727	22,417	22,319	21,769	21,989	
Electric	211,748	218,842	218,686	217,467	215,956	
Water	48,726	50,771	48,601	49,972	47,520	
Operating grants and contributions	200	72	207	54	120	
Capital grants and contributions	8	12	61	305	2,306	
Total business-type activities program revenues	<u>312,526</u>	<u>309,904</u>	<u>307,527</u>	<u>307,355</u>	<u>320,642</u>	
Total primary government program revenues	<u>467,299</u>	<u>448,291</u>	<u>438,065</u>	<u>434,207</u>	<u>431,956</u>	
Net (Expense) / Revenue						
Governmental activities	(189,595)	(188,399)	(167,315)	(141,104)	(178,719)	
Business-type activities	13,244	27,520	37,811	55,697	37,008	
Total primary government net expense	<u>\$ (176,351)</u>	<u>(160,879)</u>	<u>(129,504)</u>	<u>(85,407)</u>	<u>(141,711)</u>	

## Notes:

(1) Effective FY 2015, Recreation, Hazardous Disposal and Parking Funds were reclassified from enterprise funds to special revenue funds.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

## Changes in Net Position

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Taxes					
Property taxes	\$ 62,323	58,445	55,217	51,709	50,883
Sales taxes	58,692	62,158	41,096	46,651	36,330
Utility users tax	26,655	27,805	28,605	28,662	27,766
Other taxes	22,563	21,784	20,998	20,378	17,305
Investment income	14,626	1,815	1,262	8,456	1,561
Other	14,831	15,748	22,377	25,988	22,766
Reinstatement of loans	323	328	206	28,029	-
Transfers	20,172	21,312	21,060	19,524	62,859
Special items:					
Transfer of bond proceeds from					
Successor Agency	10,667	-	-	-	-
Transfer of capital assets from					
Successor Agency	-	2,744	15,117	6,729	22,087
Elimination of OPEB implied subsidy	-	-	-	82,247	-
Extraordinary gain (loss)	-	-	-	26,490	-
Total governmental activities	<u>230,852</u>	<u>212,139</u>	<u>205,938</u>	<u>344,863</u>	<u>241,557</u>
<b>Business-type activities:</b>					
Investment income	16,040	1,315	1,859	4,899	1,915
Other	8,778	9,693	8,559	7,702	8,593
Transfers	(20,172)	(21,312)	(21,060)	(19,524)	(62,859)
Total business-type activities	<u>4,646</u>	<u>(10,304)</u>	<u>(10,642)</u>	<u>(6,923)</u>	<u>(52,351)</u>
Total primary government	<u>235,498</u>	<u>201,835</u>	<u>195,296</u>	<u>337,940</u>	<u>189,206</u>
Change in net position					
Governmental activities	41,257	23,740	38,623	203,759	62,838
Business-type activities	17,890	17,216	27,169	48,774	(15,343)
Total primary government	<u>\$ 59,147</u>	<u>40,956</u>	<u>65,792</u>	<u>252,533</u>	<u>47,495</u>

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

## Changes in Net Position

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

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

## Notes:

- (1) In FY2012, only seven months of the Glendale Redevelopment Agency transactions were included in the governmental activities due to ABx1 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 auditor's report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

## Changes in Net Position

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

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

## Notes:

- (1) In FY2012, only seven months of the Glendale Redevelopment Agency transactions was included in the governmental activities due to ABx1 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 auditor's report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

## Changes in Net Position

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

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

## Notes:

- (1) In FY2012, only seven months of the Glendale Redevelopment Agency transactions were included in the governmental activities due to ABx1 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 auditor's report



Schedule 3  
**CITY OF GLENDALE**  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years (in thousands)  
(accrual basis of accounting)

		Fiscal Year				
		2019	2018	2017	2016	2015
<b>General Fund</b>						
Nonspendable:	\$	293	305	267	196	2,505
Restricted for:						
City Charter - Article XI						
Sec. 15 general reserve		30,769	28,115	27,296	24,870	23,433
Pension stabilization		29,426	27,605	-	-	-
Assigned to:						
Economic development		2,068	3,530	4,033	4,526	3,418
Capital		-	97	572	800	800
Quality of Life -						
affordable housing,						
infrastructure improvements,						
and other essential services		5,184	-	-	-	-
Building maintenance		-	-	-	-	1,000
Emergency medical services		-	-	-	2,000	-
Unassigned:		57,534	47,418	60,701	55,954	40,819
Total general fund		<u>125,274</u>	<u>107,070</u>	<u>92,869</u>	<u>88,346</u>	<u>71,975</u>
<b>All Other Governmental Funds</b>						
Nonspendable:		2,756	2,545	2,396	3,197	3,177
Restricted for:						
Property held for resale		-	981	981	-	-
Federal and state grants		8,547	6,854	5,929	5,621	5,129
Public safety		3,600	2,594	2,730	1,820	1,465
Youth employment		33	44	-	52	4
Transportation		37,223	30,324	25,471	22,297	19,965
Landscaping district		239	207	172	139	99
Low and moderate housing		23,413	12,254	11,175	9,642	9,219
Air quality improvement		635	518	425	370	293
Cable access		4,044	3,401	2,895	2,434	1,833
Electric public benefit AB1890		5,903	5,146	3,962	3,609	2,788
State gas tax mandates		8,473	4,405	2,257	3,240	2,868
Landfill post closure		37,286	31,850	29,850	27,850	25,850
Capital projects		45,773	38,884	33,951	29,034	-
Committed to:						
Debt service		15,372	16,429	17,981	19,287	21,522
Capital projects		29,872	23,917	13,405	11,295	9,374
Impact fee funded projects		27,668	24,565	24,132	26,078	14,227
Public safety		448	333	206	13	121
Urban art		8,130	6,974	6,372	5,275	4,283
Filming		-	945	622	373	-
Recreation		-	3,775	3,652	3,548	3,602
Hazardous materials		3,294	2,885	2,342	2,057	1,646
Parking		13,077	9,638	8,738	7,511	6,776
Unassigned:		(6,349)	(4,690)	(4,582)	(9,345)	(5,960)
Total all other governmental funds	\$	<u>269,437</u>	<u>224,778</u>	<u>195,062</u>	<u>175,397</u>	<u>128,281</u>

Source: City Finance Department

Not covered by independent auditor's report

Schedule 3  
**CITY OF GLENDALE**  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years (in thousands)  
(accrual basis of accounting)

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

Notes:

- (1) In FY2012, only seven months of the Glendale Redevelopment Agency transactions was included in the governmental activities due to ABx1 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 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 auditor's 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				
	2019	2018	2017	2016	2015
<b>Revenues:</b>					
Property taxes	\$ 62,323	58,445	55,217	51,709	50,883
Sales tax	58,692	62,158	41,096	46,651	36,330
Utility users tax	26,655	27,805	28,605	28,662	27,766
Other taxes	22,563	21,784	20,998	20,378	17,305
Revenue from other agencies	79,637	70,304	71,590	61,332	69,677
Licenses and permits	15,029	13,740	14,053	23,263	21,592
Fines and forfeitures	5,562	5,300	5,317	4,299	1,413
Charges for services	43,495	39,962	37,012	35,876	21,741
Use of money and property	26,348	10,166	17,244	11,820	5,970
Interfund revenue	19,448	17,410	13,996	14,950	16,577
Miscellaneous revenue	3,374	4,324	9,235	4,105	6,542
<b>Total revenues</b>	<b>363,126</b>	<b>331,398</b>	<b>314,363</b>	<b>303,045</b>	<b>275,796</b>
<b>Expenditures:</b>					
Current:					
General government	19,905	28,866	29,286	25,767	27,250
Police	87,321	82,573	76,908	73,196	71,599
Fire	61,888	60,176	56,598	53,425	47,901
Public works	25,500	23,544	23,351	28,518	20,038
Transportation	14,760	14,271	13,251	13,341	13,780
Housing, health and community development	57,570	40,979	40,102	39,865	42,464
Employment programs	7,449	5,680	6,254	5,603	5,589
Public service	6,177	5,951	6,720	6,381	5,896
Parks, recreation and community services	16,813	16,643	16,511	14,139	10,451
Library	11,071	11,229	9,660	8,655	8,452
Capital outlay	19,682	16,190	30,208	13,433	16,054
Debt service:					
Interest	769	583	374	268	242
Principal	2,197	2,108	2,014	2,981	2,973
Bond issuance costs	357 (1)	-	-	-	-
<b>Total expenditures</b>	<b>331,459</b>	<b>308,793</b>	<b>311,237</b>	<b>285,572</b>	<b>272,689</b>
<b>Excess of revenues over (under) expenditures</b>	<b>31,667</b>	<b>22,605</b>	<b>3,126</b>	<b>17,473</b>	<b>3,107</b>
<b>Other financing sources (uses):</b>					
Transfers in	55,053	35,378	32,302	25,165	43,650
Transfers out	(34,881)	(14,066)	(11,240)	(5,641)	(8,219)
Refunding bonds issued	24,925 (1)	-	-	-	-
Premium on refunding bonds issued	5,327 (1)	-	-	-	-
Payment to refunded bond escrow agent	(29,895) (1)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>20,529</b>	<b>21,312</b>	<b>21,062</b>	<b>19,524</b>	<b>35,431</b>
Extraordinary gain (loss)	-	-	-	26,490	-
Special Item - transfer of bond proceeds from Successor Agency	10,667	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 62,863</b>	<b>43,917</b>	<b>24,188</b>	<b>63,487</b>	<b>38,538</b>
Debt service as a percentage of noncapital expenditures	1.0%	0.9%	0.9%	1.2%	1.3%

Notes:

(1) The variable rate demand certificates of participation (COPs) - 2000 Police building project were refunded on June 25, 2019 with Glendale Municipal Financing Authority 2019 lease revenue refunding bonds.

Source: City Finance Department

Not covered by independent auditor's 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				
	2014	2013	2012 (2)	2011	2010
<b>Revenues:</b>					
Property taxes	\$ 47,623	45,943	59,197	79,714	80,422
Sales tax	35,408	33,789	31,874	30,030	27,594
Utility users tax	27,018	26,968	26,632	26,802	27,827
Other taxes	15,512	14,594	14,181	13,857	13,891
Revenue from other agencies	71,755	75,055	62,819	84,204	80,322
Licenses and permits	10,528	10,866	11,409	8,836	5,601
Fines and forfeitures	1,638	1,446	1,683	2,032	3,026
Charges for services	19,393	19,848	25,885	23,174	22,445
Use of money and property	4,996	2,550	5,112	11,084	9,651
Interfund revenue	16,182	14,921	14,902	14,943	12,012
Sales of property	- (1)	49	52	28	10
Miscellaneous revenue	3,577 (1)	6,744	5,211	1,623	3,347
<b>Total revenues</b>	<b>253,630</b>	<b>252,773</b>	<b>258,957</b>	<b>296,327</b>	<b>286,148</b>
<b>Expenditures:</b>					
Current:					
General government	27,187	22,826	19,535	21,327	20,215
Community promotion	59	111	89	106	55
Police	69,623	68,224	66,848	65,000	61,677
Fire	46,848	47,639	56,957	52,750	51,468
Public works	33,310	30,831	32,911	33,935	34,033
Transportation	-	-	-	-	-
Housing, health and community development	39,449	44,997	44,186	67,044	74,402
Employment programs	5,808	6,028	6,091	5,794	5,060
Public service	5,325	4,656	6,500	7,970	8,053
Parks, recreation and community services	10,331	9,938	11,957	12,856	12,852
Library	8,143	7,923	8,714	8,322	8,343
Capital outlay	23,930	28,320	19,053	31,236	41,043
Debt service:					
Interest	806	241	5,124	5,920	4,516
Principal	13,850	3,476	9,971	10,908	10,398
<b>Total expenditures</b>	<b>284,669</b>	<b>275,210</b>	<b>287,936</b>	<b>323,168</b>	<b>332,115</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(31,039)</b>	<b>(22,437)</b>	<b>(28,979)</b>	<b>(26,841)</b>	<b>(45,967)</b>
<b>Other financing sources (uses):</b>					
Issuance of long-term debt	-	-	2,002	50,000	31,081
Original/Issue discount	-	-	-	(2,032)	-
Cost of issuance	-	-	-	(583)	-
Transfers in	28,331	29,039	69,415	54,771	67,019
Transfers out	(4,382)	(3,740)	(44,863)	(27,529)	(54,030)
<b>Total other financing sources (uses)</b>	<b>23,949</b>	<b>25,299</b>	<b>26,554</b>	<b>74,627</b>	<b>44,070</b>
<b>Extraordinary gain (loss)</b>	<b>-</b>	<b>(7,504)</b>	<b>(121,947)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (7,090)</b>	<b>(4,642)</b>	<b>(124,372)</b>	<b>47,786</b>	<b>(1,897)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>5.6%</b>	<b>1.5%</b>	<b>5.7%</b>	<b>5.6%</b>	<b>5.1%</b>

## Notes:

(1) Effective FY2014, "Sales of property" is included under "Miscellaneous revenue".

(2) In FY2012, only seven months of the Glendale Redevelopment Agency transactions was included in the governmental activities due to ABx1 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 auditor's report

**CITY OF GLENDALE**

## Electric Revenue by Type of Customers

## Last Ten Fiscal Years

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Electric Fund:</b>					
Number of customers:					
Residential	76,256	75,589 (3)	74,783	74,176	73,678
Commercial	13,092	13,043	12,967	12,938	12,869
Industrial	195	196	211	212	214
Public street and highway lighting	21	21	21	21	21
Total number of customers	<u>89,564</u>	<u>88,849</u>	<u>87,982</u>	<u>87,347</u>	<u>86,782</u>
Megawatt-hour units sold:					
Residential	371,625	369,703 (3)	372,746	383,783	372,426
Commercial	329,429	337,282	334,185	335,019	337,388
Industrial	316,244	331,859	346,427	362,867	361,719
Public street and highway lighting	9,207	9,205	9,247	9,182	8,543
Total retail megawatt-hour sales	<u>1,026,505</u>	<u>1,048,049</u>	<u>1,062,605</u>	<u>1,090,851</u>	<u>1,080,076</u>
Sales to other utilities	464,482	404,785 (2)	521,782	461,124 (1)	512,846
Wholesale	-	-	-	- (1)	173,938
Total megawatt-hour sales	<u>1,490,987</u>	<u>1,452,834</u>	<u>1,584,387</u>	<u>1,551,975</u>	<u>1,766,860</u>
Revenue from energy sales:					
Residential	\$ 72,591,228 (4)	74,609,549 (3)	73,139,123	73,924,071	67,754,324
Commercial	63,254,909 (4)	66,961,824	64,986,543	64,213,540	61,746,578
Industrial	54,120,104 (4)	59,813,317	60,766,034	63,310,702	59,626,227
Public street and highway lighting	5,809	6,366	6,401	6,413	3,465
Sales to other utilities	21,775,844 (4)	17,451,139 (2)	19,788,257	16,012,599 (1)	19,041,456
Wholesale	-	-	-	- (1)	7,783,689
Total energy sales	<u>\$ 211,747,894</u>	<u>218,842,195</u>	<u>218,686,358</u>	<u>217,467,325</u>	<u>215,955,739</u>

## Notes:

- (1) Effective FY2016, wholesale and sales to other utilities have been combined into one account.
- (2) Reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue and fluctuations in wholesale sales volume and revenue were due to changing market demand and price volatility.
- (3) In FY2018, there was an increase in customers due to recently completed residential developments. Even though megawatt-hour sales decreased, due to weather, conservation and solar installations, revenue has increased due to a 2% rate increase effective July 1, 2017.
- (4) In FY2019, reduction in retail energy sales revenues was due to weather, conservation and solar installations. Reduction of retail revenues were partially offset by increase in sales to other utilities due to higher volume.

Source: Glendale Water &amp; Power Department

Not covered by independent auditor's report

**CITY OF GLENDALE**

## Electric Revenue by Type of Customers

## Last Ten Fiscal Years

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

## Notes:

(1) In FY2013, reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.

Source: Glendale Water & Power Department

Not covered by independent auditor's report

## Schedule 6

**CITY OF GLENDALE**

Electric Rates (Dollars per Kilowatt Hour)

Last Ten Fiscal Years

		Fiscal Year				
		2019	2018	2017	2016	2015
Customer class:						
Residential	\$	0.1953	0.2018	0.1962	0.1926	0.1819
Commercial		0.1920	0.1985	0.1945	0.1917	0.1830
Industrial		0.1711	0.1802	0.1754	0.1745	0.1648
Lighting		0.0006	0.0007	0.0007	0.0007	0.0004

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

- 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.
- On June 12, 2018, the City of Glendale adopted a five-year rate plan (covering FY 2019 through FY 2023) with annual base rate revenue adjustments of 0%, 0.5%, 1%, 1%, and 1%. Under the new rate plan, electric rates for commercial customers will generally decrease, while residential rates will generally increase to align with the cost of serving each customer class.

Source: Glendale Water &amp; Power Department

Not covered by independent auditor's report

Schedule 7  
**CITY OF GLENDALE**  
Principal Electric Payer Groups  
Current Year and Nine Years Ago

Electric Payer Groups	Fiscal Year 2019			Fiscal Year 2010		
	Electric Charges	Rank	Percentage of Total City Electric Charges	Electric Charges	Rank	Percentage of Total City Electric Charges
Entertainment Industry	\$ 9,149,491	1	4.32%	\$ 9,788,689	2	5.53%
High-Rise Buildings	8,898,426	2	4.20%	5,217,756	5	2.95%
Retail Stores/Malls	8,169,334	3	3.86%	9,560,001	3	5.40%
Hospitals/Medical Facilities	7,796,289	4	3.68%	10,422,463	1	5.89%
Government Agencies	5,864,529	5	2.77%	7,054,020	4	3.99%
Manufacturing	5,140,569	6	2.43%	2,960,531	8	1.67%
Grocery Stores	2,343,785	7	1.11%	4,103,978	7	2.32%
Schools/Colleges	2,319,178	8	1.10%	4,507,620	6	2.55%
Hotels/Motels	1,570,838	9	0.74%	1,410,819	10	0.80%
Utilities	1,094,583	10	0.52%	2,258,772	9	1.28%
	<u>\$ 52,347,022</u>		<u>24.72%</u>	<u>\$ 57,284,649</u>		<u>32.38%</u>

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 auditor's 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> (1)
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
2017	20,120,531	5,931,797	834,016	2,523,204
2018	21,469,246	6,378,762	956,811	2,578,659
2019	22,854,771	6,489,934	984,484	2,521,480

<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)
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
2017	687,939	28,721,609	0.13152
2018	915,228	30,468,250	0.13097
2019	1,015,009	31,835,660	0.13144

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 Tax 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 auditor's 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> <sup>(1)</sup>
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 <sup>(2)</sup>	0.27241
2014	0.13573	N/A	0.13096
2015	0.13573	N/A	0.13108
2016	0.13573	N/A	0.13128
2017	0.13573	N/A	0.13152
2018	0.13573	N/A	0.13097
2019	0.13573	N/A	0.13238

**Direct & Overlapping Rates**

<u>Fiscal Year</u>	<u>Basic Levy</u>	<u>Glendale Community College</u>	<u>Glendale Unified School District</u>	<u>La Canada Unified School District</u>
2010	1.00000	0.02366	0.04603	0.07043
2011	1.00000	0.02344	0.03541	0.07329
2012	1.00000	0.02452	0.04551	0.07086
2013	1.00000	0.02466	0.04395	0.06974
2014	1.00000	0.02341	0.03917	0.06722
2015	1.00000	0.02220	0.05974	0.06477
2016	1.00000	0.02123	0.05062	0.06173
2017	1.00000	0.02119	0.05699	0.06105
2018	1.00000	0.03489	0.05285	0.05913
2019	1.00000	0.03245	0.05045	0.05792

- 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.
- Redevelopment 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) Effective FY2013, due to the dissolution of the Glendale Redevelopment Agency (GRA) on February 1, 2012, the redevelopment rate is not applicable going forward.

Source: HdL Coren &amp; Cone

Not covered by independent auditor's report

(Continued)

**CITY OF GLENDALE**

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

Last Ten Fiscal Years

<b>Direct &amp; Overlapping Rates</b>				
<b>Fiscal Year</b>	<b>LACC District Debt Service 2008, 2012 Series F</b>	<b>LACC District</b>	<b>LAUSD Measure K 2010 Series Ky</b>	<b>LAUSD</b>
2010	0.00000	0.02311	0.00000	0.15181
2011	0.00000	0.04031	0.00000	0.18696
2012	0.00000	0.03530	0.00000	0.16819
2013	0.01119	0.03756	0.00001	0.17560
2014	0.00000	0.04454	N/A	0.14644
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A

<b>Direct &amp; Overlapping Rates</b>				
<b>Fiscal Year</b>	<b>Metropolitan Water District</b>	<b>Pasadena Community College District Debt Service 2002, 2006 Series D</b>	<b>Pasadena Community College District</b>	<b>Total Direct &amp; Overlapping Tax Rates</b>
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
2017	0.00350	N/A	0.00885	1.15158
2018	0.00350	N/A	0.00819	1.15856
2019	0.00350	N/A	0.00767	1.15200

- 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 &amp; Cone

Not covered by independent auditor's report

Schedule 10  
**CITY OF GLENDALE**  
Principal Property Tax Payers  
Current Year and Nine Years Ago (in thousands)

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	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	\$ 630,385	1	1.98%			
Glendale Mall Associates LLC	603,987	2	1.90%			
Americana at Brand LLC	227,974	3	0.72%	\$ 166,078	5	0.74%
CP IV Glendale LLC	200,120	4	0.63%			
La Hana Ow LLC Lessor	195,409	5	0.61%			
GPI 500 Brand Limited	185,544	6	0.58%			
DWF V 655 North Central LLC	182,580	7	0.57%			
Omni 700 Brand LP	170,748	8	0.54%			
Camden USA INC	149,012	9	0.47%			
BCSP 800 North Brand Property LLC	148,800	10	0.47%			
GGP Homart II				446,065	1	1.97%
ABC Inc./Walt Disney World Company				365,561	2	1.62%
Maguire Properties LLC				245,369	3	1.09%
PR Glendale Plaza Office California LLC				223,168	4	0.99%
Wells Reit Glendale California LLC				163,081	6	0.72%
Legacy Partners II Glendale N Brand LLC				146,000	7	0.65%
Metropolitan Life Insurance Company				129,194	8	0.57%
SPUSV5 500 Brand LP				111,000	9	0.49%
Napi Glendale I LLC				101,000	10	0.45%
Total	\$ 2,694,559		8.46%	\$ 2,096,516		9.28%

Source: HdL Coren & Cone

Not covered by independent auditor's report

**CITY OF GLENDALE**

## Property Tax Levies and Collections

Last Ten Fiscal Years (in thousands)

<b>City</b>						
Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>(5)</sup>	Total Collections to Date <sup>(1)</sup>	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 23,814	\$ 22,698	95%	\$ 902	\$ 23,600	99%
2011	24,737	23,811	96%	620	24,431	99%
2012	25,402	24,726	97%	554	25,280	100%
2013	24,839	25,612	103% <sup>(2)</sup>	528	26,140	105%
2014	26,846	26,823	100%	197	27,020	101%
2015	27,703	27,227	98%	160	27,387	99%
2016	29,323	28,789	98%	(44) <sup>(3)</sup>	28,745	98%
2017	31,075	30,455 <sup>(4)</sup>	98%	372 <sup>(4)</sup>	30,827	99%
2018	33,511	32,932	98%	268	33,200	99%
2019	34,905	33,902	97%	-	33,902	97%

<b>Redevelopment Agency/Successor Agency</b>						
Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>(5)</sup>	Total Collections to Date <sup>(1)</sup>	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 41,442	\$ 39,884	96%	\$ 383	\$ 40,267	97%
2011	39,048	37,801	97%	265	38,066	97%
2012	37,958	16,643 <sup>(6)</sup>	44%	-	16,643	44%
2013	-	42,203 <sup>(7)</sup>	-	-	42,203	-
2014	-	20,039 <sup>(7)</sup>	-	-	20,039	-
2015	-	10,709 <sup>(7)</sup>	-	-	10,709	-
2016	-	22,457 <sup>(7)</sup>	-	-	22,457	-
2017	-	16,407 <sup>(7)</sup>	-	-	16,407	-
2018	-	28,290 <sup>(7)</sup>	-	-	28,290	-
2019	-	19,542 <sup>(7)</sup>	-	-	19,542	-

## 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 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.
- (3) The negative collection is due to refunds to property owners for overpayment in prior years, which mainly resulted from lower property values.
- (4) Revised since FY2017 CAFR release, due to updated numbers.
- (5) Delinquent taxes should be reported by levy year rather than by collection year. [GASB-S44: 21c; 2005 GAAFR, page 307].
- (6) This amount only includes Property Tax Increment collections from July 2011 through January 2012 due to ABx1 26 - Redevelopment Agencies Dissolution effective February 1, 2012.
- (7) 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.

## Sources:

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

Not covered by independent auditor's report

**CITY OF GLENDALE**

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

**Governmental Activities**

Fiscal Year	Certificates of Participation (COPs)	Capital Leases	HUD Section 108 (2002-A)	HUD Section 108 (2011-A)	Loans Payable	Residential Development Loan Program (RDLP)	2019 GMFA Lease Revenue Bonds	Total Government Activities
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
2017	33,785	262	-	1,111	-	-	-	35,158
2018	31,880	- (3)	-	908	594	-	-	33,382
2019	- (6)	-	-	696	- (5)	-	30,252 (6)	30,948

**Business-type Activities**

Fiscal Year	2003 Electric Revenue Bond	2006 Electric Revenue Bond	2008 Electric Revenue Bond	2013 Electric Refunding Bond	2013 Electric Revenue Bond
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
2017	-	-	1,880	22,539	61,307
2018	-	-	- (4)	21,403	60,020
2019	-	-	-	20,227	58,688

**Business-type Activities**

Fiscal Year	2016 Electric Refunding Bond	2008 Water Revenue Bond	2012 Water Revenue Bond	Total Business-type Activities
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
2017	87,085	45,089	35,533	253,433
2018	85,127	43,655	35,096	245,301
2019	81,509	42,170	34,639	237,233

**Notes:**

(1) In FY2013, the 2003 Electric Revenue Bond was refunded by 2013 Electric Refunding Bond.

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

(3) In FY2018, the 2009 fire equipment lease from Wells Fargo was paid in full.

(4) In FY2018, the 2008 Electric Revenue Bond was fully redeemed.

(5) In FY2019, the Parking Access and Revenue Control System (PARCS) loan was paid in full.

(6) In FY2019, The COPs were refunded on June 25, 2019 with Glendale Municipal Financing Authority 2019 Lease Revenue Refunding Bonds.

Source: City Finance Department

Not covered by independent auditor's 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
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
2017	35,158	253,433	288,591	5,883,577	4.91%	202	1.430
2018	33,382	245,301	278,683	6,241,717	4.46%	206	1.353
2019	30,948	237,233	268,181	6,584,347	4.07%	206	1.302

For Successor Agency debt by types:

Fiduciary Activities					
Fiscal Year	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
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
2017	-	-	-	38,119	31,577
2018	-	-	-	34,964	25,564
2019	-	-	-	31,549	19,335

Fiduciary Activities				
Fiscal Year	2016 GRA Tax Allocation Bond	Low & Mod Loans Payable	Loans Payable	Total
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
2017	24,279	-	27,828	121,803
2018	23,816	-	23,271	107,615
2019	23,354	-	13,554	87,792

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) In FY2016, the 2010 GRA Tax Allocation Bond was refunded by 2016 GRA Tax Allocation Bond.

Source: City Finance Department

Not covered by independent auditor's report

## Schedule 13

**CITY OF GLENDALE**

## Direct and Overlapping Governmental Activities Debt

As of June 30, 2019 (in thousands)

	Gross Bonded Debt Balance	Percentage Applicable to Glendale	Amount Applicable to Glendale
<b>Direct debt:</b>			
Section 108 (Series 2011-A)	\$ 696	100%	\$ 696
Bonds Payable	24,925	100%	24,925
Total direct debt			<u>25,621</u>
<b>Overlapping debt:</b>			
Metropolitan Water District	23,317	2.160%	504
Glendale CCD DS 2002 Series C	5,927	89.113%	5,282
Glendale CCD 2002, 2011 Series E	3,535	89.113%	3,150
Glendale CCD DS 2002, 2013 Series F	13,225	89.113%	11,785
Glendale CCD DS 2014 REF Bonds	23,515	89.113%	20,955
Glendale CCD DS 2016 Series A	115,575	89.113%	102,992
Pasadena CCD DS 2002, 2006 Series D	1,840	0.153%	3
Pasadena CCD DS 2002, 2009 Series E (BABS)	25,295	0.153%	39
Pasadena CCD DS 2014 REF Series A	13,900	0.153%	21
Pasadena CCD DS 2016 REF Series A	32,395	0.153%	49
Glendale USD DS 2009 REF Bonds	3,785	89.113%	3,373
Glendale USD DS 2010 REF Bonds	3,650	89.113%	3,253
Glendale USD DS 2010 REF Bonds Series B	13,970	89.113%	12,449
Glendale USD DS 2011 Series A Bonds	21,820	89.113%	19,445
Glendale USD DS 2011 REF Bonds	2,069	89.113%	1,843
Glendale USD DS 2011 Series A1 CREB	4,300	89.113%	3,832
Glendale USD DS 2012 Refund Bonds	61,595	89.113%	54,889
Glendale USD DS 2015 Ref Bonds Series A	101,851	89.113%	90,762
Glendale USD DS 2011 Series C	60,405	89.113%	53,829
Glendale USD DS 2011 Series D	38,000	89.113%	33,863
La Canada USD DS 1995 SD	948	1.798%	17
La Canada USD DS 1999 Series A	1,500	1.798%	27
La Canada USD DS 2004 Series C	75	1.798%	1
La Canada USD DS 2011 Refund Bond	9,695	1.798%	174
La Canada USD DS 2017 Refund Bond	36,465	1.798%	656
Total overlapping debt			<u>423,193</u>
Total direct and overlapping debt			<u>\$ 448,814</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 &amp; Cone

Not covered by independent auditor's report



**CITY OF GLENDALE**

## Legal Debt Margin Information

Last Ten Fiscal Years (in thousands)

**Legal Debt Margin Calculation for Fiscal Year 2019**

Assessed value	\$ 25,475,913 (1)
Debt limit (15% of assessed value)	3,821,387 (2)
Less debt applicable to limit	-
Legal debt margin	<u>\$ 3,821,387</u>

	Fiscal Year				
	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)
Debt limit	\$ 3,821,387	3,636,704	3,442,765	3,251,258	3,085,271
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 3,821,387</u>	<u>3,636,704</u>	<u>3,442,765</u>	<u>3,251,258</u>	<u>3,085,271</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2014 (1)	2013 (1)	2012 (1)	2011	2010
Debt limit	\$ 2,945,332	2,829,443	2,809,769	3,433,923	3,388,470
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,872</u>	<u>107,985</u>
Legal debt margin	<u>\$ 2,945,332</u>	<u>2,829,443</u>	<u>2,809,769</u>	<u>3,286,051</u>	<u>3,280,485</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	4.31%	3.19%

## Notes:

- (1) As a result of ABx1 26, the Net Assessed Value calculation does not include the assessed valuations for the former Glendale Redevelopment Agency's project areas (Central District: \$3,815,568; San Fernando Corr. District: \$2,407,990). Accordingly, the debt associated with the Glendale Redevelopment Agency became obligations of the Successor Agency, which is a separate legal entity. As such, this debt will no longer be included in 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 auditor's report

**CITY OF GLENDALE**

Pledged-Revenue Coverage

Last Ten Fiscal Years (in thousands)

<b>Electric Revenue Bonds</b>							
<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>	
				<u>Principal</u>	<u>Interest</u>		
2010	\$ 178,804	\$ 142,787 (1)	\$ 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 (2)	65,808	1,920	8,498	6.32	
2016	223,319	143,915	79,404	2,460	7,960	7.62	
2017	222,756	154,554	68,202	3,445	6,508	6.85	
2018	223,940	157,718	66,222	5,130	7,446	5.27	
2019	227,063	173,729	53,334	4,995	7,210	4.37	

<b>Water Revenue Bonds</b>							
<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>	
				<u>Principal</u>	<u>Interest</u>		
2010	\$ 37,006	\$ 29,125 (1)	\$ 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 (4)	40,611	5,055	1,210	3,658	1.04	
2015	51,094 (3)	36,694 (2)	14,400	1,245	3,463	3.06	
2016	52,218	34,271	17,947	1,285	3,426	3.81	
2017	50,430	34,109	16,321	1,325	3,387	3.46	
2018	52,797	39,820	12,977	1,785	3,334	2.54	
2019	51,688	40,661	11,027	1,855	3,262	2.15	

## Notes:

(1) From FY2010-FY2014, depreciation expenses are excluded in calculating the debt service coverage ratio.

(2) Effective FY2015, depreciation, gas depletion, transfers, and interest expense are excluded in calculating debt service coverage ratio.

(3) Effective FY2015, revenues available for debt service include charges for services, miscellaneous revenues, and use of money and property, and exclude customer paid capital revenues.

(4) This amount is net of \$3.4 million fireline refund resulted from over charging customers in the prior years.

Source: City Finance Department

Not covered by independent auditor's report

**CITY OF GLENDALE**

Pledged-Revenue Coverage

Last Ten Fiscal Years (in thousands)

Tax Allocation Bonds recorded in Fiduciary Fund (1)											
Fiscal Year	Property		Less:		Net		Debt Service		Coverage		
	Tax	Increment	Operating	Expenses (2)	Available	Revenue	Principal	Interest			
2010	\$	25,254	\$	17,166 (3)	\$	8,088	\$	4,980	\$	3,599	0.94
2011		22,693 (4)		8,296 (4)		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
2017		33,814 (5)		4,869 (6)		28,946		7,995		5,778	2.10
2018		38,608 (5)		5,426 (6)		33,182		8,770		5,145	2.38
2019		42,695 (5)		5,712 (6)		36,983		9,245		4,656	2.66

## 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 amounts in this column exclude depreciation expenses for all ten years.
- (3) In FY2010, the Operating Expenses increase was due to the GRA's transfer to "SERAF" in the amount of \$11.2 million.
- (4) In FY2011, the Property Tax Increment and Operating Expenses were restated to reflect the "SERAF" transfer of \$2.3 million.
- (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 auditor's report

## Schedule 16

**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)
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	
2017	201,748		29,163		5,883,576,924	41.2	
2018	205,536		30,368		6,241,717,248	41.0	
2019	206,283		31,919		6,584,347,077	41.2	

<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)
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%	
2017	84.4%		37.9%		45,671		5.1%	
2018	85.1%		39.0%		45,720		4.8%	
2019	85.9%		39.6%		44,112		4.4%	

## 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 2019 data is from calendar year 2018.
- (III) Enrollment data are based on Glendale Unified School District and Glendale Community College District school attendance reports.

Not covered by independent auditor's report

**CITY OF GLENDALE**

Principal Employers

Current Year and Nine Years Ago

Employer	2019			2010		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
Glendale Unified School District (4)	2,629	1	2.55%	1,894	3	2.38%
Glendale Adventist Med Center (3)	2,610	2	2.53%	2,023	2	2.54%
City of Glendale	2,051	3	1.96%	2,310	1	2.90%
Dream Works Animation Skg Inc/NBC Universal	1,868	4	1.81%			
Glendale Community College (3)	1,619	5	1.57%	1,169	8	1.47%
Glenair Inc	1,600	6	1.55%			
Dignity Health - Glendale Memorial Hospital (5)	1,075	7	1.04%	1,500	5	1.88%
USC Verdugo Hills Hospital	850	8	0.82%			
Age of Learning	650	9	0.63%			
Service Titan	430	10	0.42%			
Acco Engineered Systems				1,350	7	1.69%
Nestle Company				1,520	4	1.91%
Disney Consumer & Interactive				1,400	6	1.76%
Compensation Insurance Fund				850	9	1.07%
KABC				800	10	1.00%

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 FY2019, the percentage of total employment is calculated using a baseline of 103,200 workers employed in Glendale, data provided by EDD. In FY2010, the percentage of total employment was calculated using a baseline of 79,722 workers employed in Glendale.
- (3) Includes permanent full time employees only.
- (4) Includes part time and per diem.
- (5) In FY2019, Glendale Memorial Hospital renamed to Dignity Health Glendale Memorial Hospital.

## Sources:

- (1) FY2019 data, with the exception of the City of Glendale, Age of Learning and Service Titan data, is from MuniServices LLC. FY2019 City of Glendale, Age of Learning and Service Titan data is from the City of Glendale.

Not covered by independent auditor's report

**CITY OF GLENDALE**

Authorized Salaried Positions by Department

Last Ten Fiscal Years

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Department:</b>					
Administrative Services - Finance (1)	37.35	36.35	38.27	37.27	30.27
City Attorney	20.00	18.31	18.31	18.21	17.21
City Clerk	6.00	6.00	6.30	6.30	6.00
City Treasurer	5.00	5.00	5.00	5.00	5.00
Community Development	119.45	118.64	119.09	118.19	90.54
Community Services & Parks	98.25	100.25	100.33	98.38	97.38
Fire					
Sworn	166.00	166.00	164.00	164.00	163.00
Civilians	45.00	43.00	45.00	44.00	42.00
Glendale Water & Power	321.50	327.50	328.50	326.00	312.00
Human Resources	22.90	23.90	23.90	23.85	18.85
Information Services	42.00	42.00	42.00	42.00	40.00
Innovation, Performance & Audit	6.00	6.00 (3)	-	-	-
Library, Arts & Culture	47.00	47.00	47.00	47.00	45.00
Management Services	23.25	21.75	22.00	22.00	30.70
Police					
Sworn	243.50	243.50	243.10	243.10	241.10
Civilians	97.50	97.50	96.50	96.50	99.00
Public Works					
Sworn	0.50	0.50	0.90	0.90	0.90
Civilians	289.80	283.80	283.80	282.30	281.05
<b>Total</b>	<u>1,591.00</u>	<u>1,587.00</u>	<u>1,584.00</u>	<u>1,575.00</u>	<u>1,520.00</u> (2)

## Notes:

(1) Administrative Services Department includes data for Purchasing.

(2) The FY2015 position count was adjusted to reflect revised position counts after retirement/separation incentive.

(3) In FY2018, the Innovation, Performance &amp; Audit Department was created.

Source: City's Budget book.

Not covered by independent auditor's report

## Schedule 18

**CITY OF GLENDALE**Authorized Salaried Positions by Department  
Last Ten Fiscal Years

	Fiscal Year				
	2014	2013	2012	2011 <sup>(3)</sup>	2010
<b>Department:</b>					
Administrative Services - Finance (1)	35.27	31.05	34.05	35.05	31.90 <sup>(5)</sup>
City Attorney	18.26	18.16	20.16	20.16	12.30
City Clerk	7.00	7.00	10.00	10.00	10.00
City Treasurer	5.00	5.00	5.00	5.00	5.00
Community Development	100.10 <sup>(2)</sup>	98.24	135.99 <sup>(4)</sup>	-	-
Community Development & Housing	-	-	-	-	102.47
Community Planning	-	-	-	85.01	-
Community Redevelopment & Housing	-	-	-	50.48	-
Community Services & Parks	105.37	107.70 <sup>(6)</sup>	158.38	165.05	-
Development Services	-	-	-	-	18.23
Fire					
Sworn	157.00	168.00	177.00	179.00	185.00
Civilians	42.00	43.25	47.00	46.00	45.00
Glendale Water & Power	315.00	330.00	415.50	408.00	416.15
Human Resources	20.85	20.85	27.85	28.00	31.00
Information Services	50.00	47.75	52.00	50.00	42.00
Library, Arts & Culture	50.00	50.00	59.00	61.00	64.00
Management Services	31.20	27.00	32.82 <sup>(5)</sup>	30.00	31.00
Parks, Recreation & Community Services	-	-	-	-	128.00
Planning	-	-	-	-	26.95
Police					
Sworn	252.60	252.60	253.60	255.10	255.10
Civilians	99.00	99.00	105.00	107.00	108.00
Public Works					
Sworn	0.90	0.90	0.90	0.90	0.90
Civilians	298.45	297.50	339.75	353.25	391.00
<b>Total</b>	<u>1,588.00</u>	<u>1,604.00 <sup>(7)</sup></u>	<u>1,874.00</u>	<u>1,889.00</u>	<u>1,904.00</u>

## Notes:

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

Source: City's Budget book.

Not covered by independent auditor's report

**CITY OF GLENDALE**

## Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2019	2018	2017	2016	2015
Police:					
Physical arrests	4,549	4,749	4,751	5,555	5,515
Parking violations	70,320	72,553 (1)	63,644	63,137	69,376
Traffic violations	17,521	17,508 (2)	20,533 (5)	14,776	15,747
Fire:					
Emergency responses	19,424	19,728	19,420	19,574	18,798
Fires extinguished	223	293	266	239	290
Refuse collection:					
Refuse collected (tons per day)	221	222	217	201	195
Recyclables collected (tons per day)	21	22 (3)	27	30	30
Inert waste recycling (tons per year)					
Public Works	1,718	1,814 (4)	2,337	2,663	2,182
Glendale Water and Power	386 (11)	460	478	443	1,281
Other public works:					
Street resurfacing (miles) (10)	9.74	4.35 (6)	7.51 (6)	5.28 (6)	19.99 (6)
Street reconstructing (miles) (10)	-	- (6)	- (6)	- (6)	0.30 (6)
Potholes repaired (square feet per year)	15,739 (9)	8,897	10,227 (7)	9,923	14,553
Wastewater:					
Average daily sewage treatment (millions of gallons)	13	13	13	13 (8)	15

## Notes:

- (1) In FY2018, increased downtown, special, and scofflaw parking enforcements, in particular enforcements of night time parking around Glendale Community College, have generated more citations.
- (2) In FY2018, low staffing combined with reprioritizations to assist school enforcement and to address more citizen complaints have led to a decrease in citations of traffic violations.
- (3) Since FY2018, foreign markets made the recyclable processing market more strict by only accepting materials that meet strict grade and cleanliness standards. As a result, more of Glendale's recyclables have been thrown away causing a decrease in diversion.
- (4) Since FY2018, the Public Works Department is taking inert waste to the same location that processes bulky item debris. As a result, Public Works' inert material recycling is more difficult to track separately.
- (5) In FY2017, law enforcement was provided electronic citation books, which made the process of entering citations in the system more efficient.
- (6) Revised figures for FY2014 through FY2018 based on updated information.
- (7) In FY2017, 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. The "square feet of potholes repaired" is contingent upon various factors, including level of staffing, weather, and other citywide street improvement projects, such as paving, curb, and gutter maintenance.
- (8) Since FY2016, the reduction in average daily sewage treatment from previous years was due to water conservation efforts.
- (9) In FY2019, above average rainfall has led to a significant increase in potholes. With staffing levels at full capacity, the City was able to fix a significant amount of the potholes.
- (10) The City generally focuses on street resurfacing rather than street reconstructing, due to the time consuming and cost prohibitive nature of reconstructing, since it involves building from the ground up. The City has only resorted to reconstructing on rare occasions over the past decade, which showcases the durable quality of the streets of Glendale.
- (11) In FY2019, the reduction in inert waste recycling by Glendale Water and Power can be attributed to smaller water main breaks. Even though the City observed more water main breaks this year, the size, scope and magnitude of failures has decreased.

Sources: Various city departments

Not covered by independent auditor's report



**CITY OF GLENDALE**

Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2019	2018	2017	2016	2015
Electric:					
Average daily consumption (MWH)	2,812	2,871	2,911	2,980	2,959
Electricity generated (MWH)	667,475	826,830	876,062	914,556	918,314
Electricity purchased (MWH)	942,543	739,880	834,432	768,632	1,131,229
Electricity sold - Retail (MWH)	1,026,505	1,048,049	1,062,605	1,090,851	1,080,077
Electricity sold - Wholesale (MWH)	464,482	404,785	521,782	461,124	686,784
Peak demand (MW)	332	344	293 <sup>(6)</sup>	332	337
Water:					
Average daily consumption (millions of gallons)	21	21	21	20	23
Water mains breaks	20	11	3	14	12
Water purchased (AF)	14,184	16,177	14,111	13,992	17,045
Water sold (AF)	23,171	24,074	23,396	22,927	25,175
Transit:					
Total route miles <sup>(1)</sup>	760,585	761,251	747,108	746,026	741,287
Passengers	1,411,254	1,504,383 <sup>(7)</sup>	1,703,360	1,828,547	1,884,454
Parks and recreation:					
Athletic field permits issued	8,627	8,331	7,755	6,523	3,485 <sup>(2)</sup>
Community center admissions	52,477 <sup>(8)</sup>	3,888 <sup>(5)</sup>	5,294	5,555	5,643 <sup>(3)</sup>
Library:					
Volumes in collections	515,101	521,739	520,708	521,247	521,389
Total volumes borrowed	1,554,077	1,067,667	921,163	1,000,355	1,310,873 <sup>(4)</sup>

## Notes:

- (1) Route miles vary every year depending on the day of the week holiday service operates.
- (2) Since 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 between FY2015 and FY2019.
- (3) In FY2015, the increase in community center admissions 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.
- (4) 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.
- (5) In FY2018, the total number of pass members has decreased. Although there was a decrease in the number of pass members, the overall number of visits by all pass members is only slightly less than last year.
- (6) Revised number based on updated information.
- (7) Since FY2018, decreased ridership is due to increased car ownership and usage of alternative transportation methods.
- (8) In FY2019, the method of counting community center admissions was changed to capture each single visit separately.

Sources: Various city departments

Not covered by independent auditor's report

**CITY OF GLENDALE**

## Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2014	2013	2012	2011	2010
Police:					
Physical arrests	5,768	5,886	5,829	5,652	5,857
Parking violations	71,958	72,879	74,572	81,843	87,621
Traffic violations	20,076	17,197	18,566	25,667	23,990
Fire:					
Emergency responses	17,825	17,253	16,591	15,447	15,424
Fires extinguished	393	382	372	349	333
Refuse collection:					
Refuse collected (tons per day)	188	185	184 <sup>(1)</sup>	195	197
Recyclables collected (tons per day)	30	29	29	31	32
Inert waste recycling (tons per year)					
Brand Park landfill	- <sup>(4)</sup>	3,607	3,545	2,500 <sup>(2)</sup>	3,000 <sup>(2)</sup>
Public Works	2,923	-	-	-	-
Glendale Water and Power	1,829	-	-	-	-
Other public works:					
Street resurfacing (miles)	8.96 <sup>(5)</sup>	6.60 <sup>(3)</sup>	5.85 <sup>(3)</sup>	5.56 <sup>(3)</sup>	5.30 <sup>(3)</sup>
Street reconstructing (miles)	- <sup>(5)</sup>	-	0.68	0.70	0.50
Potholes repaired (square feet per year)	10,909	16,592	21,962	21,012	16,449
Wastewater:					
Average daily sewage treatment (millions of gallons)	15	15	15	20	20

## Notes:

- (1) 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.
- (2) Some departments diverted inert wastes to an outside recycling company instead of using the Brand Park Landfill.
- (3) Between FY2010 and FY2013, more street resurfacing was done in an effort to take advantage of the low street resurfacing costs due to the economic downturn.
- (4) Effective FY2014, each department contracted out to private haulers to dispose of citywide inert wastes after the official closing of the Brand Park Landfill.
- (5) Revised figures for FY2014 through FY2018 based on updated information.

Sources: Various city departments

Not covered by independent auditor's report

**CITY OF GLENDALE**

Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2014	2013	2012	2011	2010
Electric:					
Average daily consumption (MWH)	2,907	3,090	2,998	2,878	3,020
Electricity generated (MWH)	905,560	794,248	846,637	928,682	960,061
Electricity purchased (MWH)	999,932	769,224 (1)	1,289,843	1,195,972 (2)	451,545
Electricity sold - Retail (MWH)	1,061,028	1,127,696	1,094,194	1,050,450	1,102,310
Electricity sold - Wholesale (MWH)	683,179	297,254 (1)	897,830	884,686 (2)	185,665
Peak demand (MW)	317	311	316	336	300
Water:					
Average daily consumption (millions of gallons)	24	25	23	21	22
Water mains breaks	20	10	14	10	8
Water purchased (AF)	20,341	18,761	17,319	16,959	16,535
Water sold (AF)	26,049	29,003	26,809	24,796	25,489
Transit:					
Total route miles (3)	735,827	731,036	822,432	880,655	866,901
Passengers	1,727,931	1,888,016	2,543,532	2,724,121	2,574,396
Parks and recreation:					
Athletic field permits issued	682	614	682 (4)	917	930
Community center admissions	3,891	3,425	3,194	2,360	1,114
Library:					
Volumes in collections	571,942	619,871	643,598	688,818	701,928
Total volumes borrowed	1,069,695	1,114,987	1,179,964	1,290,945	1,312,743

## Notes:

- (1) In FY2013, reductions in electricity purchased and sold correlates to the decrease in wholesale revenue and sales to other utility revenue.
- (2) 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.
- (3) Route miles vary every year depending on the day of the week holiday service operates.
- (4) 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.

Sources: Various city departments

Not covered by independent auditor's report

**CITY OF GLENDALE**

## Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2019	2018	2017	2016	2015
Police:					
Stations (1)	3	3	3	3	3
Patrol units	64	64	64	64	63
Helicopters (2)	1.5	1.5	2	2	2
Motorcycles	54 (5)	25	25	25	25
Fire:					
Stations	9	9	9	9	9
Refuse collection:					
Collection trucks (3)	58	47	47	47	48
Other public works:					
Streets (miles) (6)	365	365	365	365	365
Traffic signals	238	235	235	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	286
Parks and other facilities	44	44	44 (4)	43	43
Community centers	4	4	4	4	4
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 FY2007, three helicopters have been shared with the City of Burbank for the operation of the Joint Law Enforcement Air Support Unit. Effective FY2015, four helicopters have been shared by the City of Glendale and the City of Burbank. In August 2017, the oldest Helicopter not in service belonging to Glendale and Burbank was sold.
- (3) This number does not include the small bin trucks or light duty vehicles.
- (4) In FY2017, the Central Park project was completed, which increased the park count to 44. However, its acreage is combined with Adult Recreational Center, so the total acreage for Parks and Facilities remained the same.
- (5) The increase is due to 21 new purchases and 8 motorcycles on reserve that were not reported in prior years.
- (6) Revised figures based on updated information.

Sources: Various city departments

Not covered by independent auditor's report

**CITY OF GLENDALE**

## Capital Asset Statistics by Function/Program

## Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2019	2018	2017	2016	2015
Library:					
Branches	8	8	8	8	8
Electric:					
Number of electric meters	89,564	88,849	87,982	87,347	86,782
Number of streetlights	11,323	11,317	11,258 (2)	11,225 (2)	11,207
Grayson power plant capacity (MW)	260	260	260	260	260
Water:					
Number of water meters	34,205	34,181	34,135	34,086	33,976
Water mains (miles)	404	395	384	398	398
Fire hydrants	3,226	3,215	3,201	3,177	3,164
Storage capacity (millions of gallons)	184	184	184	184	184
Wastewater:					
Storm catch basin (1)	3,827	3,827	3,686	3,686	3,686
Sanitary sewers (miles)	361 (3)	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.

(2) Revised numbers for FY2016 &amp; F2017 based on updated information.

(3) In FY2019, an additional mile of sewer was added due to the Chevy Chase Sewer Diversion Project.

Sources: Various city departments

Not covered by independent auditor's report

**CITY OF GLENDALE**

## Capital Asset Statistics by Function/Program

## Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2014	2013	2012	2011	2010
Police:					
Stations (1)	2	2	2	2	2
Patrol units	61	62	74	70	70
Helicopters (2)	1.5	1.5	1.5	1.5	1.5
Motorcycles	24	27	23	25	25
Fire:					
Stations	9	9	9	9	9
Refuse collection:					
Collection trucks (3)	49	50	48	50	50
Other public works:					
Streets (miles) (7)	365	365	365	365	365
Traffic signals	234	234	234	233	233
Parks and recreation:					
Open space acres	5,034	5,034	5,034	5,034	5,029
Developed parkland acres	286 (5)	286 (4)	282	281	281
Parks and other facilities	43 (5)	42 (4)	41 (6)	39	39
Community centers	4	4	4 (6)	8	8
Baseball/softball diamonds	16	16	16	16	16
Soccer/football fields	3	3	3	3	3
Golf course	1	1	1	1	1
Community pool	1	1	1	1	-

## Notes:

- (1) There is one main facility located at 131 N. Isabel and one substation located in the Glendale Galleria.
- (2) Since FY2007, three helicopters have been shared with the City of Burbank for the operation of the Joint Law Enforcement Air Support Unit. Effective FY2015, four helicopters have been shared by the City of Glendale and the City of Burbank. In August 2017, the oldest Helicopter not in service belonging to Glendale and Burbank was sold.
- (3) This number does not include the small bin trucks or light duty vehicles.
- (4) In FY2013, the Glendale Narrows Riverwalk Park project was completed, which increased the park count to 42, and park acreage by 3.94 acres (285.56 in total acres).
- (5) In FY2014, the Maryland Avenue Park project was completed, which increased the park count to 43, and park acreage by 0.48 acres (286.04 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.
- (7) Revised figures based on updated information.

Sources: Various city departments

Not covered by independent auditor's report

**CITY OF GLENDALE**

## Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2014	2013	2012	2011	2010
Library:					
Branches	8	8	8	8	8
Electric:					
Number of electric meters	86,012	85,629	85,358	84,962	84,800
Number of streetlights	11,192	10,740	10,735	10,725	10,714
Grayson power plant capacity (MW)	260	260	260	260	260
Water:					
Number of water meters	33,900	33,801	33,744	33,374	33,509
Water mains (miles)	397	397	397	397	397
Fire hydrants	3,149	3,146	3,134	3,134	3,133
Storage capacity (millions of gallons)	184	184	184	184	185
Wastewater:					
Storm catch basin (1)	3,686	3,686	3,686	3,686	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 auditor's report

# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

[www.Glendaleca.gov](http://www.Glendaleca.gov)



@MyGlendale #MyGlendale