

# Financial Section

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

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





## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

## **Auditors' Responsibility (Continued)**

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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale as of June 30, 2021, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Housing Assistance special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matters**

As discussed in Note 16 to the financial statements, the net positions as of July 1, 2020, were restated. Also, as discussed in Note 15 to the financial statements, the City implemented the Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*, in fiscal year 2020-2021, which resulted in a restatement. Our opinions are not modified with respect to these matters.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability and related ratios of the pension plans and schedules of pension plan contributions and schedule of changes in total OPEB liability and related ratio 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 non-major fund financial statements and schedules (supplementary information) and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

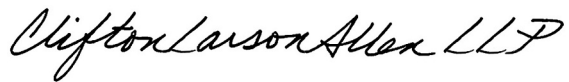
The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Matters (Continued)**

The introductory section and statistical section 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 16, 2021, 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.



**CliftonLarsonAllen LLP**

Irvine, California  
November 16, 2021

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## CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2021

(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, 2021. 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 – xi 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 2020-21 by \$1,668,404 (net position), which was comprised of net investment in capital assets of \$1,345,030, restricted net position of \$297,769 and unrestricted net position of \$25,605. The unrestricted net position consisted of a negative \$288,954 for governmental activities and \$314,559 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 decreased by \$1,151. Most of this decrease was because of decrease in the fair market value of investments (GASB 31) and the allocation of the net loss from the internal service funds.
- As of the close of FY 2020-21, the City's governmental funds reported combined ending fund balances of \$451,247, an increase of \$39,203 in comparison with the prior year. About 9.6% of this total amount, \$43,384 was unassigned and available for spending at the government's discretion.
- At the end of FY 2020-21, City Charter Article XI Section 15 general reserve of \$35,869, and unassigned fund balance of \$50,066 for the General Fund totaled \$85,935, representing about 34.3% of the original FY 2020-21 budget of \$250,480. 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.

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

## CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2021

(in thousands)

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 electric, fiber optic, fire communication, refuse disposal, sewer and water.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate housing authority and municipal financing authority for which the City is financially accountable. The housing 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 48 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 45 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, 2021

(in thousands)

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 electric, fiber optic, fire communication, refuse disposal, sewer and water 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.** The City maintains two different types of fiduciary funds. Private-purpose trust funds are used to report all fiduciary activities that (a) are not required to be reported in pension (and other employee benefit) trust funds or investment trust funds and (b) are held in the trust that meets certain criteria. The City uses private-purpose trust fund to account for its Glendale Successor Agency Fund. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The City uses custodial funds to account for its ICI System Fund and Unclaimed Evidence 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 41-101 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 102-110 of this report. Combining and individual fund statements can be found on pages 111-188 of this report.



**CITY OF GLENDALE**

Management's Discussion and Analysis

June 30, 2021

(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 \$1,668,404 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (80.6%) reflected its net investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that was still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 668,012	618,255	477,763	472,833	1,145,775	1,091,088
Capital assets	995,823	995,773	589,076	603,674	1,584,899	1,599,447
Total assets	1,663,835	1,614,028	1,066,839	1,076,507	2,730,674	2,690,535
Deferred outflows of resources	74,788	68,765	20,495	17,227	95,283	85,992
Total assets and deferred outflows of resources	1,738,623	1,682,793	1,087,334	1,093,734	2,825,957	2,776,527
Current liabilities	75,783	62,986	38,872	34,393	114,655	97,379
Noncurrent liabilities	707,930	662,919	329,826	328,978	1,037,756	991,897
Total liabilities	783,713	725,905	368,698	363,371	1,152,411	1,089,276
Deferred inflows of resources	3,779	15,239	1,363	2,457	5,142	17,696
Total liabilities and deferred inflows of resources	787,492	741,144	370,061	365,828	1,157,553	1,106,972
Net investment in capital assets	966,347	967,835	378,683	387,699	1,345,030	1,355,534
Restricted	273,738	249,714	24,031	14,375	297,769	264,089
Unrestricted	(288,954)	(275,900)	314,559	325,832	25,605	49,932
Total net position	\$ 951,131	941,649	717,273	727,906	1,668,404	1,669,555

The 17.8% of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$25,605 may be used to meet the government's ongoing obligations to citizens and creditors. Of this total, \$314,559 is in business-type activities such as electric, water, and sewer utilities.

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Management's Discussion and Analysis

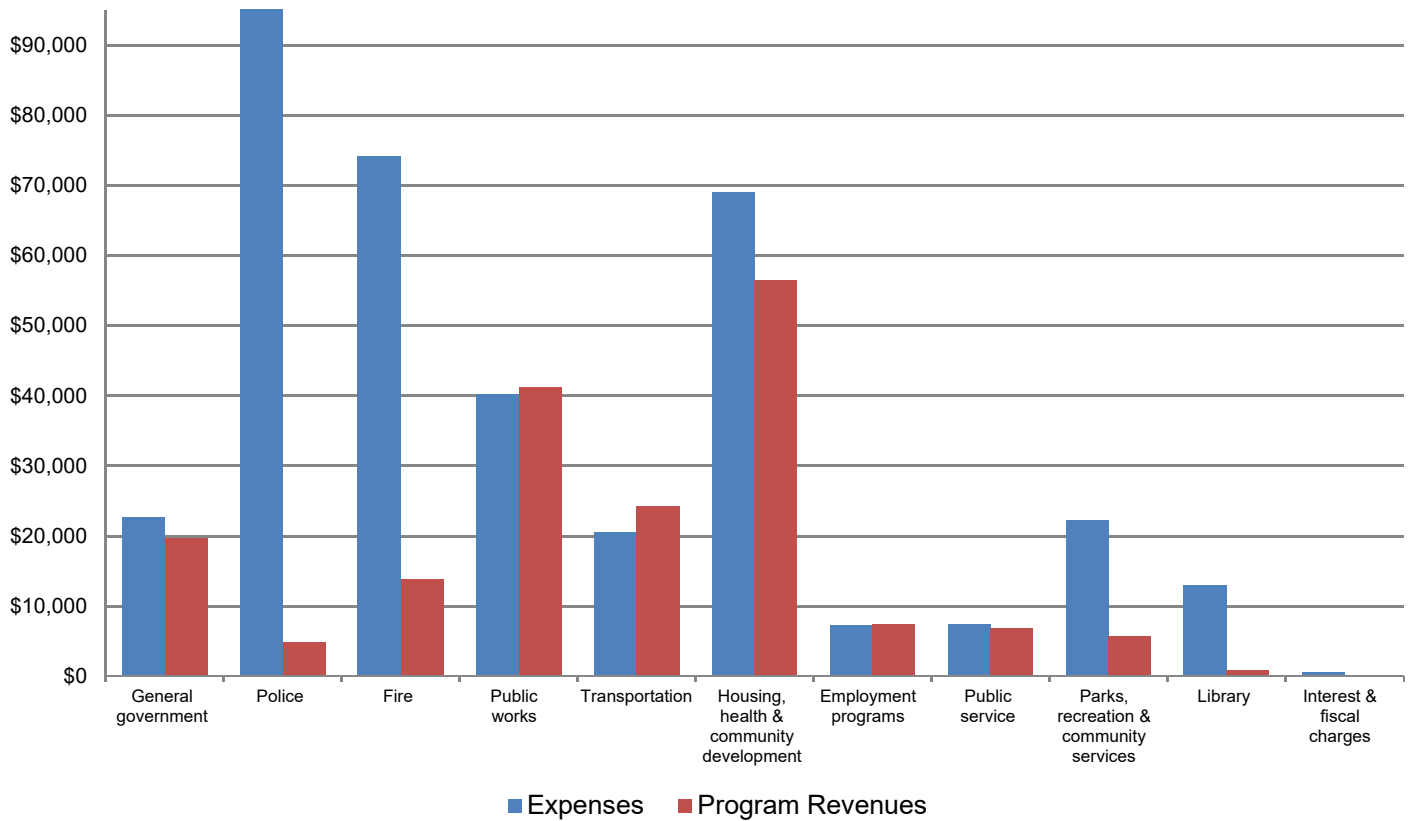
June 30, 2021

(in thousands)

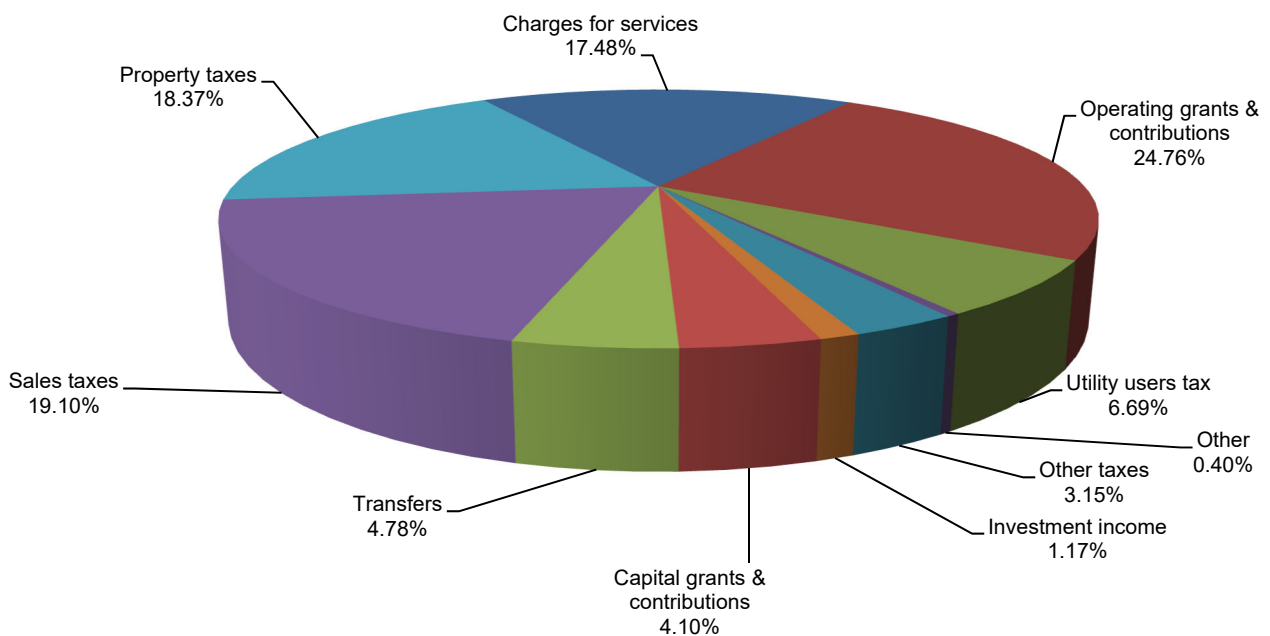
**Governmental activities.** Governmental activities increased the City's net position by \$6,344. Key elements of this increase are as follows:

- Compared to prior fiscal year, property tax revenue increased by \$6,569 (10.1%), primarily due to the growth in home values and the strong real estate market in the City.
- Sales tax revenue increased by \$8,524 (12.9%) compared to prior fiscal year. The sales tax has been drastically impacted by the COVID-19 pandemic, some of the negative impact has been offset by increases in State and County pool allocations due to the continued shift to online purchases as well as some financial recovery in major industries.
- Operating grants and contribution increased by \$16,872 (21.1%) compared to prior fiscal year. The increase is mostly driven by: \$5,337 grant from CARES ACT for public assistance due to COVID-19 pandemic, \$1,960 mutual aid reimbursement in assisting with various fire incidents outside of City's jurisdiction, and Proposition A and C local return subsidy to Transit Utility in the amount of \$1,220.
- Governmental activities expense increased by \$7,525 (2.0%) during the current fiscal year. \$5,866 of the increase is mainly due to higher direct assistance payments in FY 2020-21.

**2021 Expenses and Program Revenues – Governmental Activities**



**2021 Revenues and Transfers by Source – Governmental Activities**



**CITY OF GLENDALE**

Management's Discussion and Analysis

June 30, 2021

(in thousands)

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

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 68,264	78,126	326,265	313,059	394,529	391,185
Operating grants and contributions	96,665	79,793	51	196	96,716	79,989
Capital grants and contributions	16,030	21,322	-	62	16,030	21,384
General revenues:						
Taxes:						
Property taxes	71,738	65,169	-	-	71,738	65,169
Sales taxes	74,578	66,054	-	-	74,578	66,054
Utility users tax	26,114	26,455	-	-	26,114	26,455
Other taxes	12,274	14,172	-	-	12,274	14,172
Investment income	4,577	4,080	817	17,008	5,394	21,088
Other	1,391	2,227	19,071	15,101	20,462	17,328
Total revenues	<u>371,631</u>	<u>357,398</u>	<u>346,204</u>	<u>345,426</u>	<u>717,835</u>	<u>702,824</u>
Expenses:						
General government	22,663	26,490	-	-	22,663	26,490
Police	106,799	104,378	-	-	106,799	104,378
Fire	74,151	71,342	-	-	74,151	71,342
Public works	40,161	50,772	-	-	40,161	50,772
Transportation	20,582	8,539	-	-	20,582	8,539
Housing, health and community development	69,016	62,815	-	-	69,016	62,815
Employment program	7,303	8,129	-	-	7,303	8,129
Public service	7,433	6,175	-	-	7,433	6,175
Parks, recreation and community services	22,246	23,037	-	-	22,246	23,037
Library	12,956	13,955	-	-	12,956	13,955
Interest and fiscal charges	630	783	-	-	630	783
Fiber optic	-	-	214	62	214	62
Fire communications	-	-	5,102	5,183	5,102	5,183
Sewer	-	-	23,914	20,297	23,914	20,297
Refuse disposal	-	-	26,781	24,526	26,781	24,526
Electric	-	-	224,764	211,615	224,764	211,615
Water	-	-	54,271	52,596	54,271	52,596
Total expenses	<u>383,940</u>	<u>376,415</u>	<u>335,046</u>	<u>314,279</u>	<u>718,986</u>	<u>690,694</u>
Excess before transfers	(12,309)	(19,017)	11,158	31,147	(1,151)	12,130
Transfers	18,653	19,503	(18,653)	(19,503)	-	-
Change in net position	<u>6,344</u>	<u>486</u>	<u>(7,495)</u>	<u>11,644</u>	<u>(1,151)</u>	<u>12,130</u>
Net position – beginning, as restated	<u>944,787</u>	<u>941,163</u>	<u>724,768</u>	<u>716,262</u>	<u>1,669,555</u>	<u>1,657,425</u>
Net position – ending	<u>\$ 951,131</u>	<u>941,649</u>	<u>717,273</u>	<u>727,906</u>	<u>1,668,404</u>	<u>1,669,555</u>

A prior period adjustment of \$3,138 was made to increase the beginning net position of the governmental activities, and decrease the beginning net position of the business-type activities (2,398 for Electric Fund and \$740 for Water Fund). In prior years, the OPEB liability was only recorded in the governmental activities, because of immateriality of the allocated liability to the enterprise funds. In FY 2020-21, due to the decrease in discount rate, the OPEB liability increased and it became a material liability in the Electric and Water Fund.

**CITY OF GLENDALE**

Management's Discussion and Analysis

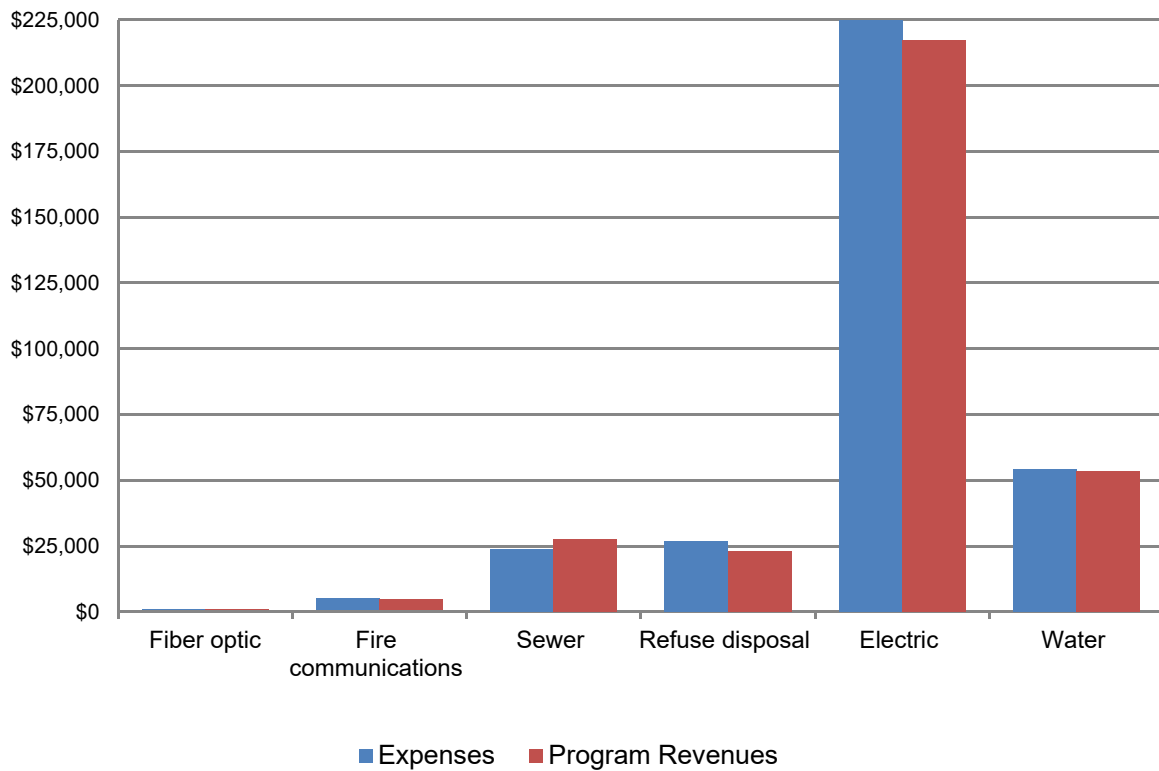
June 30, 2021

(in thousands)

**Business-type activities.** Business-type activities net position decreased by \$7,495. Key elements of this decrease are as follows:

- Investment income decreased by \$16,191 (95.2%) during the current fiscal year as a result of decrease in the fair market value of investments (GASB 31).
- Charges for services increased by \$13,206 (4.2%) during the current fiscal year mainly due to increase in water retail sales and electric retail sales & sales to other utilities to offset the net loss in the business-type activities.
- Business-type activities expense increased by \$20,767 (6.6%). The increase is mainly due to allocation of net loss in internal service funds.

**2021 Expenses and Program Revenues – Business-type Activities**



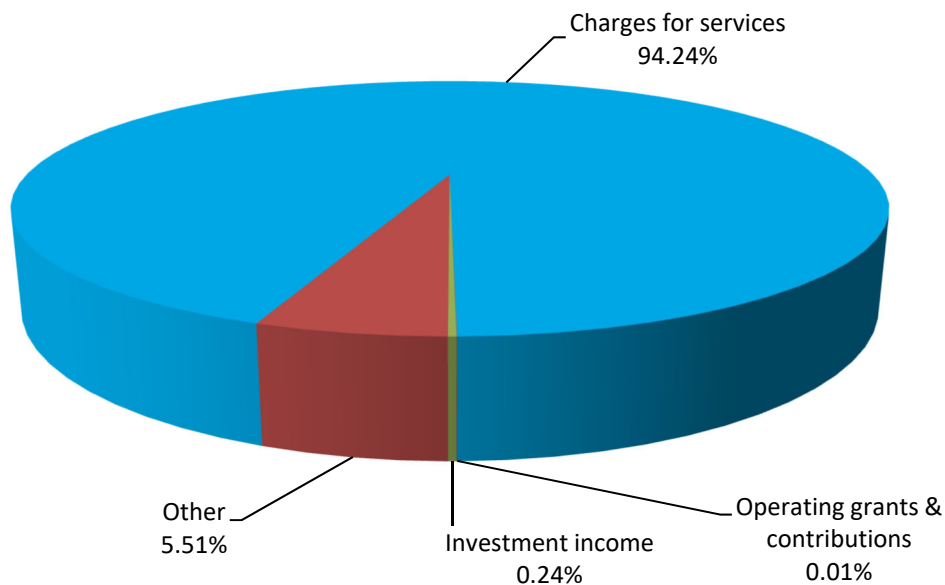
**CITY OF GLENDALE**

Management's Discussion and Analysis

June 30, 2021

(in thousands)

**2021 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 \$451,247, an increase of \$39,203 in comparison with the prior year. About 9.6% of this total amount, \$43,384, constituted unassigned fund balance, which was available for spending at the government's discretion. The remainder of fund balance in the amount of \$407,863 was not available for new spending because it was either nonspendable, restricted, committed or assigned. Nonspendable fund balance was \$4,928. Restricted fund balance was \$315,049, which was constrained by external creditors, grantors, laws or regulations of other governments and enabling legislation. Committed fund balance was \$67,724 and the assigned fund balance was \$20,162.

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 \$50,066 and \$35,869 respectively, while total fund balance was \$147,973. As a measure of the General Fund's liquidity, it may be useful to compare the total of City Charter Article XI Section 15 general reserve and unassigned fund balance to total fund expenditures. City Charter Article XI Section 15 general reserve and unassigned fund balance, totaling \$85,935 represented about 37.0% of FY 2020-21 General Fund expenditures plus transfers, \$232,173.

## CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2021

(in thousands)

The fund balance of the City's General Fund had a net increase of \$15,480 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 \$6,569, primarily due to the growth in home values and strong real estate market in the City.
- Compared to the prior fiscal year, sales tax revenue increased by \$20,590 primarily due to lifting of safer at home shutdown from COVID.
- Compared to the prior fiscal year, revenue from other agencies increased by \$3,022, primarily due to direct financial relief to local governments.
- Compared to the prior fiscal year, charges for services revenue decreased by \$3,250, primarily due to continuing, but restricted economic shutdown in light of COVID-19 pandemic.
- Compared to the prior fiscal year, other taxes revenue decreased by \$1,898, primarily due to continuing, but restricted government-mandated shutdowns since the start of the COVID-19 pandemic.

It's worthwhile to mention the City's General Fund expenses had a net increase of \$1,552 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 \$7,985, an increase of \$905 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 \$39,483. During the current fiscal year, the fund balance increased by \$4,581, primarily due to additional Measure S Sales tax revenues that were allocated to the fund to cover City Council approved capital improvement projects.

**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 \$220,065 for the Sewer Fund, \$343,451 for the Electric Fund, \$129,221 for the Water Fund, and \$37,239 for the nonmajor enterprise funds.

The net position of the Sewer Fund increased by \$4,666 during the current fiscal year. The revenue increase is mainly due to the 4-year wastewater rate increase that took effect on July 5, 2018. The operating expenses slightly increased primarily due to a prior year contractual services payment for Reclamation Plant operation/maintenance (O&M) cost to City of Los Angeles.

The net position of the Electric Fund decreased by \$2,839 during the current fiscal year. The decrease in net position was mainly attributable to increase in operating expenses due to higher fuel and purchase power prices and decrease in the fair market value of investments.

The net position of the Water Fund increased by \$3,854 during the current fiscal year. The increase in net position was due to increased residential water usage, and increases in the adjustable water revenues in the second half of FY 2020-21 to cover the higher water purchased cost. The operating expenses were generally on par with the prior fiscal year.

## **CITY OF GLENDALE**

Management's Discussion and Analysis

June 30, 2021

(in thousands)

### **General Fund Budgetary Highlights**

In comparison to the FY 2020-21 final General Fund revenue budget, the actual revenue received inclusive of transfers in, came in higher by \$10,403. Due to the continuous anticipated financial impact of the COVID-19 pandemic, various revenue category projections were adjusted during the year. Although the financial impact was inevitable, the revenues received for some of the categories were higher than the final budgeted estimates.

The major revenue categories that ended the fiscal year higher than the budgeted estimates were property tax by \$1,380, sales tax (inclusive of Measure S revenues) by \$5,739, and use of money and property by \$3,562. While the sales tax category has been drastically impacted by the COVID-19 pandemic, some of the negative impact has been offset by increases in State and County pool allocations due to the continued shift to online purchases as well as some financial recovery in major industries. The use of money and property category came in higher, largely due to the interest income recorded for the Section 115 PERS Stabilization Trust.

In contrast to these increases, the other taxes category ended the fiscal year lower than the budgeted estimate by \$677, mainly due to less revenues collected from the Scholl Canyon landfill host assessment fees. The licenses and permits category also received lower than anticipated revenues by \$630, mainly due to less revenue collected from building and planning permits.

In FY 2020-21, the final expense and transfers out budget increased by \$1,710 in comparison to the original expense budget. The increase is largely driven by \$4,797 for budget carryovers of which \$4,028 were for Measure S programs, \$218 for various net Council approved budget adjustments; offset by \$1,663 in projected departmental budget savings reductions, and \$1,642 in reductions for transfers out due to the 20% transfer of the GSA loan repayment being directly recorded in the Low and Moderate Income Housing Asset Fund, rather than being recorded as a transfers out from the General Fund.

Compared to the FY 2020-21 final General Fund expense budget, the actual expenditures and transfers out were underspent by \$20,017. The variance is partially due to Measure S appropriations for various Council approved programs that were unspent in the amount of \$10,611. Excluding Measure S appropriations, the remaining variance is mainly due to salaries and benefits savings in the amount of \$3,286 as a result of additional vacancy savings and less hourly wages spent; savings in contractual services throughout various departments in the amount of \$2,351; savings in liability insurance charges in the amount of \$1,851 mainly due to the lowering of the liability insurance charge rate; and \$1,918 in various other maintenance & operations and capital outlay categories.

### **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, 2021, is \$1,584,899 (net of \$1,022,705 accumulated depreciation, \$13,770 accumulated gas depletion and \$60,576 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 0.9%, and this represents no change for governmental activities and a 2.4% decrease for business-type activities.



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

- In FY 2020-21, the Fleet/Equipment Management Fund added \$4,084 of mobile equipment to its inventory: \$1,661 for patrol cars, \$216 for SUVs and \$1,861 for fire equipment.
- The following capital improvement projects contributing to the capital assets increased in government wide: \$1,657 for Beeline Maintenance and Operation Facility, \$1,453 for Colorado Street and Columbus Avenue Rehabilitation, \$1,821 for Glendale Train Station 1<sup>st</sup>/Last Mile Regional Improvement, and \$2,122 for Verdugo Road Safety and Traffic Signal Improvement.
- The following projects contributed to the increase in the intangible assets in the Sewer Fund: \$1,535 for Los Angeles-Glendale Water Reclamation Plant and \$2,450 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 following capital improvement projects in Electric Fund and Water Fund contributed to the increased in the business-type capital assets activities: \$526 Feeder Tropic, \$1,115 Cable Replacement, \$1,573 Water System Optimization, and \$3,810 Pipeline Management Program.

**City of Glendale's Capital Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2021	2020	2021	2020	2021	2020
Land	\$ 447,259	447,259	9,557	9,557	456,816	456,816
Natural gas reserve	-	-	22,166	22,163	22,166	22,163
Buildings and improvements	458,769	423,943	317,943	309,751	776,712	733,694
Machinery and equipment	148,419	138,471	593,524	584,113	741,943	722,584
Infrastructure	358,326	344,782	173,740	162,341	532,066	507,123
Construction in progress	16,725	48,031	13,007	32,244	29,732	80,275
Intangible assets	7,304	7,122	115,211	112,761	122,515	119,883
<b>Total capital assets</b>	<b>1,436,802</b>	<b>1,409,608</b>	<b>1,245,148</b>	<b>1,232,930</b>	<b>2,681,950</b>	<b>2,642,538</b>
Less: Accumulated depreciation	(438,779)	(412,502)	(583,926)	(561,054)	(1,022,705)	(973,556)
Less: Accumulated gas depletion	-	-	(13,770)	(12,978)	(13,770)	(12,978)
Less: Accumulated amortization	(2,200)	(1,333)	(58,376)	(55,224)	(60,576)	(56,557)
<b>Net of depreciation, depletion and amortization</b>	<b>\$ 995,823</b>	<b>995,773</b>	<b>589,076</b>	<b>603,674</b>	<b>1,584,899</b>	<b>1,599,447</b>

Additional information on the City's capital assets can be found in Note 6 on pages 64-66.

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**Long-term debt.** The City's total debt decreased by \$12,259 (4.8%) in FY 2020-21. The decrease was mainly due to the regular annual debt retirements.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Other debt:						
2011 HUD Section 108 Loan	\$ -	474	-	-	-	474
Bonds payable:						
GMFA lease revenue bonds, 2019 refunding	25,578	27,937	-	-	25,578	27,937
Electric revenue bonds, 2013 refunding	-	-	17,761	19,016	17,761	19,016
Electric revenue bonds, 2013 series	-	-	55,838	57,296	55,838	57,296
Electric revenue bonds, 2016 refunding	-	-	73,897	77,776	73,897	77,776
Water revenue bonds, 2008 series	-	-	-	40,635	-	40,635
Water revenue bonds, 2012 series	-	-	33,606	34,143	33,606	34,143
Water revenue bonds, 2020 refunding series	-	-	38,338	-	38,338	-
Total bonds payable	<u>25,578</u>	<u>27,937</u>	<u>219,440</u>	<u>228,866</u>	<u>245,018</u>	<u>256,803</u>
Total debt	\$ <u>25,578</u>	<u>28,411</u>	<u>219,440</u>	<u>228,866</u>	<u>245,018</u>	<u>257,277</u>

The Glendale Water Revenue Bonds, 2008 series were refunded on August 6, 2020 with Glendale Water Revenue Bonds, 2020 series. See Note 7 for more information.

**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, 2021 are as follows:

<u>Debt Issue</u>	<u>Moody's</u>	<u>Standard &amp; Poor's (S &amp; P)</u>	<u>Fitch Ratings'</u>
Issuer credit rating (Implied General Obligation)	Aa2	AA+	AA+
2019 Lease revenue refunding bonds	-	AA	AA
Electric revenue bonds, 2013 refunding series	Aa3	A+	A+
Electric revenue bonds, 2013 series	Aa3	A+	A+
Electric revenue bonds, 2016 refunding series	-	A+	A+
Water revenue bonds, 2012 series	A1	AA-	AA-
Water revenue bonds, 2020 refunding series	N/A	AA-	AA-

The Glendale Water Revenue Bonds, series 2008 were defeased in August 2020, so the rating is no longer applicable.

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### **Debt Administration**

The City's debt administration obligations are as follows:

- 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.

### **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, 2021, 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 67-75 of this report.

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

The COVID-19 crisis has affected households, businesses, healthcare systems, and economies everywhere. The economic effects of the global pandemic are unprecedented and have made the outlook for the upcoming years relatively uncertain due to the nature of the pandemic and the measures implemented to try to contain the spread of the virus. The pandemic has not affected everyone equally; there has been a disparate effect on various cohorts of the population, and those population sectors that were already economically troubled before the pandemic, have gotten even worse. It will be difficult, especially in those sectors, to return to pre-pandemic economic growth and potential. However, recent months have contributed to a more positive outlook, as the effects of vaccination measures have played

## **CITY OF GLENDALE**

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out positively, and for most of the population, this pandemic will become a thing of the past – especially as local habits go back to normal and residents increase their social interaction.

Prior to the COVID-19 pandemic, the U.S. economy was expected to remain on a fairly steady growth, with employment and real wages expanding through 2021 and beyond. However, as the pandemic hit in early 2020, and continued throughout the whole year and into 2021, the effects on the Growth Domestic Product (GDP) as well as unemployment were immediate, significant, and damaging. In 2019, the U.S. saw GDP growth of 2.2%; however, for the first time since the Great Recession in 2008, the GDP declined – by an astounding 4.1% in 2020. As we gradually make our way out of the pandemic, economists predict GDP growth of 3.0% in 2021 and 3.3% in 2022. Additionally, the national unemployment rate increased from 3.68% in 2019, to 8.11% in 2020, with projected rates of 7.69% in 2021 and 6.57% in 2022. Though it is anticipated that nonfarm employment will take approximately four years to fully recover from the pandemic, the signs are there that we are making our way out of one of the worst economic periods in recent history.

California remains the largest economy when compared to any other state in the U.S. Much like the pandemic's effect on the nation, the State saw significant drops in GDP and employment. In 2019, the most recent full pre-pandemic year, the State saw a 3.4% growth in GDP; however, GDP fell by 0.6% in 2020, with projected increases of 2.0% in 2021 and 1.3% in 2022. Unemployment had a similar trend, spiking from 4.05% in 2019 to 10.38% in 2020. Economists project this will gradually fall to 9.39% in 2021 and 7.84% in 2022, which is slightly higher than the national trend. Embedded in these rates is the rapid increase from 3.9% in February 2020 to a whopping 16.4% in April and May of 2020, which shows just how quickly the pandemic took hold on the state's economy. Though, it also shows us that the figures are improving, and we are slowly recovering.

Locally, Los Angeles County is seeing economic effects from the pandemic similar to the rest of the State and Country. Real GDP fell from a healthy 3.2% growth in 2019 to a 3.0% contraction in 2020, with projections of 2.8% and 4.2% growth in 2021 and 2022, respectively. Regarding unemployment, that rate grew from 4.44% in the County in 2019 to 13.59% in 2020, with projections of 9.27% in 2021 and 8.14% in 2022, which is higher than both the State and the Country projections, showing just how hard Los Angeles was hit compared to other parts of the nation. The hardest hit local industries include hospitality and tourism, motion picture and television, non-essential retail (e.g. clothing, furniture, etc.), and arts, entertainment, and recreation.

While the City was in dire straits in most of 2020, the County, State, and Country all experienced similar economic downturns. Fortunately, several factors have allowed the City to be able to weather the storm, such as the implementation of a hiring freeze, departmental budget reductions, the continued strength of revenues not impacted by the pandemic, and the passage of the American Rescue Plan Act (ARPA).

The FY 2021-22 adopted General Fund resource estimates, not inclusive of Measure S funding, are \$247,100, inclusive of \$1,500 in net Glendale Successor Agency (GSA) loan repayment revenues, \$536 in projected use of assigned economic development fund balance, and \$14,000 in projected availability of use of ARPA funding.

Property tax receipts are estimated to be approximately \$73,200, which is \$2,800, or 4.0%, above the prior year's revised estimate. Due to the COVID-19 pandemic, residents have sold fewer homes in 2020 compared to prior years, as they have preferred the stability of a current home without the risks inherent in home sales. As home sales have slowed, prices have concurrently risen; this, combined with lower interest rates overall, has led to a diffuse effect on this revenue category compared to others.

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Sales tax revenues are estimated to be approximately \$44,100, exclusive of Measure S revenues, which is \$1,500, or 3.6%, above the prior year's estimate. While this revenue source was impacted significantly due to COVID-19, this category continues to see recovery going into FY 2021-22. Projections for sales tax revenues are informed by the City's sales tax consultant, HdL Companies, providing Glendale and other client cities with regular updates and adjusted forecasts as necessary. Decreases in this category due to the pandemic's effects on various industries, especially for hospitality businesses and restaurants, have been partially offset by anticipated increases in State and County pool allocations due to the continued shift to online purchases and legislation allowing for the collection of sales taxes therefrom.

The net increase in the salaries and benefits category is approximately \$7,500. The increases of \$4,000 in PERS costs (net of employee cost-share), as well as approved Memorandum of Understanding Cost of Living Adjustments (COLAs), normal step progression, and reallocation of employees, are offset by \$5,000 in estimated vacancy savings due to the implementation of a hiring freeze in response to the COVID-19 pandemic.

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 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. In the twelve-month period ending June 30, 2021, CalPERS reported a preliminary 21.3% net Return On Investments (ROI). While pension rates for the City of Glendale were already determined for the upcoming fiscal year, such an investment return for CalPERS will impact rates beginning in FY 2023-24.

For FY 2021-22, the adopted budget for the Special Revenue Funds reflects an increase of \$6,500 when compared to the FY 2020-21 adopted budget. The most notable components of this increase include: \$1,400 in the Urban Art Fund due to the Arts & Culture Commission approval of the work plan to spend on Iconic Public Artworks and Arts & Cultural Events; \$2,000 in the Low & Moderate Income Housing Asset Fund due to an increase in projected revenue from sales proceedings estimate, contractual services (HHP Doran Gardens), and direct assistance; \$1,200 in the Measure M Local Return Fund due to the increase in project appropriations related to various projects; \$4,300 in the Measure R Local Return Fund due to an increase in subsidy expense and capital outlay; and \$1,500 in the Transit Prop A Local Return Fund due to an increase to the Subsidy Prop A Local Return revenues. The increases are offset by decreases in several funds, including: \$1,500 in the Parking Fund due to a decrease in project appropriation and contractual services; and \$2,900 in the Transit Prop C Local Return Fund due to a decrease in Subsidy Prop C Local Return.

As for the City's Capital Improvement Program Funds, there is an increase of \$11,900 on when compared to the FY 2020-21 adopted budget. The increase is primarily due to an increase of \$13,400 in appropriations for the Measure S Capital Improvement Fund. Of the \$20,400 that is appropriated in the Measure S Capital Improvement Fund, \$9,000 is for housing, \$5,300 is for infrastructure, \$3,600 is for parks and recreation, and \$2,500 is for other quality of life items. In addition, there is an \$800 increase in the Library Mitigation Fee Fund due to a new approved project for Central Library Improvements. Offsetting these increases are decreases to the State Gas Tax Fund by \$870, the CIP Reimbursement Fund by \$550, and the Measure A Fund by \$621, all due to decreases in appropriation for projects in FY 2021-22.

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(in thousands)

Occupancy & other taxes receipts are estimated to be approximately \$15,600, of which \$5,800 is due to occupancy taxes. As the COVID-19 pandemic continues to lessen throughout the country, travel – both business and leisure – has been picking up pace. As the trend seen in recent months illustrates, the population is gradually going back to normal as it relates to travel, and consequently, hotel/motel stays. This uptick is fortunate for the City, as we continue to grow into a destination desired for both vacationers and business people alike.

**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.

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Exhibit A-1  
 CITY OF GLENDALE  
 Statement of Net Position  
 June 30, 2021  
 (amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Pooled cash and investments	\$ 510,865	\$ 251,569	\$ 762,434
Cash and investments with fiscal agent	-	10,059	10,059
Interest receivable	1,167	1,471	2,638
Accounts receivable, net	42,164	50,153	92,317
Internal balances	12,703	(12,703)	-
Inventories	795	9,401	10,196
Prepaid items	3,629	8,381	12,010
<b>Total current assets</b>	<b>571,323</b>	<b>318,331</b>	<b>889,654</b>
Noncurrent assets:			
Capital assets, not being depreciated	463,984	22,564	486,548
Capital assets, net	531,839	566,512	1,098,351
Designated cash and investments	-	135,400	135,400
Restricted cash and investments	87,990	24,032	112,022
Loans receivable	8,699	-	8,699
<b>Total noncurrent assets</b>	<b>1,092,512</b>	<b>748,508</b>	<b>1,841,020</b>
<b>Total assets</b>	<b>1,663,835</b>	<b>1,066,839</b>	<b>2,730,674</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	72,005	15,983	87,988
Loss on refunding	-	3,863	3,863
Deferred outflows of resources related to OPEB	2,783	649	3,432
<b>Total deferred outflows of resources</b>	<b>74,788</b>	<b>20,495</b>	<b>95,283</b>
<b>Total assets and deferred outflows of resources</b>	<b>1,738,623</b>	<b>1,087,334</b>	<b>2,825,957</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	12,532	19,706	32,238
Accrued wages and withholding	10,330	4,351	14,681
Interest payable	89	3,562	3,651
Claims payable	15,455	-	15,455
Compensated absences	3,511	-	3,511
Bonds payable	2,414	9,247	11,661
Unearned revenues	24,568	-	24,568
Deposits	6,884	2,006	8,890
<b>Total current liabilities</b>	<b>\$ 75,783</b>	<b>\$ 38,872</b>	<b>\$ 114,655</b>

(Continued)



Exhibit A-1  
 CITY OF GLENDALE  
 Statement of Net Position  
 June 30, 2021  
 (amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Noncurrent liabilities:</b>			
Claims payable	\$ 60,010	\$ -	\$ 60,010
OPEB liability	14,778	3,443	18,221
Compensated absences	30,382	-	30,382
Landfill postclosure	55,430	-	55,430
Net pension liability	524,166	116,190	640,356
Bonds payable	23,164	210,193	233,357
Total noncurrent liabilities	<u>707,930</u>	<u>329,826</u>	<u>1,037,756</u>
Total liabilities	<u>783,713</u>	<u>368,698</u>	<u>1,152,411</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	2,132	74	2,206
Deferred inflows of resources related to OPEB	1,647	384	2,031
Gain on refunding	-	905	905
Total deferred inflows of resources	<u>3,779</u>	<u>1,363</u>	<u>5,142</u>
Total liabilities and deferred inflows of resources	<u>787,492</u>	<u>370,061</u>	<u>1,157,553</u>
<b>NET POSITION</b>			
Net investment in capital assets	966,347	378,683	1,345,030
Restricted for:			
Air quality improvement	909	-	909
Cable access	3,492	-	3,492
Capital projects	58,456	-	58,456
Carbon emissions	-	17,443	17,443
City Charter - Article XI Sec. 15 general reserve	35,869	-	35,869
Electric public benefit AB1890	6,927	-	6,927
Federal and state grants	10,844	-	10,844
Impact fee funded projects	30,273	-	30,273
Investment-gas/electric commodity	-	919	919
Landscaping district	285	-	285
Low and moderate housing	19,714	-	19,714
Pension stabilization	39,805	-	39,805
Public safety	4,047	-	4,047
Public works	1,268	-	1,268
SCAQMD emission controls	-	5,669	5,669
State gas tax mandates	14,502	-	14,502
Transportation	38,519	-	38,519
Urban art	8,800	-	8,800
Youth employment	28	-	28
Unrestricted	<u>(288,954)</u>	<u>314,559</u>	<u>25,605</u>
Total net position	<u>\$ 951,131</u>	<u>\$ 717,273</u>	<u>\$ 1,668,404</u>

Exhibit A-2  
 CITY OF GLENDALE  
 Statement of Activities  
 For the Year Ended June 30, 2021  
 (amounts expressed in thousands)

	Net (Expense) Revenue and Changes in Net Position						
	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 22,663	\$ 19,652	\$ 58	\$ -	\$ (2,953)	\$ -	\$ (2,953)
Police	106,799	1,828	3,051	-	(101,920)	-	(101,920)
Fire	74,151	9,571	4,212	-	(60,368)	-	(60,368)
Public works	40,161	15,351	10,767	15,051	1,008	-	1,008
Transportation	20,582	-	24,184	-	3,602	-	3,602
Housing, health and community development	69,016	8,237	47,056	979	(12,744)	-	(12,744)
Employment programs	7,303	2,416	5,027	-	140	-	140
Public service	7,433	6,888	-	-	(545)	-	(545)
Parks, recreation and community services	22,246	3,538	2,195	-	(16,513)	-	(16,513)
Library	12,956	783	115	-	(12,058)	-	(12,058)
Interest and fiscal charges	630	-	-	-	(630)	-	(630)
<b>Total governmental activities</b>	<b>383,940</b>	<b>68,264</b>	<b>96,665</b>	<b>16,030</b>	<b>(202,981)</b>	<b>-</b>	<b>(202,981)</b>
<b>Business-type activities:</b>							
Electric Fund	224,764	217,357	-	-	-	(7,407)	(7,407)
Fiber Optic Fund	214	231	-	-	-	17	17
Fire Communication Fund	5,102	4,899	-	-	-	(203)	(203)
Refuse Disposal Fund	26,781	22,833	51	-	-	(3,897)	(3,897)
Sewer Fund	23,914	27,402	-	-	-	3,488	3,488
Water Fund	54,271	53,543	-	-	-	(728)	(728)
<b>Total business-type activities</b>	<b>335,046</b>	<b>326,265</b>	<b>51</b>	<b>-</b>	<b>-</b>	<b>(8,730)</b>	<b>(8,730)</b>
<b>Total primary government</b>	<b>\$ 718,986</b>	<b>\$ 394,529</b>	<b>\$ 96,716</b>	<b>\$ 16,030</b>	<b>(202,981)</b>	<b>(8,730)</b>	<b>(211,711)</b>
<b>General revenues:</b>							
Investment income					4,577	817	5,394
Property taxes					71,738	-	71,738
Sales taxes					74,578	-	74,578
Utility users tax					26,114	-	26,114
Other taxes					12,274	-	12,274
Other					1,391	19,071	20,462
Transfers					18,653	(18,653)	-
<b>Total general revenues and transfers</b>					<b>209,325</b>	<b>1,235</b>	<b>210,560</b>
Change in net position					6,344	(7,495)	(1,151)
Net position - beginning, as restated					944,787	724,768	1,669,555
<b>Net position - ending</b>					<b>\$ 951,131</b>	<b>\$ 717,273</b>	<b>\$ 1,668,404</b>

Exhibit B-1  
CITY OF GLENDALE  
Balance Sheet  
Governmental Funds  
June 30, 2021  
(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	\$ 93,919	\$ 6,097	\$ 38,133	\$ 236,025	\$ 374,174
Restricted cash and investments	39,805	-	-	48,185	87,990
Interest receivable	408	-	-	247	655
Accounts receivable, net	24,482	198	1,658	17,096	43,434
Due from other funds	7,240	-	-	-	7,240
Inventories	342	-	-	-	342
Prepaid items	269	2,804	-	53	3,126
Loans receivable	1,460	-	-	7,239	8,699
Total assets	<u>167,925</u>	<u>9,099</u>	<u>39,791</u>	<u>308,845</u>	<u>525,660</u>
<b>LIABILITIES</b>					
Accounts payable	1,488	117	286	6,805	8,696
Wages and benefits payable	11,491	170	22	1,179	12,862
Due to other funds	-	-	-	7,076	7,076
Unearned revenues	-	742	-	23,826	24,568
Deposits	6,810	-	-	74	6,884
Total liabilities	<u>19,789</u>	<u>1,029</u>	<u>308</u>	<u>38,960</u>	<u>60,086</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	<u>163</u>	<u>85</u>	<u>-</u>	<u>14,079</u>	<u>14,327</u>
Total liabilities and deferred inflows of resources	<u>\$ 19,952</u>	<u>\$ 1,114</u>	<u>\$ 308</u>	<u>\$ 53,039</u>	<u>\$ 74,413</u>

(Continued)

Exhibit B-1  
CITY OF GLENDALE  
Balance Sheet  
Governmental Funds  
June 30, 2021  
(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	\$ 342	\$ -	\$ -	\$ -	\$ 342
Loans receivable	1,460	-	-	-	1,460
Prepaid	269	2,804	-	53	3,126
Restricted					
Air quality improvement	-	-	-	909	909
Cable access	-	-	-	3,492	3,492
Capital projects	-	-	-	58,456	58,456
City Charter - Article XI					
Sec. 15 general reserve	35,869	-	-	-	35,869
Electric public benefit AB1890	-	-	-	6,927	6,927
Federal and state grants	-	5,181	-	5,663	10,844
Impact fee funded projects	-	-	-	30,273	30,273
Landfill postclosure	-	-	-	48,185	48,185
Landscaping district	-	-	-	285	285
Low and moderate housing	-	-	-	12,840	12,840
Pension stabilization	39,805	-	-	-	39,805
Public safety	-	-	-	4,047	4,047
Public works	-	-	-	1,268	1,268
State gas tax mandates	-	-	-	14,502	14,502
Transportation	-	-	-	38,519	38,519
Urban art	-	-	-	8,800	8,800
Youth employment	-	-	-	28	28
Committed					
Capital projects	-	-	39,483	2,051	41,534
Debt service	-	-	-	12,877	12,877
Hazardous materials	-	-	-	3,690	3,690
Parking	-	-	-	8,525	8,525
Public safety	-	-	-	1,098	1,098
Assigned					
Economic development	1,740	-	-	-	1,740
Quality of life - affordable housing, infrastructure improvements, and other essential services	18,422	-	-	-	18,422
Unassigned	50,066	-	-	(6,682)	43,384
Total fund balances (deficits)	<u>147,973</u>	<u>7,985</u>	<u>39,483</u>	<u>255,806</u>	<u>451,247</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)					
	<u>\$ 167,925</u>	<u>\$ 9,099</u>	<u>\$ 39,791</u>	<u>\$ 308,845</u>	<u>\$ 525,660</u>

Exhibit B-2  
 CITY OF GLENDALE  
 Reconciliation of Balance Sheet  
 to the Statement of Net Position  
 June 30, 2021  
 (amounts expressed in thousands)

Fund balances of governmental funds \$ 451,247

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	\$	447,259	
Buildings and improvements		254,776	
Equipment		16,362	
Infrastructure		223,081	
Intangible		59	
Construction in progress		15,736	
			957,273

Long-term debt not included in the governmental funds (due within one year):

2019 GMFA lease revenue refunding bonds (2,414)

Long-term debt not included in the governmental funds (due in more than one year):

2019 GMFA lease revenue refunding bonds (23,164)

Accrued interest payable for the current portion of interest due is not included in the governmental funds:

2019 GMFA lease revenue refunding bonds (89)

Landfill postclosure liability not included in the governmental funds (55,430)

Unavailable revenue in the governmental funds is revenue in the statement of activities 14,328

Deferred outflows of resources related to pensions 72,005

Deferred inflows of resources related to pensions (2,132)

Net pension liability (524,166)

Deferred outflows of resources related to OPEB 2,783

Deferred inflows of resources related to OPEB (1,647)

OPEB Liability (14,778)

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

77,315

Net position of governmental activities \$ 951,131

Exhibit C-1  
CITY OF GLENDALE  
Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2021  
(amounts expressed in thousands)

	General Fund	Housing Assistance Fund	Capital Improvement Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 71,738	\$ -	\$ -	\$ -	\$ 71,738
Sales tax	65,361	-	9,217	-	74,578
Utility users tax	26,114	-	-	-	26,114
Other taxes	12,274	-	-	-	12,274
Revenue from other agencies	3,451	38,157	-	62,232	103,840
Licenses and permits	8,249	-	-	1,936	10,185
Fines and forfeitures	2,982	-	-	757	3,739
Charges for services	14,322	-	4,379	24,401	43,102
Use of money and property	5,373	75	-	2,924	8,372
Interfund revenue	18,102	-	-	-	18,102
Miscellaneous revenue	1,034	16	-	1,339	2,389
Total revenues	<u>229,000</u>	<u>38,248</u>	<u>13,596</u>	<u>93,589</u>	<u>374,433</u>
<b>EXPENDITURES</b>					
Current:					
General government	20,517	-	-	255	20,772
Police	91,507	-	-	1,296	92,803
Fire	59,829	-	71	4,318	64,218
Public works	13,903	-	681	12,224	26,808
Transportation	-	-	-	18,486	18,486
Housing, health and community development	18,874	37,343	135	9,248	65,600
Employment programs	-	-	-	7,001	7,001
Public service	-	-	-	7,121	7,121
Parks, recreation and community services	15,220	-	196	2,348	17,764
Library	10,546	-	1	440	10,987
Debt service:					
Principal retirement	-	-	-	2,309	2,309
Interest	-	-	-	1,167	1,167
Capital outlay	192	-	3,054	15,601	18,847
Total expenditures	<u>230,588</u>	<u>37,343</u>	<u>4,138</u>	<u>81,814</u>	<u>353,883</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,588)</u>	<u>905</u>	<u>9,458</u>	<u>11,775</u>	<u>20,550</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	18,653	-	-	6,462	25,115
Transfers out	(1,585)	-	(4,877)	-	(6,462)
Total other financing sources (uses)	<u>17,068</u>	<u>-</u>	<u>(4,877)</u>	<u>6,462</u>	<u>18,653</u>
Net change in fund balances	15,480	905	4,581	18,237	39,203
Fund balances - beginning	132,493	7,080	34,902	237,569	412,044
Fund balances - ending	<u>\$ 147,973</u>	<u>\$ 7,985</u>	<u>\$ 39,483</u>	<u>\$ 255,806</u>	<u>\$ 451,247</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, 2021  
 (amounts expressed in thousands)

Net change in fund balances - total governmental funds	\$	39,203
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures		21,321
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation and amortization expenses		(22,071)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
2011 HUD Section 108	\$	474
2019 GMFA lease revenue refunding bonds		<u>1,835</u>
		2,309
Accrued interests:		
2011 HUD Section 108 loan		5
2019 GMFA lease revenue refunding bonds		<u>8</u>
		13
2019 GMFA lease revenue refunding bonds premium		524
Landfill postclosure liability changed from prior year		(2,533)
Unavailable revenue in the governmental funds are recognized as revenues in the statement of activities		4,196
Loans receivable housing long term changed from prior year		(6,995)
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		(19,917)
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		(176)
Change in net position of internal service funds allocated to governmental activities		<u>(9,530)</u>
Change in net position of governmental activities	\$	<u><u>6,344</u></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, 2021  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 69,809	\$ 70,358	\$ 71,738	\$ 1,380
Sales tax	57,717	59,622	65,361	5,739
Utility users tax	24,224	25,784	26,114	330
Other taxes	18,201	12,951	12,274	(677)
Revenue from other agencies	220	2,755	3,451	696
Licenses and permits	9,147	8,879	8,249	(630)
Fines and forfeitures	3,250	2,925	2,982	57
Charges for services	17,632	13,851	14,322	471
Use of money and property	10,021	1,811	5,373	3,562
Interfund revenue	18,223	18,223	18,102	(121)
Miscellaneous revenue	1,497	1,497	1,034	(463)
Total revenues	<u>229,941</u>	<u>218,656</u>	<u>229,000</u>	<u>10,344</u>
<b>EXPENDITURES</b>				
Current:				
City Clerk	1,106	1,101	669	432
City Manager	5,989	6,093	4,649	1,444
City Treasurer	941	938	899	39
Finance	6,470	6,238	5,804	434
Innovation, Performance and Audit	1,423	1,421	1,304	117
Legal	4,591	4,490	4,262	228
Personnel	3,285	3,243	2,930	313
Non-Departmental*	(5,000)	(5,000)	-	(5,000)
Police	93,801	93,703	91,507	2,196
Fire	62,885	62,771	59,829	2,942
Public Works	15,582	15,415	13,903	1,512
Community Development	27,165	28,892	18,874	10,018
Community Services and Parks	17,973	19,921	15,220	4,701
Library, Arts and Culture	11,042	11,072	10,546	526
Total current	<u>247,253</u>	<u>250,298</u>	<u>230,396</u>	<u>19,902</u>
Capital outlay:				
Police	-	198	82	116
Fire	-	98	99	(1)
Community Services and Parks	-	11	11	-
Total capital outlay	<u>-</u>	<u>307</u>	<u>192</u>	<u>115</u>
Total expenditures	<u>247,253</u>	<u>250,605</u>	<u>230,588</u>	<u>20,017</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,312)</u>	<u>(31,949)</u>	<u>(1,588)</u>	<u>30,361</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	18,594	18,594	18,653	59
Transfers out	(3,227)	(1,585)	(1,585)	-
Total other financing sources (uses)	<u>\$ 15,367</u>	<u>\$ 17,009</u>	<u>\$ 17,068</u>	<u>\$ 59</u>

Note:

\* Vacancy savings were incorporated in the adopted FY 2020-21 budget.



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, 2021  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from other agencies	\$ 40,831	\$ 41,215	\$ 38,157	\$ (3,058)
Use of money and property	40	40	75	35
Miscellaneous revenue	-	-	16	16
Total revenues	<u>40,871</u>	<u>41,255</u>	<u>38,248</u>	<u>(3,007)</u>
<b>EXPENDITURES</b>				
Current:				
Housing, health and community development	40,914	41,649	37,343	4,306
Total expenditures	<u>\$ 40,914</u>	<u>\$ 41,649</u>	<u>\$ 37,343</u>	<u>\$ 4,306</u>

Exhibit E-1  
CITY OF GLENDALE  
Statement of Net Position  
Proprietary Funds  
June 30, 2021  
(amounts expressed in thousands)

	Business-Type Activities					Internal Service Funds
	Sewer Fund	Electric Fund	Water Fund	Total Nonmajor Funds	Total Enterprise Funds	
<b>ASSETS</b>						
Current assets:						
Pooled cash and investments	\$ 41,928	\$ 149,657	\$ 21,646	\$ 38,338	\$ 251,569	\$ 136,691
Cash with fiscal agent	-	2,538	5,123	-	7,661	-
Investment with fiscal agent	-	2,398	-	-	2,398	-
Interest receivable	148	1,063	117	143	1,471	512
Accounts receivable, net	4,466	31,889	9,653	4,145	50,153	3,053
Inventories	-	9,401	-	-	9,401	454
Prepaid items	-	8,381	-	-	8,381	503
Total current assets	<u>46,542</u>	<u>205,327</u>	<u>36,539</u>	<u>42,626</u>	<u>331,034</u>	<u>141,213</u>
Noncurrent assets:						
Designated cash and investments	-	124,100	11,300	-	135,400	-
Restricted cash and investments	-	24,032	-	-	24,032	-
Capital assets, not being depreciated	895	14,381	5,649	1,639	22,564	988
Capital assets, net	<u>180,776</u>	<u>197,123</u>	<u>175,856</u>	<u>12,757</u>	<u>566,512</u>	<u>37,560</u>
Total noncurrent assets	<u>181,671</u>	<u>359,636</u>	<u>192,805</u>	<u>14,396</u>	<u>748,508</u>	<u>38,548</u>
Total assets	<u>228,213</u>	<u>564,963</u>	<u>229,344</u>	<u>57,022</u>	<u>1,079,542</u>	<u>179,761</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows of resources related to pensions	936	9,569	2,854	2,624	15,983	-
Loss on refunding	-	3,863	-	-	3,863	-
Deferred outflows of resources related to OPEB	-	496	153	-	649	-
Total deferred outflows of resources	<u>936</u>	<u>13,928</u>	<u>3,007</u>	<u>2,624</u>	<u>20,495</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 229,149</u>	<u>\$ 578,891</u>	<u>\$ 232,351</u>	<u>\$ 59,646</u>	<u>\$ 1,100,037</u>	<u>\$ 179,761</u>

(Continued)

Exhibit E-1  
CITY OF GLENDALE  
Statement of Net Position  
Proprietary Funds  
June 30, 2021  
(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	\$ 2,336	\$ 9,466	\$ 6,534	\$ 1,370	\$ 19,706	\$ 3,839
Wages and benefits payable	220	2,569	738	824	4,351	1,791
Due to other funds	-	-	-	-	-	164
Interest payable	-	2,691	871	-	3,562	-
Claims payable	-	-	-	-	-	15,455
Compensated absences	-	-	-	-	-	3,511
Bonds payable	-	6,841	2,406	-	9,247	-
Deposits	208	1,277	366	155	2,006	-
Total current liabilities	<u>2,764</u>	<u>22,844</u>	<u>10,915</u>	<u>2,349</u>	<u>38,872</u>	<u>24,760</u>
Noncurrent liabilities:						
Claims payable	-	-	-	-	-	60,010
Compensated absences	-	-	-	-	-	30,382
Bonds payable	-	140,655	69,538	-	210,193	-
Net pension liability	6,316	68,975	20,855	20,044	116,190	-
OPEB liability	-	2,632	811	-	3,443	-
Total noncurrent liabilities	<u>6,316</u>	<u>212,262</u>	<u>91,204</u>	<u>20,044</u>	<u>329,826</u>	<u>90,392</u>
Total liabilities	<u>9,080</u>	<u>235,106</u>	<u>102,119</u>	<u>22,393</u>	<u>368,698</u>	<u>115,152</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows of resources related to pensions	4	41	15	14	74	-
Gain on refunding	-	-	905	-	905	-
Deferred inflows of resources related to OPEB	-	293	91	-	384	-
Total liabilities and deferred inflows of resources	<u>9,084</u>	<u>235,440</u>	<u>103,130</u>	<u>22,407</u>	<u>370,061</u>	<u>115,152</u>
<b>NET POSITION</b>						
Net investment in capital assets	180,056	72,099	112,132	14,396	378,683	37,570
Restricted for:						
Carbon emissions	-	17,443	-	-	17,443	-
Investment-gas/electric commodity	-	919	-	-	919	-
SCAQMD emission controls	-	5,669	-	-	5,669	-
Unrestricted	40,009	247,321	17,089	22,843	327,262	27,039
Total net position	<u>\$ 220,065</u>	<u>\$ 343,451</u>	<u>\$ 129,221</u>	<u>\$ 37,239</u>	<u>729,976</u>	<u>\$ 64,609</u>

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	<u>(12,703)</u>
	<u>\$ 717,273</u>

Exhibit E-2  
CITY OF GLENDALE  
Statement of Revenues, Expenses, and  
Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2021  
(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	\$ 27,402	\$ 217,357	\$ 53,543	\$ 27,963	\$ 326,265	\$ 90,464
Miscellaneous revenue	115	14,886	2,923	917	18,841	522
Settlement	-	68	-	-	68	-
Total operating revenues	<u>27,517</u>	<u>232,311</u>	<u>56,466</u>	<u>28,880</u>	<u>345,174</u>	<u>90,986</u>
<b>OPERATING EXPENSES</b>						
Maintenance and operation	16,695	187,904	43,593	29,393	277,585	44,907
Claims and settlement	-	-	-	-	-	58,840
Depreciation	3,508	23,797	6,728	1,608	35,641	5,955
Gas depletion	-	792	-	-	792	-
Amortization	2,927	86	21	118	3,152	857
Total operating expenses	<u>23,130</u>	<u>212,579</u>	<u>50,342</u>	<u>31,119</u>	<u>317,170</u>	<u>110,559</u>
Operating income (loss)	<u>4,387</u>	<u>19,732</u>	<u>6,124</u>	<u>(2,239)</u>	<u>28,004</u>	<u>(19,573)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Use of money and property	279	647	90	(38)	978	243
Intergovernmental grants	-	-	-	51	51	-
Interest expense	-	(5,715)	(1,929)	-	(7,644)	-
Cost of issuance	-	-	(431)	-	(431)	-
Total nonoperating revenues (expenses)	<u>279</u>	<u>(5,068)</u>	<u>(2,270)</u>	<u>13</u>	<u>(7,046)</u>	<u>243</u>
Income (loss) before transfers	4,666	14,664	3,854	(2,226)	20,958	(19,330)
Transfers out	-	(17,503)	-	(1,150)	(18,653)	-
Change in net position	4,666	(2,839)	3,854	(3,376)	2,305	(19,330)
Total net position - beginning, as restated	<u>215,399</u>	<u>346,290</u>	<u>125,367</u>	<u>40,615</u>		<u>83,939</u>
Total net position - ending	<u>\$ 220,065</u>	<u>\$ 343,451</u>	<u>\$ 129,221</u>	<u>\$ 37,239</u>		<u>\$ 64,609</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.

	(9,800)
Changes in net position of business-type activities	\$ (7,495)

Exhibit E-3  
 CITY OF GLENDALE  
 Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2021  
 (amounts expressed in thousands)

	Business-Type Activities					Internal Service Funds
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprises Funds	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash receipts from customers	\$ 26,755	\$ 227,838	\$ 54,965	\$ 28,192	\$ 337,750	\$ 96,834
Payments to employees	(3,630)	(37,632)	(10,696)	(12,222)	(64,180)	(24,154)
Payments to suppliers	(11,139)	(143,175)	(30,436)	(17,104)	(201,854)	(73,125)
Cash from settlement	-	68	-	-	68	-
Net cash provided (used) by operating activities	<u>11,986</u>	<u>47,099</u>	<u>13,833</u>	<u>(1,134)</u>	<u>71,784</u>	<u>(445)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Amounts received (paid) to other funds	-	-	-	-	-	164
Transfers in (out)	-	(17,503)	-	(1,150)	(18,653)	-
Operating grants received	-	-	-	51	51	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(17,503)</u>	<u>-</u>	<u>(1,099)</u>	<u>(18,602)</u>	<u>164</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of capital assets	(5,488)	(8,610)	(8,506)	(2,382)	(24,986)	(7,611)
Interest paid on long-term debt	-	(6,720)	(2,599)	-	(9,319)	-
Principal payments	-	(5,460)	(2,100)	-	(7,560)	-
Proceeds from sales of capital assets	-	116	29	16	161	235
Refunding of debt	-	-	430	-	430	-
Cost of issuance	-	-	(431)	-	(431)	-
Net cash provided (used) by capital and related financing activities	<u>(5,488)</u>	<u>(20,674)</u>	<u>(13,177)</u>	<u>(2,366)</u>	<u>(41,705)</u>	<u>(7,376)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	296	909	97	15	1,317	210
Net cash provided (used) by investing activities	<u>296</u>	<u>909</u>	<u>97</u>	<u>15</u>	<u>1,317</u>	<u>210</u>
Net increase (decrease) in cash and cash equivalents	6,794	9,831	753	(4,584)	12,794	(7,447)
Balances - beginning of year	35,134	290,496	37,316	42,922	405,868	144,138
Balances - end of the year	<u>\$ 41,928</u>	<u>\$ 300,327</u>	<u>\$ 38,069</u>	<u>\$ 38,338</u>	<u>\$ 418,662</u>	<u>\$ 136,691</u>

(Continued)

Exhibit E-3  
CITY OF GLENDALE  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2021  
(amounts expressed in thousands)

	Business-Type Activities					Internal Service Funds
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprises Funds	Total Enterprise Funds	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating Income	\$ 4,387	\$ 19,732	\$ 6,124	\$ (2,239)	\$ 28,004	\$ (19,573)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	3,508	23,797	6,728	1,608	35,641	5,955
Amortization	2,927	86	21	118	3,152	857
Depletion	-	792	-	-	792	-
(Increase) Decrease Accounts receivable, net	(620)	(3,658)	(1,270)	(585)	(6,133)	628
(Increase) Decrease Inventories	-	617	-	-	617	(255)
(Increase) Decrease Prepaid expenses	-	3,079	-	-	3,079	1,660
(Increase) Decrease Deferred outflows from OPEB	-	(365)	(112)	-	(477)	-
(Increase) Decrease Deferred outflows from pension	(167)	(1,833)	(429)	(425)	(2,854)	-
Increase (Decrease) Accrued wages payable	(34)	193	47	31	237	(123)
Increase (Decrease) Compensated absences	-	-	-	-	-	1,590
Increase (Decrease) Accounts payable	1,825	1,838	1,957	(168)	5,452	587
Increase (Decrease) Deposits	(142)	(747)	(231)	(102)	(1,222)	-
Increase (Decrease) Claims payable	-	-	-	-	-	8,229
Increase (Decrease) OPEB liability	-	446	137	-	583	-
Increase (Decrease) Deferred inflows from OPEB	-	(50)	(15)	-	(65)	-
Increase (Decrease) Deferred inflows from pension	(130)	(1,202)	(454)	(597)	(2,383)	-
Increase (Decrease) Net pension liability	432	4,374	1,330	1,225	7,361	-
Net cash provided (used) by operating activities	<u>11,986</u>	<u>47,099</u>	<u>13,833</u>	<u>(1,134)</u>	<u>71,784</u>	<u>(445)</u>
<b>Reconciliation of Statement of Cash Flows to Statement of Net Position:</b>						
Pooled cash and investments	41,928	149,657	21,646	38,338	251,569	136,691
Cash with fiscal agent	-	2,538	5,123	-	7,661	-
Designated cash and investments	-	124,100	11,300	-	135,400	-
Restricted cash and investments	-	24,032	-	-	24,032	-
Cash and cash equivalents at June 30	<u>\$ 41,928</u>	<u>\$ 300,327</u>	<u>\$ 38,069</u>	<u>\$ 38,338</u>	<u>\$ 418,662</u>	<u>\$ 136,691</u>

Exhibit F-1  
 CITY OF GLENDALE  
 Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2021  
 (amounts expressed in thousands)

	Glendale Successor Agency Private-Purpose Trust Fund	Custodial Funds
<b>ASSETS</b>		
Cash and investments	\$ 33,992	\$ 3,586
Restricted cash and investments	29	-
Interest receivable	-	6
Loans receivable	565	-
Capital assets, not being depreciated	33	2,795
Capital assets, net	-	182
Total assets	<u>34,619</u>	<u>6,569</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Loss on refunding	712	-
Total assets and deferred outflows of resources	<u>35,331</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts payable	20	51
Interest payable	102	-
Bonds payable	29,027	-
Loans payable to the City	1,825	-
Total liabilities	<u>30,974</u>	<u>51</u>
<b>NET POSITION</b>		
Restricted for:		
Glendale Successor Agency	4,357	-
ICI system	-	4,580
Unclaimed evidence	-	1,938
Total net position	<u>\$ 4,357</u>	<u>\$ 6,518</u>





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