

# FINANCIAL SECTION

The Financial Section of the Annual Comprehensive 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





## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

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 (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

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, 2023, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

##### ***Change in Accounting Principle***

As described in Note 15 to the financial statements, effective July 1, 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement (GASB Statement) No. 94, *Public-Private and Public-Public Partnerships and Availability Payment* and GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Glendale's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Glendale's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***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 is the responsibility of management and, 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 GAAS, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Glendale's basic financial statements. The combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 GAAS. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Honorable Mayor and  
Members of the City Council  
City of Glendale

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2023, 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 "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Irvine, California  
November 20, 2023

# MANAGEMENT'S DISCUSSION AND ANALYSIS



## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2023

(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, 2023. 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 Summary

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY 2022-23 by \$1,792,043 (net position), which was comprised of net investment in capital assets of \$1,317,113, restricted net position of \$322,049 and unrestricted net position of \$152,881. The unrestricted net position consisted of a negative \$143,194 for governmental activities and \$296,075 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 \$59,910, which consists of an increase of \$81,231 for Governmental activities, and a decrease of \$21,321 for Business-type activities. The increase for Governmental activities was mainly attributable to the higher property tax and utility users tax revenues, and the use of American Rescue Plan Act (ARPA) grant funding. The decrease for Business-type activities was mainly attributable to higher expenses from pension and fuel cost.
- As of the close of FY 2022-23, the City's governmental funds reported combined ending fund balances of \$556,932, an increase of \$63,853 in comparison with the prior year. About 12.5% of this total amount, \$69,554 was unassigned and available for spending at the government's discretion.
- At the end of FY 2022-23, City Charter Article XI Section 15 general reserve of \$38,527, and unassigned fund balance of \$84,742 for the General Fund totaled \$123,269, representing about 42.9% of the FY 2022-23 expense of \$287,092. The City Council's current General Fund Reserve policy is a minimum of 25% of the annual expense, with a target of 35%.

### 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
- 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, which are comprised of the **statement of net position** and **statement of activities**, 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 the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position.



## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2023

(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 result in cash flows in future fiscal periods.

Both 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 21-23 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: (1) governmental funds, (2) proprietary funds, and (3) fiduciary 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 50 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 47 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, 2023

(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 27-34 of this report.

**Proprietary funds** are used to account for services for which the City charges external customers or internal departments of the City, the City maintains two types of proprietary funds: enterprise & internal service.

**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 activities, such as electric, water, refuse, sewer, and fire communications. **Internal service funds** are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for activities, such as fleet maintenance, information technology, joint helicopter operation, building maintenance, employee benefits, and insurance.

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 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 37-41 of this report.

**Fiduciary funds** are used to account for resources held for the benefit of others outside of the City's own programs. The City maintains two different types of fiduciary funds: private-purpose trust and custodial 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 benefits 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 benefits trust funds, investment trust funds, or private-purpose trust funds. The City uses custodial funds to account for the ICI System, unclaimed evidence and regional housing trust JPA.

Since the resources of fiduciary fund are not available to support the City's own programs, it is not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on pages 45-46 of this report.

### 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 47-108 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and enterprise funds, internal service funds and custodial funds are presented immediately following the required supplementary information, which can be found on pages 109-118 of this report. Combining and individual fund statements can be found on pages 119-216 of this report.

**CITY OF GLENDALE**

## Management's Discussion and Analysis

June 30, 2023

(in thousands)

**Government-wide Financial Analysis**

For fiscal year ending June 30, 2023, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1,792,043, which is the City's net position. The largest portion of the City's net position, \$1,317,113 (73.5%), is the 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 the community; therefore, 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>	
	2023	2022	2023	2022	2023	2022
Non-capital assets	\$ 829,064	773,886	484,076	482,346	1,313,140	1,256,232
Capital assets	997,448	985,508	550,734	570,005	1,548,182	1,555,513
Total assets	1,826,512	1,759,394	1,034,810	1,052,351	2,861,322	2,811,745
Deferred outflows of resources	171,026	67,499	44,769	18,986	215,795	86,485
Total assets and deferred outflows of resources	1,997,538	1,826,893	1,079,579	1,071,337	3,077,117	2,898,230
Current liabilities	79,650	92,664	64,184	50,731	143,834	143,395
Noncurrent liabilities	763,641	525,344	314,008	267,687	1,077,649	793,031
Total liabilities	843,291	618,008	378,192	318,418	1,221,483	936,426
Deferred inflows of resources	54,637	190,506	8,954	39,165	63,591	229,671
Total liabilities and deferred inflows of resources	897,928	808,514	387,146	357,583	1,285,074	1,166,097
Net investment in capital assets	965,218	958,053	351,895	367,455	1,317,113	1,325,508
Restricted	277,586	280,842	44,463	41,417	322,049	322,259
Unrestricted	(143,194)	(220,516)	296,075	304,882	152,881	84,366
Total net position	\$ 1,099,610	1,018,379	692,433	713,754	1,792,043	1,732,133

The restricted portion of the City's net position are resources that are subject to external restrictions on how they may be used, is \$322,049 (18.0%). The remaining balance of the City's net position, \$152,881 (8.5%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF GLENDALE**

## Management's Discussion and Analysis

June 30, 2023

(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>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenues:						
Program revenues:						
Charges for services	\$ 87,527	79,576	367,532	348,190	455,059	427,766
Operating grants and contributions	142,711	100,480	1,852	7,662	144,563	108,142
Capital grants and contributions	20,179	13,223	3,014	2,401	23,193	15,624
General revenues:						
Taxes:						
Property taxes	77,054	72,115	-	-	77,054	72,115
Sales taxes	92,458	88,976	-	-	92,458	88,976
Utility users tax	29,891	26,943	-	-	29,891	26,943
Other taxes	21,090	17,997	-	-	21,090	17,997
Investment income	1,445	(12,020)	4,005	(17,761)	5,450	(29,781)
Other	3,409	5,328	3,175	6,760	6,584	12,088
Total revenues	<u>475,764</u>	<u>392,618</u>	<u>379,578</u>	<u>347,252</u>	<u>855,342</u>	<u>739,870</u>
Expenses:						
General government	21,139	16,143	-	-	21,139	16,143
Police	114,706	84,436	-	-	114,706	84,436
Fire	78,279	60,535	-	-	78,279	60,535
Public works	49,416	51,167	-	-	49,416	51,167
Transportation	21,926	22,083	-	-	21,926	22,083
Housing, health and community development	78,508	67,287	-	-	78,508	67,287
Employment program	6,818	5,983	-	-	6,818	5,983
Public service	5,525	5,159	-	-	5,525	5,159
Parks, recreation and community services	25,094	20,563	-	-	25,094	20,563
Library	14,421	12,105	-	-	14,421	12,105
Interest and fiscal charges	638	581	-	-	638	581
Fiber optic	-	-	144	100	144	100
Fire communications	-	-	5,945	5,003	5,945	5,003
Sewer	-	-	25,018	23,734	25,018	23,734
Refuse disposal	-	-	21,654	20,998	21,654	20,998
Electric	-	-	276,142	227,985	276,142	227,985
Water	-	-	50,059	49,279	50,059	49,279
Total expenses	<u>416,470</u>	<u>346,042</u>	<u>378,962</u>	<u>327,099</u>	<u>795,432</u>	<u>673,141</u>
Excess before transfers	59,294	46,576	616	20,153	59,910	66,729
Transfers	21,937	20,672	(21,937)	(20,672)	-	-
Change in net position	<u>81,231</u>	<u>67,248</u>	<u>(21,321)</u>	<u>(519)</u>	<u>59,910</u>	<u>66,729</u>
Net position – beginning	<u>1,018,379</u>	<u>951,131</u>	<u>713,754</u>	<u>714,273</u>	<u>1,732,133</u>	<u>1,665,404</u>
Net position – ending	<u>\$ 1,099,610</u>	<u>1,018,379</u>	<u>692,433</u>	<u>713,754</u>	<u>1,792,043</u>	<u>1,732,133</u>

**CITY OF GLENDALE**

Management's Discussion and Analysis

June 30, 2023

(in thousands)

**Governmental Activities**

Governmental activities increased the City's net position by \$81,231. Key elements of this increase are as follows:

- Compared to prior fiscal year, charges for services increased by \$7,951 (10.0%). The increase was primarily driven by revenue increases in the following categories: building permits, urban art fees, parks mitigation fees, and parking tickets.
- Operating grants and contributions increased by \$42,231 (42.0%) compared to prior fiscal year. The increase was primarily driven by the use of American Rescue Plan Act (ARPA) grant funding for public safety services.
- Investment income increased by \$13,465 (112.0%) during the current fiscal year. The increase was mainly due to a significant increase in fair value of investments in accordance of GASB 31.
- Governmental activities expense increased by \$70,428 (20.4%) during the current fiscal year. The increase is mainly due to the higher pension expense and liability.

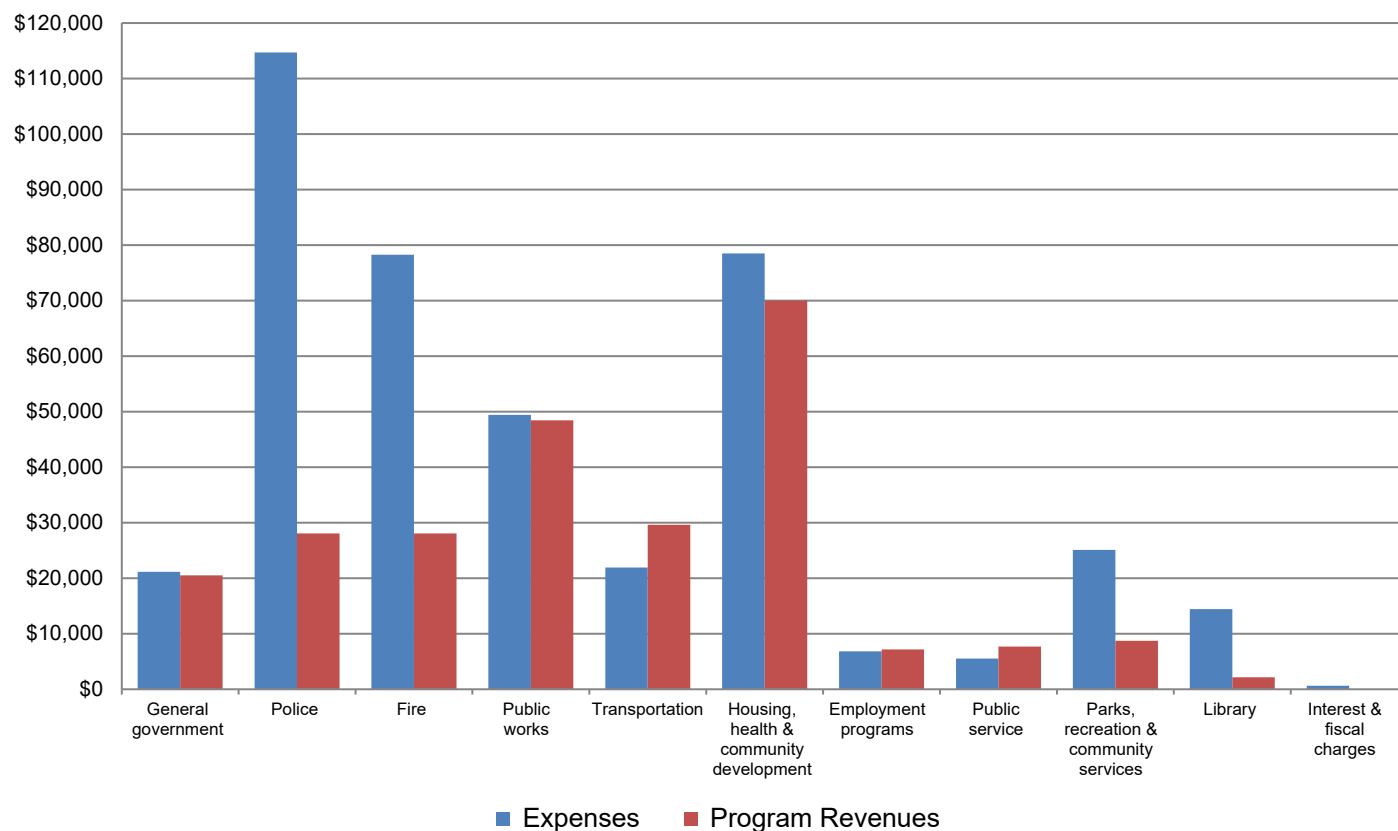
## CITY OF GLENDALE

### Management's Discussion and Analysis

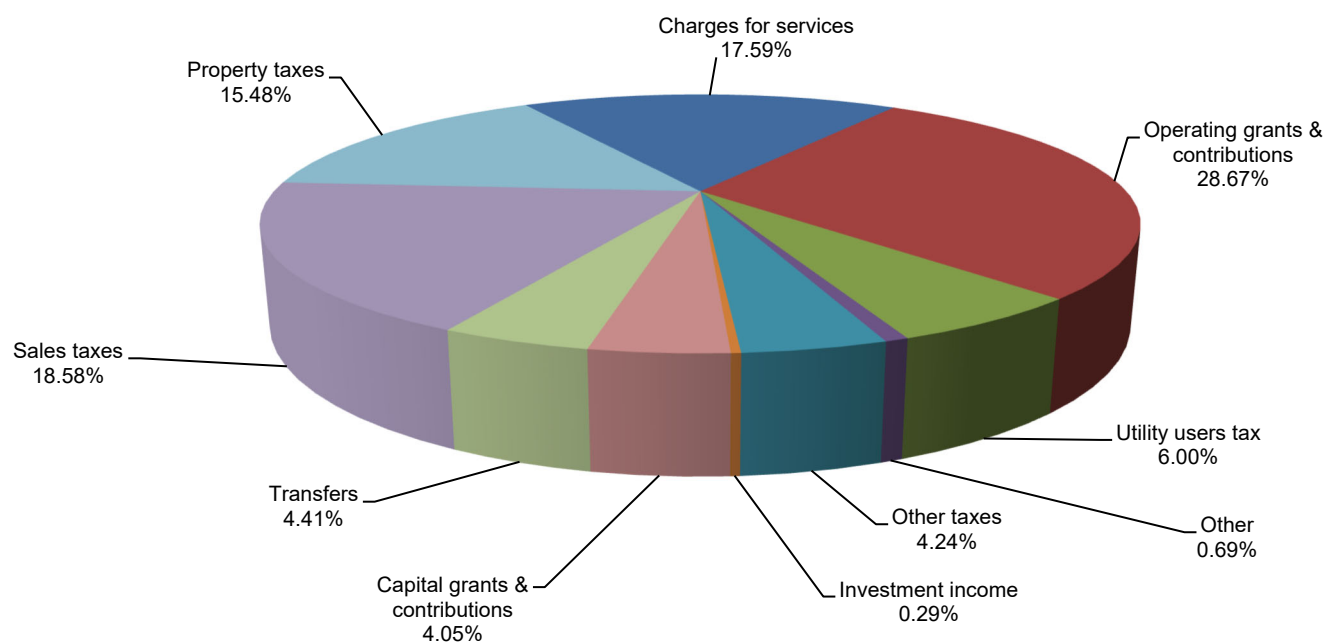
June 30, 2023

(in thousands)

### 2023 Expenses and Program Revenues – Governmental Activities



### 2023 Revenues and Transfers by Source – Governmental Activities





**CITY OF GLENDALE****Management's Discussion and Analysis**

June 30, 2023

(in thousands)

**Business-Type Activities**

Business-type activities net position decreased by \$21,321. Key elements of this decrease are as follows:

- Investment income increased by \$21,766 (122.5%) during the current fiscal year, primarily due to a \$3,470 increase in interest revenue and an \$18,296 net increase in fair value of investments in accordance with GASB 31 and GASB 53.
- Operating grants and contributions decreased by \$5,810 (75.8%) during the current fiscal year, primarily due to reduced grant funding received compared to prior fiscal year for the California Arrearage Payment Program (CAPP), which was used to pay for past-due customer utility bills.
- Charges for services increased by \$19,342 (5.6%) during the current fiscal year mainly due to increase in electric retail sales and rates, as well as natural gas sales to other utilities. In addition, there was an increase in AB 939 imposed solid waste compliance permit fees.
- Business-type activities expense increased by \$51,863 (15.8%), primarily due to increase in natural gas purchase cost, pension expense and the write-off of Grayson Power Plant's net book value due to plant's demolition.
- Other Income decreased by \$3,585 (53.0%). The decrease is primarily due to reduction in miscellaneous and sale of property revenues.

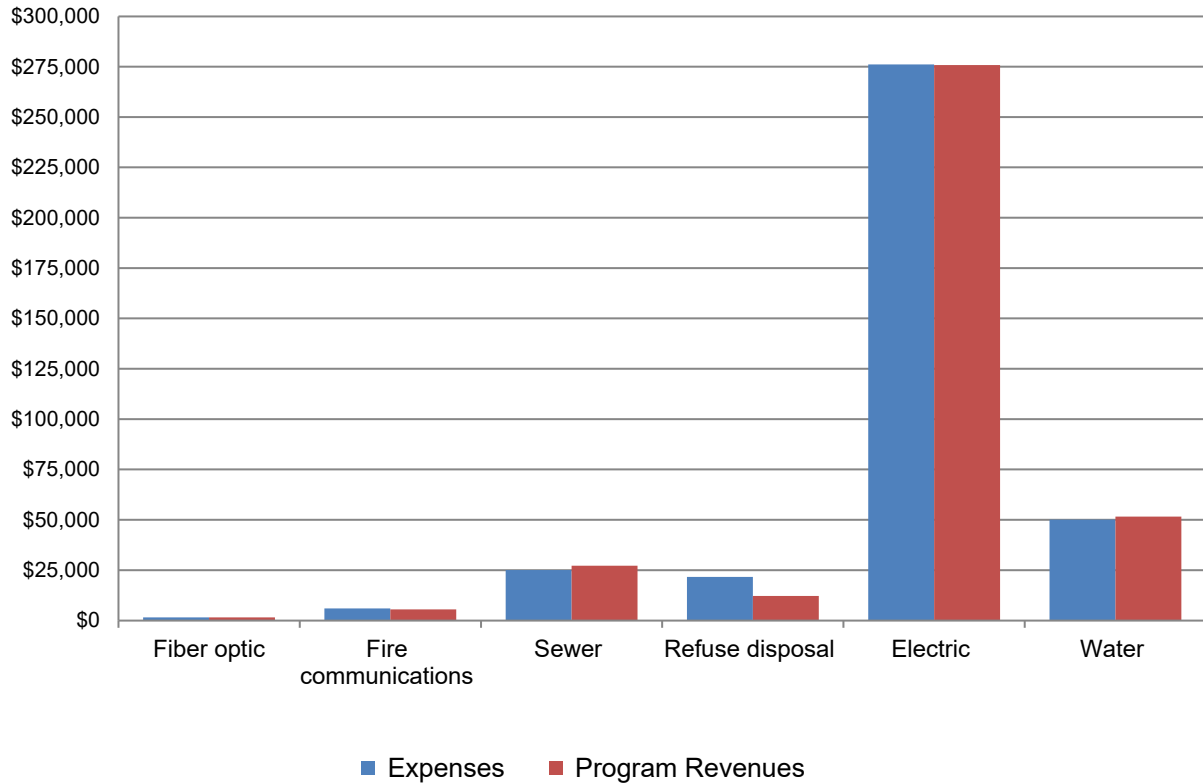
## CITY OF GLENDALE

### Management's Discussion and Analysis

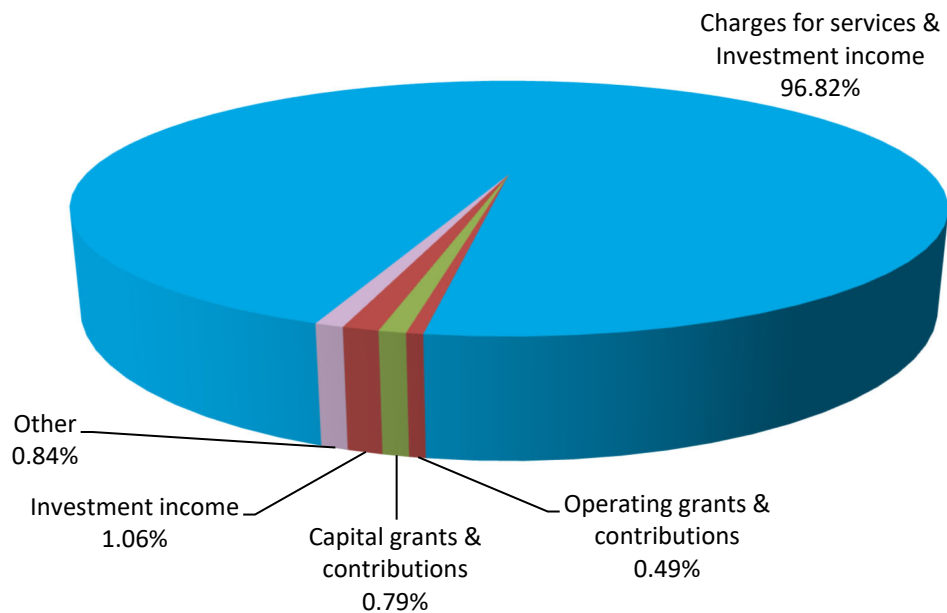
June 30, 2023

(in thousands)

### 2023 Expenses and Program Revenues – Business-type Activities



### 2023 Revenues by Source – Business-type Activities



## **CITY OF GLENDALE**

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

June 30, 2023

(in thousands)

## **Government's Funds Financial Analysis**

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 \$556,932, an increase of \$63,853 in comparison with the prior year. About 12.5% of this total amount, \$69,554, constituted unassigned fund balance, which was available for spending at the government's discretion. The remainder of fund balance in the amount of \$487,378 was not available for new spending because it was either nonspendable, restricted, committed or assigned. Nonspendable fund balance was \$4,074. Restricted fund balance was \$337,090, which was constrained by external creditors, grantors, laws or regulations of other governments and enabling legislation. Committed fund balance was \$85,527 and the assigned fund balance was \$60,687.

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 \$84,742 and \$38,527 respectively, while total fund balance was \$183,158.

The fund balance of the City's General Fund had a net increase of \$38,003 during the current fiscal year. This net increase is primarily due to the following reasons:

- Compared to the prior year, property taxes revenue increased by \$4,939, primarily due to increased market valuations as homes were sold during the fiscal year.
- Compared to the prior fiscal year, sales tax revenue increased by \$15,590, since COVID-19 restrictions were lifted, the City experienced healthy sales tax growth in categories such as general consumer goods, restaurants, fuel and auto-transportation.
- Compared to the prior fiscal year, other taxes revenue increased by \$3,093, which consists of occupancy taxes, property transfer taxes, landfill host assessment and franchise taxes. The increase was mainly due to franchise taxes in the amount of \$2,089, as a result of a full year franchising of solid waste collection services for commercial establishments and multi-family residential establishments with 5 units or more in FY 2022-23 compared to a partial year of FY 2021-22.
- Compared to the prior fiscal year, revenue from other agencies increased by \$33,094, primarily due to the use of American Rescue Plan Act (ARPA) grant funding for public safety services.
- Compared to the prior fiscal year, use of money and property revenue increased by \$13,562. The increase was mainly due to a significant increase in fair value of investments in accordance of GASB 31.

The Housing Assistance Fund (Section 8 grant) had a fund balance of \$11,304, an increase of \$2,895 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.

## **CITY OF GLENDALE**

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

June 30, 2023

(in thousands)

The Capital Improvement Fund had a fund balance of \$60,375. During the current fiscal year, the fund balance decreased by \$3,282, primarily due to more capital projects' expense incurred.

### **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 \$222,945 for the Sewer Fund, \$325,953 for the Electric Fund, \$138,531 for the Water Fund, and \$26,757 for the nonmajor enterprise funds.

The net position of the Sewer Fund increased by \$2,097 during the current fiscal year. Sewer revenues remained largely consistent with the prior year, with a net increase in the fair value of investments in accordance with GASB 31 offset by a reduction in charges for services. Expenses also remained mostly in line with the prior year, with a slight increase in pension costs.

The net position of the Electric Fund decreased by \$15,606 during the current fiscal year. The decrease was mainly attributable to higher fuel and pension costs and write-off of Grayson Power Plant net book value, partially offset by increase in electric retail sales, higher electric rates, and increase in natural gas sales to other utilities.

The net position of the Water Fund increased by \$2,151 during the current fiscal year. The increase in net position was mainly due to stable revenue earnings, which were mostly on par with the prior fiscal year; however, there was a slight decrease in single-family water sales revenue. The water fund expenses remained largely unchanged compared to the prior fiscal year, with a slight increase in pension costs.

The net position of nonmajor enterprise funds decreased by \$9,195 during the current fiscal year. This decrease is primarily attributed to a reduction in Refuse Disposal Fund revenues due to the full-year franchising of solid waste collection services for commercial establishments and multi-family residential establishments with 5 units or more. Additionally, there was a decrease in Refuse Disposal Fund miscellaneous revenue due to a one-time reimbursement of a host fee received in the prior year compared to this fiscal year, although it was partially offset by a net increase in the fair value of investments in accordance with GASB 31. Operating expenses remained largely consistent with the previous year, with the exception of a slight increase in pension expenses across all nonmajor enterprise funds.

### **General Fund Budgetary Highlights**

In comparison to the FY 2022-23 final General Fund revenue budget, the actual revenue received inclusive of transfers in, came in higher by \$48,834, mainly due to the recording of the use of American Rescue Plan Act (ARPA) funds in the amount of \$38,422 under the revenue from other agencies category. Some of the other major revenue categories to highlight that ended the fiscal year with higher revenues than anticipated were property taxes by \$1,593, utility users taxes (UUT) by \$2,411, other taxes by \$2,250 and charges for services by \$1,263. For the property taxes, although number of home sales have been seeing a decline due to rising concerns over higher interest rates, the City has continued to experience growth in its assessed property valuation resulting in continued but modest growth in revenues collected. For the utility users taxes, the variance was mainly due to Gas UUT and Electric UUT both coming in higher than anticipated. The other taxes category ended the fiscal year with higher revenues for franchise fees, landfill host assessment fees and transient occupancy taxes (TOT). With loosened restrictions and increasing personal and business travel, hotel services have seen significant recovery since the pandemic, translating to a continuous growth in TOT revenues. In addition, the charges for services ended the year with higher revenues received, mainly due to larger receipts in emergency medical response fees, plan check fees and in Community Services & Parks' fees

## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2023

(in thousands)

resulting from higher than anticipated participation in various activities such as camps and facility rentals. In addition, while the sales tax category (inclusive of Measure S sales tax) only recorded \$151 more in revenues than the final General Fund budget, a large portion of the Measure S sales tax revenue was deposited in the Capital Improvement Fund to cover Council approved Measure S funded capital projects. Between the two funds, the City has experienced a healthy sales tax growth with the total sales tax revenues coming in higher by \$1,263 compared to the final budget.

For the use of money and property, the revenue recorded is lower than what was anticipated due to the unrealized losses in interest revenue, recorded in accordance with GASB 31 in the amount of \$4,845, offset by additional realized interest income revenue in the amount of \$1,544 and the unbudgeted interest income and unrealized gains recorded for the Section 115 PERS Stabilization Trust Fund in the amount of \$2,518.

On the expenditure side, the FY 2022-23 final expense and transfers out budget increased during the year by \$18,427 in comparison to the original expense budget. The increase was driven by Council approved budget carryovers in the amount of \$8,765, of which \$4,198 were for Measure S programs, and for various Council approved budget amendments in the amount of \$9,662. Compared to the FY 2022-23 final General Fund expense budget, the actual expenditures and transfers out were underspent by \$11,831. The variance is partially due to Measure S appropriations for various Council approved programs that were unspent in the amount of \$5,951. Excluding Measure S appropriations, the remaining variance is mainly due to salaries and benefits savings in the amount of \$3,121 as a result of additional vacancy savings and less hourly wages spent; savings in contractual services throughout various departments in the amount of \$1,721; and savings in other maintenance & operations and capital outlay categories in the amount of \$1,038.

### 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, 2023, is \$1,548,182. This investment in capital assets includes land, natural gas reserve, buildings and improvements, machinery and equipment, infrastructure, intangible assets, construction in progress, right-to-use lease, and subscription. The total decrease in the City's investment in capital assets for the current fiscal year was 0.5%, and this represents 1.2% increase for governmental activities and a 3.4% decrease for business-type activities.

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

- The City purchased various properties for \$11,903 to develop affordable housing.
- The following construction in progress projects contributing to the capital assets increase in government wide: \$3,767 for PMP Implementation Phase I, \$2,428 for Traffic Signal Modification at Honolulu, Pennsylvania and Montrose Avenue, \$1,942 for Broadway Avenue Rehabilitation and \$1,296 for Maintenance District 6 Pavement Rehabilitation.
- The following assets contributed to the increase in the Sewer Fund and Refuse Fund: \$1,699 intangible assets for the Hyperion Wastewater System in the Sewer Fund. The City is upgrading Hyperion Wastewater Treatment Plant and Conveyance System Facilities to meet federal and state mandates. The Refuse Fund purchased \$3,789 of side loader trucks in FY 2022-23.
- The following construction in progress projects in Electric Fund contributed to the increase in the business-type capital assets activities: \$4,941 Grayson Internal and Combustion Engineering, \$4,592 Grayson Unit 9 Separation, \$4,325 Fiber Plan, and \$3,918 Biogas Renewable Generation.

**CITY OF GLENDALE**

## Management's Discussion and Analysis

June 30, 2023

(in thousands)

- Business-type activities retired \$82,406 of the Grayson capital assets. \$55,364 of the capital asset was fully depreciated and \$27,042 was written off.
- The right-to-use lease asset increase due to Community Service, and Parks renew their building lease in the amount of \$2,026.
- GASB 96 Subscription-Based Information Technology Agreement (SBITA) is implemented on July 1, 2022. The following subscription assets contribute to the increase in governmental activities: \$2,946 Microsoft O365, \$3,464 Tyler EnerGov, and \$599 ArcGIS Explorer.

**City of Glendale's Capital Assets**  
**(Net of Depreciation, Depletion and Amortization)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2023	2022	2023	2022	2023	2022
Land	\$ 459,195	447,292	9,557	9,557	468,752	456,849
Construction in progress	21,053	14,103	32,733	11,589	53,786	25,692
Buildings and improvements	244,899	251,175	181,076	189,661	425,975	440,836
Machinery and equipment	38,133	40,988	156,451	188,079	194,584	229,067
Infrastructure	219,780	226,284	109,936	107,802	329,716	334,086
Natural gas reserve	-	-	7,013	7,690	7,013	7,690
Intangible assets	5,006	4,312	53,631	55,355	58,637	59,667
Right-to-use lease assets	2,570	1,354	272	272	2,842	1,626
Subscription assets	6,812	-	65	-	6,877	-
Total capital assets, net	\$ 997,448	985,508	550,734	570,005	1,548,182	1,555,513

Additional information on the City's capital assets can be found in Note 6 on pages 71-73.

**Long-term debt.** The City's total long-term debt has a net decrease of \$5,693 (2.4%) in FY 2022-23. The net decrease was mainly due to the regular annual bond debt retirements of \$12,116 (5.2%). The net decrease was offset by an increase in leases payable by \$1,170 (72.7%) due to re-signing of Verdugo Jobs Center office space lease for another three years, and an increase in subscriptions payable by \$5,253 (100.0%) due to the implementation of GASB 96 (Subscription-Based Information Technology Agreements) in FY 2022-23.



## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2023

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds payable:						
GMFA lease revenue bonds, 2019 refunding	\$ 20,655	23,164	-	-	20,655	23,164
Electric revenue bonds, 2013 refunding	-	-	15,119	16,465	15,119	16,465
Electric revenue bonds, 2013 series	-	-	52,734	54,321	52,734	54,321
Electric revenue bonds, 2016 refunding	-	-	65,676	69,869	65,676	69,869
Water revenue bonds, 2012 series	-	-	32,432	33,034	32,432	33,034
Water revenue bonds, 2020 refunding	-	-	34,625	36,504	34,625	36,504
Total bonds payable	20,655	23,164	200,586	210,193	221,241	233,357
Leases payable	2,615	1,391	164	218	2,779	1,609
Subscriptions payable	5,235	-	18	-	5,253	-
Total long-term debt	\$ 28,505	24,555	200,768	210,411	229,273	234,966

Additional information on the City's long-term debt can be found in Note 7 on pages 73-82 of this report.

### 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 its debt 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, 2023 are as follows:

Debt Issue	Moody's	S&P	Fitch
Issuer credit rating (Implied General Obligation)	Aa2	AA+	AA+
2019 Lease revenue refunding bonds	-	AA	AA
Electric revenue bonds, 2013 refunding	Aa3	A+	A+
Electric revenue bonds, 2013 series	Aa3	A+	A+
Electric revenue bonds, 2016 refunding	-	A+	A+
Water revenue bonds, 2012 series	Aa3	AA-	AA-
Water revenue bonds, 2020 refunding	-	AA-	AA-

### Debt Administration

The City's debt administration obligations are as follows:

- Pay debt service timely;
- Monitor trustee-held accounts and guaranteed investment contracts;

## **CITY OF GLENDALE**

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

June 30, 2023

(in thousands)

- 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, 2023, the City has six series of bonds subject to Continuing Disclosure requirements. The City prepares the Continuing Disclosure (financial and operating information) for its three Electric and two Water series bonds, and engaged a financial advisor, Harrell & Company Advisors, LLC to prepare the Continuing Disclosure for the one GMFA bond. The City also engaged Harrell & Company Advisors, LLC as dissemination agent to post all six 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.

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

The total citywide adopted appropriation for FY 2023-24 is \$1,200,000, with \$314,500 of that amount in the General Fund. The FY 2023-24 adopted General Fund budget reflects an increase of approximately \$24,300 when compared to the FY 2022-23 revised budget.

The FY 2023-24 adopted General Fund resource estimates are \$336,400, inclusive of \$16,100 in projected use of Measure S unallocated fund balance, and \$20,400 in projected use of American Rescue Plan Act (ARPA) funding.

Property tax receipts are estimated to be approximately \$80,300, which is \$3,400, or 4.4%, above the prior year's revised estimate. The City continues to experience growth in its assessed property valuation, however, has seen an overall decrease in the number of home sales in calendar year 2022 compared to 2021, mainly due to rising concerns over higher interest rates and inflation. Thus, the City's property tax consultants have forecasted conservative growth in Property Taxes for FY 2023-24 and outward.

Sales tax revenues are estimated to be approximately \$56,900 for Bradley Burns, with an additional \$34,200 in Measure S Sales tax. While the revenue for this category has recovered from the pandemic, it is projected that a slowdown in the upcoming fiscal year and the outer years, resulting in little to no growth in anticipated revenues for FY 2023-24. Thus, this category is only expected to grow by \$103, or 0.2%. For FY 2023-24, the

## **CITY OF GLENDALE**

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

June 30, 2023

(in thousands)

entire Measure S Sales Tax revenue estimate has been included within the proposed revenues as well as the resource for the projected Measure S unallocated Fund Balance, while the FY 2022-23 amount only reflects the Measure S Sales Tax portion that was used mostly to fund Measure S revenue supported recurring General Fund programs.

Utility users tax (UUT) is estimated to be approximately \$29,600, which is a 7.9% increase from the FY 2022-23 estimate. For FY 2023-24, an anticipated increase for Electric UUT was accounted for due to an expected increase in Electric operating revenues as a direct result of the Cost-of-Service Assessment (COSA) being completed by GWP. However, as in years past, the City anticipates a continued decline in telecommunication revenues based on a decrease in consumers' usage of voice and text and increasing data usage (internet access and internet access-based apps). Data services have been deemed as exempt from taxation by courts in California and other jurisdictions nationwide. Cable revenue also continues to slowly decline as customers cancel traditional cable television services in favor of streaming services, which results in a lower bill and corresponding tax collection.

Occupancy & other Taxes receipts are estimated to be approximately \$10,000, which is a 15.9% increase from the prior year's estimate. Hotel services have shown significant growth since the pandemic, resulting in the Transient Occupancy Tax (TOT) revenues, showing a month-over-month growth in recent quarters. Also, the City factored in the anticipated revenue to be received from the newly opened Holiday Inn Express & Suites hotel in Downtown Glendale within the FY 2023-24 estimated revenues.

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021, guaranteeing direct financial relief to Local Governments. The total City of Glendale allocation was \$43,500. All funds received must be expended by December 31, 2024. Approximately \$23,100 of the amount has been accounted for FY 2021-22 and FY 2022-23.

The net increase in the salaries and benefits category is approximately \$17,900 of this, \$11,500 is in salaries mainly as a result of approved Memorandum of Understanding cost of living Adjustments, normal step progression and reallocation of employees; \$3,900 is in PERS costs (net of employee cost sharing); and a net increase of \$2,500 in hourly wages, overtime, and other benefits. These costs are inclusive of \$8,000 in estimated vacancy savings.

As anticipated, the cost for PERS is one of the largest expense obligations for the City. To mitigate the continuously rising PERS costs, during the FY 2017-18 budget adoption, the City Council took a proactive step by voting to establish a Section 115 Pension Rate Stabilization Trust. Since the establishment of the Trust, the City Council authorized the initial deposit of \$26,500 in FY 2017-18 and an additional deposit of \$5,500 in FY 2019-20, for a total deposit of \$32,000 of one-time surplus revenues. The total ending balance as of June 30, 2023, is \$37,000 which provides a 2.95% average annual rate of return since inception. As presented in FY 2023-24 budget study session, the trust will be used as a budget balancing strategy starting in FY 2025-26.

### **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 and Information Technology, 141 North Glendale Avenue, Suite 346, Glendale, CA 91206.

# BASIC FINANCIAL STATEMENTS



Exhibit A-1  
CITY OF GLENDALE  
Statement of Net Position  
June 30, 2023  
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Pooled cash and investments	\$ 601,068	\$ 193,580	\$ 794,648
Cash and investments with fiscal agent	-	10,236	10,236
Accounts receivable, net	55,746	42,277	98,023
Interest receivable	2,807	2,549	5,356
Internal balances	21,753	(21,753)	-
Investment-gas/electric commodity	-	8,018	8,018
Inventories	1,069	11,484	12,553
Prepaid items	6,833	28,652	35,485
Restricted cash and investments	96,534	44,463	140,997
Designated cash and investments	-	162,735	162,735
Leases receivable	34,283	1,711	35,994
Loans receivable	6,760	-	6,760
PPP receivable	2,211	124	2,335
Capital assets, net	517,200	508,172	1,025,372
Capital assets, not being depreciated	480,248	42,562	522,810
Total assets	1,826,512	1,034,810	2,861,322
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to OPEB	2,267	558	2,825
Deferred outflows of resources related to pensions	168,759	40,820	209,579
Loss on refunding	-	3,391	3,391
Total deferred outflows of resources	171,026	44,769	215,795
Total assets and deferred outflows of resources	1,997,538	1,079,579	3,077,117
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	18,133	45,818	63,951
Accrued wages and withholding	8,381	2,473	10,854
Bonds payable	2,609	9,992	12,601
Claims payable	16,393	-	16,393
Compensated absences	3,132	-	3,132
Deposits	7,934	2,576	10,510
Interest payable	72	3,253	3,325
Leases payable	777	54	831
Subscriptions payable	2,558	18	2,576
Unearned revenues	19,661	-	19,661
Total current liabilities	\$ 79,650	\$ 64,184	\$ 143,834

(Continued)

Exhibit A-1  
CITY OF GLENDALE  
Statement of Net Position  
June 30, 2023  
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Noncurrent liabilities:			
Bonds payable	\$ 18,046	\$ 190,594	\$ 208,640
Claims payable	67,306	-	67,306
Compensated absences	29,294	-	29,294
Landfill postclosure	78,707	-	78,707
Leases payable	1,838	110	1,948
Subscriptions payable	2,677	-	2,677
OPEB liability	9,330	3,097	12,427
Net pension liability	556,443	120,207	676,650
Total noncurrent liabilities	763,641	314,008	1,077,649
Total liabilities	843,291	378,192	1,221,483
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to leases	33,382	1,625	35,007
Deferred inflows of resources related to PPP	2,133	122	2,255
Deferred inflows of resources related to OPEB	4,876	1,258	6,134
Deferred inflows of resources related to pensions	14,246	5,154	19,400
Gain on refunding	-	795	795
Total deferred inflows of resources	54,637	8,954	63,591
Total liabilities and deferred inflows of resources	897,928	387,146	1,285,074
<b>NET POSITION</b>			
Net investment in capital assets	965,218	351,895	1,317,113
Restricted for:			
Air quality improvement	1,148	-	1,148
Cable access	4,010	-	4,010
Capital projects	73,038	-	73,038
Carbon emissions	-	37,160	37,160
Electric public benefit AB1890	10,857	-	10,857
Federal and state grants	13,479	-	13,479
Impact fee funded projects	32,585	-	32,585
Landscaping district	285	-	285
Low and moderate housing	9,430	-	9,430
Low carbon fuel standard	-	1,634	1,634
Pension stabilization	37,030	-	37,030
Public safety	4,477	-	4,477
Public works	4,506	-	4,506
SCAQMD emission controls	-	5,669	5,669
State gas tax mandates	21,521	-	21,521
Transportation	55,529	-	55,529
Urban art	9,680	-	9,680
Youth employment	11	-	11
Unrestricted	(143,194)	296,075	152,881
Total net position	\$ 1,099,610	\$ 692,433	\$ 1,792,043



Exhibit A-2  
CITY OF GLENDALE  
Statement of Activities  
For the Year Ended June 30, 2023  
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities:							
General government	\$ 21,139	\$ 20,150	\$ 356	\$ -	\$ (633)	\$ -	\$ (633)
Police	114,706	2,279	25,025	766	(86,636)	-	(86,636)
Fire	78,279	11,398	16,183	491	(50,207)	-	(50,207)
Public works	49,416	22,594	12,274	13,573	(975)	-	(975)
Transportation	21,926	170	29,458	2	7,704	-	7,704
Housing, health and community development	78,508	12,336	52,774	4,873	(8,525)	-	(8,525)
Employment programs	6,818	2,318	4,841	-	341	-	341
Public service	5,525	7,675	-	-	2,150	-	2,150
Parks, recreation and community services	25,094	7,068	1,174	474	(16,378)	-	(16,378)
Library	14,421	1,539	626	-	(12,256)	-	(12,256)
Interest and fiscal charges	638	-	-	-	(638)	-	(638)
Total governmental activities	<u>416,470</u>	<u>87,527</u>	<u>142,711</u>	<u>20,179</u>	<u>(166,053)</u>	<u>-</u>	<u>(166,053)</u>
Business-type activities:							
Sewer Fund	25,018	27,203	9	-	-	2,194	2,194
Refuse Disposal Fund	21,654	12,122	50	-	-	(9,482)	(9,482)
Fiber Optic Fund	144	231	-	-	-	87	87
Fire Communication Fund	5,945	5,469	-	-	-	(476)	(476)
Electric Fund	276,142	271,732	1,786	2,236	-	(388)	(388)
Water Fund	50,059	50,775	7	778	-	1,501	1,501
Total business-type activities	<u>378,962</u>	<u>367,532</u>	<u>1,852</u>	<u>3,014</u>	<u>-</u>	<u>(6,564)</u>	<u>(6,564)</u>
Total primary government	<u>\$ 795,432</u>	<u>\$ 455,059</u>	<u>\$ 144,563</u>	<u>\$ 23,193</u>	<u>\$ (166,053)</u>	<u>\$ (6,564)</u>	<u>\$ (172,617)</u>
General revenues:							
Investment income					1,445	4,005	5,450
Property taxes					77,054	-	77,054
Sales taxes					92,458	-	92,458
Utility users tax					29,891	-	29,891
Other taxes					21,090	-	21,090
Other					3,409	3,175	6,584
Transfers					21,937	(21,937)	-
Total general revenues, and transfers					<u>247,284</u>	<u>(14,757)</u>	<u>232,527</u>
Change in net position					81,231	(21,321)	59,910
Net position - beginning					<u>1,018,379</u>	<u>713,754</u>	<u>1,732,133</u>
Net position - ending					<u>\$ 1,099,610</u>	<u>\$ 692,433</u>	<u>\$ 1,792,043</u>

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## **MAJOR GOVERNMENTAL FUNDS**

- 1010-1070 – General Fund - To account for all financial resources, except those required to be accounted for in another fund.
- 2020 – Housing Assistance Fund - 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.
- 4010-4011 – Capital Improvement Fund - To account for financial resources used for major capital projects of the general government operations.

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Exhibit B-1  
CITY OF GLENDALE  
Balance Sheet  
Governmental Funds  
June 30, 2023  
(amounts expressed in thousands)

	General Fund 1010-1070	Housing Assistance Fund 2020	Capital Improvement Fund 4010-4011	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Pooled cash and investments	\$ 124,883	\$ 7,703	\$ 61,944	\$ 270,914	\$ 465,444
Restricted cash and investments	37,030	-	-	59,504	96,534
Leases receivable	12,216	-	-	22,067	34,283
PPP receivable	2,211	-	-	-	2,211
Accounts receivable, net	28,027	1,551	-	25,186	54,764
Interest receivable	1,324	-	-	571	1,895
Loans receivable	-	-	-	6,760	6,760
Due from other funds	11,375	-	-	-	11,375
Inventories	251	-	-	-	251
Prepaid items	448	3,299	-	76	3,823
Total assets	<u>217,765</u>	<u>12,553</u>	<u>61,944</u>	<u>385,078</u>	<u>677,340</u>
<b>LIABILITIES</b>					
Accounts payable	4,332	1,068	1,568	6,994	13,962
Deposits	7,819	-	-	114	7,933
Due to other funds	-	-	-	11,375	11,375
Unearned revenues	31	-	-	19,630	19,661
Wages and benefits payable	8,443	103	1	684	9,231
Total liabilities	<u>20,625</u>	<u>1,171</u>	<u>1,569</u>	<u>38,797</u>	<u>62,162</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources related to leases	11,792	-	-	21,590	33,382
Deferred inflows of resources related to PPP	2,133	-	-	-	2,133
Unavailable revenues	57	78	-	22,596	22,731
Total deferred inflows of resources	<u>13,982</u>	<u>78</u>	<u>-</u>	<u>44,186</u>	<u>58,246</u>
Total liabilities and deferred inflows of resources	<u>\$ 34,607</u>	<u>\$ 1,249</u>	<u>\$ 1,569</u>	<u>\$ 82,983</u>	<u>\$ 120,408</u>

(Continued)

Exhibit B-1  
CITY OF GLENDALE  
Balance Sheet  
Governmental Funds  
June 30, 2023  
(amounts expressed in thousands)

	General Fund 1010-1070	Housing Assistance Fund 2020	Capital Improvement Fund 4010-4011	Total Nonmajor Funds	Total Governmental Funds
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable					
Inventory	\$ 251	\$ -	\$ -	\$ -	\$ 251
Prepaid	448	3,299	-	76	3,823
Restricted					
Air quality improvement	-	-	-	1,148	1,148
Cable access	-	-	-	4,010	4,010
Capital projects	-	-	-	73,038	73,038
Electric public benefit AB1890	-	-	-	10,857	10,857
Federal and state grants	-	8,005	-	5,474	13,479
Impact fee funded projects	-	-	-	32,585	32,585
Landfill postclosure	-	-	-	59,504	59,504
Landscaping district	-	-	-	285	285
Low and moderate housing	-	-	-	9,430	9,430
Pension stabilization	37,030	-	-	-	37,030
Public safety	-	-	-	4,477	4,477
Public works	-	-	-	4,506	4,506
State gas tax mandates	-	-	-	21,521	21,521
Transportation	-	-	-	55,529	55,529
Urban art	-	-	-	9,680	9,680
Youth employment	-	-	-	11	11
Committed					
Capital projects	-	-	60,375	2,194	62,569
Debt service	-	-	-	10,281	10,281
Hazardous materials	-	-	-	3,704	3,704
Parking	-	-	-	8,474	8,474
Public safety	-	-	-	499	499
Assigned					
City Charter - Article XI Sec. 15 general reserve	38,527	-	-	-	38,527
Quality of life - affordable housing, infrastructure improvements, and other essential services	22,160	-	-	-	22,160
Unassigned	84,742	-	-	(15,188)	69,554
Total fund balances (deficits)	<u>183,158</u>	<u>11,304</u>	<u>60,375</u>	<u>302,095</u>	<u>556,932</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 217,765</u>	<u>\$ 12,553</u>	<u>\$ 61,944</u>	<u>\$ 385,078</u>	<u>\$ 677,340</u>



Exhibit B-2  
CITY OF GLENDALE  
Reconciliation of Balance Sheet  
to the Statement of Net Position  
June 30, 2023  
(amounts expressed in thousands)

Fund balances of governmental funds	\$	556,932
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Amounts reported for governmental activities in the statement of net position are different because:

Capital, lease and subscription assets are not included as financial resources in the governmental funds:

Land	\$	459,195	
Buildings and improvements		243,290	
Equipment		13,874	
Infrastructure		219,781	
Intangible		492	
Construction in progress		20,811	
Lease Building		2,038	
Subscription		604	
			960,085

Long-term debt not included in the governmental funds (due within one year)		
2019 GMFA lease revenue refunding bonds		(2,609)

Long-term debt not included in the governmental funds (due more than one year)		
2019 GMFA lease revenue refunding bonds		(18,046)

Accrued interest payable for the current portion of interest due is not included in the governmental funds:		
2019 GMFA lease revenue refunding bonds		(72)

Long-term lease not included in the governmental funds (due within one year)		(734)
--	--	-------

Long-term lease not included in the governmental funds (due more than one year)		(1,325)
---	--	---------

Long-term subscription not included in the governmental funds (due within one year)		(304)
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Long-term subscription not included in the governmental funds (due more than one year)		(310)
--	--	-------

Landfill postclosure liability not included in the governmental funds		(78,707)
---	--	----------

Unavailable revenue in the governmental funds is revenue in the statement of activities		22,730
---	--	--------

Deferred outflows of resources related to pensions		168,759
--	--	---------

Deferred inflows of resources related to pensions		(14,246)
---	--	----------

Net pension liability		(556,443)
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Deferred outflows of resources related to OPEB		2,267
--	--	-------

Deferred inflows of resources related to OPEB		(4,876)
---	--	---------

OPEB Liability		(9,330)
----------------	--	---------

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		75,839
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Net position of governmental activities	\$	<u>1,099,610</u>
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Exhibit C-1  
CITY OF GLENDALE  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2023  
(amounts expressed in thousands)

	General Fund 1010-1070	Housing Assistance Fund 2020	Capital Improvement Fund 4010-4011	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 77,054	\$ -	\$ -	\$ -	\$ 77,054
Sales tax	78,706	-	13,752	-	92,458
Utility users tax	29,891	-	-	-	29,891
Other taxes	21,090	-	-	-	21,090
Revenue from other agencies	39,153	45,536	-	58,420	143,109
Licenses and permits	11,454	-	-	4,743	16,197
Fines and forfeitures	3,380	-	-	4,361	7,741
Charges for services	19,743	-	-	33,912	53,655
Interfund revenue	18,675	-	-	-	18,675
Miscellaneous revenue	1,311	18	-	1,169	2,498
Use of money and property	2,701	132	-	4,536	7,369
Total revenues	<u>303,158</u>	<u>45,686</u>	<u>13,752</u>	<u>107,141</u>	<u>469,737</u>
<b>EXPENDITURES</b>					
Current:					
General government	22,951	-	-	165	23,116
Police	107,617	-	10	2,248	109,875
Fire	73,136	-	-	2,701	75,837
Public works	16,360	-	825	13,613	30,798
Transportation	-	-	-	19,927	19,927
Housing, health and community development	21,913	42,791	3,122	8,185	76,011
Employment programs	-	-	-	6,171	6,171
Public service	-	-	-	5,429	5,429
Parks, recreation and community services	21,087	-	137	1,121	22,345
Library	12,555	-	-	1,179	13,734
Debt service:					
Principal retirement - Bonds	-	-	-	2,025	2,025
Interest - Bonds	-	-	-	967	967
Principal retirement - Leases	67	-	-	693	760
Interest - Leases	1	-	-	11	12
Principal retirement - Subscription	138	-	-	137	275
Interest - Subscription	8	-	-	7	15
Capital outlay:					
Capital outlay	597	-	14,043	20,000	34,640
Total expenditures	<u>276,430</u>	<u>42,791</u>	<u>18,137</u>	<u>84,579</u>	<u>421,937</u>
Excess (deficiency) of revenues over expenditures	<u>26,728</u>	<u>2,895</u>	<u>(4,385)</u>	<u>22,562</u>	<u>47,800</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	21,937	-	1,103	1,649	24,689
Transfers out	(10,662)	-	-	-	(10,662)
Lease issuance	-	-	-	2,026	2,026
Total other financing sources (uses)	<u>11,275</u>	<u>-</u>	<u>1,103</u>	<u>3,675</u>	<u>16,053</u>
Net change in fund balances	38,003	2,895	(3,282)	26,237	63,853
Fund balances - beginning	145,155	8,409	63,657	275,858	493,079
Fund balances - ending	<u>\$ 183,158</u>	<u>\$ 11,304</u>	<u>\$ 60,375</u>	<u>\$ 302,095</u>	<u>\$ 556,932</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, 2023  
(amounts expressed in thousands)

Net change in fund balances - total government funds	\$	63,853
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures		35,351
In the statement of activities, the cost of capital, lease and subscription assets are allocated over their estimated useful lives as depreciation and amortization expenses		(25,457)
Repayment of principal for 2019 GMFA lease revenue refunding bonds is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position		2,025
2019 GMFA lease revenue refunding bonds accrued interests		8
2019 GMFA lease revenue refunding bonds premium		484
Repayment of lease principals are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		760
Lease issuance is an other financing source in the governmental funds, but the lease issuance increases long-term liabilities in the statement of net position		(2,026)
Repayment of subscription principals are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		275
Landfill postclosure liability changed from prior year		(7,257)
Unavailable revenue in the governmental funds are recognized as revenues in the statement of activities		6,029
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		(1,561)
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		1,384
Change in net position of internal service funds allocated to governmental activities		<u>7,363</u>
Change in net position of governmental activities	\$	<u><u>81,231</u></u>

## Exhibit D-1

## CITY OF GLENDALE

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

## General Fund

1010-1070

For the Year Ended June 30, 2023

(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Property taxes	\$ 75,461	\$ 75,461	\$ 77,054	\$ 1,593
Sales tax	69,759	78,555	78,706	151
Utility users tax	24,993	27,480	29,891	2,411
Other taxes	18,210	18,840	21,090	2,250
Revenue from other agencies	220	220	39,153	38,933
Licenses and permits	9,499	10,499	11,454	955
Fines and forfeitures	3,005	3,005	3,380	375
Charges for services	17,880	18,480	19,743	1,263
Interfund revenue	18,698	18,698	18,675	(23)
Miscellaneous revenue	1,161	1,211	1,311	100
Use of money and property	2,320	3,111	2,701	(410)
Total revenues	241,206	255,560	303,158	47,598
<b>EXPENDITURES</b>				
Current:				
City Clerk	1,234	1,368	927	441
City Manager	7,123	7,435	6,610	825
City Treasurer	1,064	1,089	1,019	70
Finance	6,964	7,102	6,428	674
Legal	5,067	5,209	4,684	525
Personnel	3,550	3,628	3,283	345
Non-Departmental*	(5,460)	(5,460)	-	(5,460)
Police	109,190	112,395	107,617	4,778
Fire	72,268	73,121	73,136	(15)
Public Works	17,574	18,974	16,360	2,614
Community Development	23,767	25,953	21,913	4,040
Community Services and Parks	22,334	23,371	21,087	2,284
Library, Arts and Culture	12,540	12,773	12,555	218
Total current	277,215	286,958	275,619	11,339
Debt service:				
Principal retirement - Leases	-	-	67	(67)
Interest - Leases	-	-	1	(1)
Principal retirement - Subscription	-	-	138	(138)
Interest - Subscription	-	-	8	(8)
Total debt service	-	-	214	(214)
Capital outlay:				
Police	600	639	39	600
Fire	-	139	82	57
Public Works	-	30	27	3
Community Development	100	601	433	168
Community Services and Parks	-	-	16	(16)
Total capital outlay	700	1,409	597	812
Total expenditures	277,915	288,367	276,430	11,937
Excess (deficiency) of revenues over (under) expenditures	(36,709)	(32,807)	26,728	59,535
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	20,701	20,701	21,937	1,236
Transfers out	(2,581)	(10,556)	(10,662)	(106)
Total other financing sources (uses)	\$ 18,120	\$ 10,145	\$ 11,275	\$ 1,130

Note:

\*Vacancy savings were incorporated in the adopted FY2022-23 budget.

Exhibit D-2  
CITY OF GLENDALE  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Housing Assistance Fund  
2020  
For the Year Ended June 30, 2023  
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Revenue from other agencies	\$ 49,944	\$ 50,377	\$ 45,536	\$ (4,841)
Miscellaneous revenue	-	-	18	18
Use of money and property	76	76	132	56
Total revenues	<u>50,020</u>	<u>50,453</u>	<u>45,686</u>	<u>(4,767)</u>
<b>EXPENDITURES</b>				
Current:				
Housing, health and community development	<u>49,951</u>	<u>51,061</u>	<u>42,791</u>	<u>8,270</u>
Total expenditures	<u>\$ 49,951</u>	<u>\$ 51,061</u>	<u>\$ 42,791</u>	<u>\$ 8,270</u>

## MAJOR ENTERPRISE FUNDS

- 5250 - Sewer Fund - To account for operations and maintenance of the sewer system. This service is primarily contracted with City of Los Angeles.
- 5810 - 5880 - Electric Fund - To account for the operations of the City-owned electric utility services.
- 5910 - 5980 - Water Fund - To account for the operations of the City-owned water utility services.

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Exhibit E-1  
CITY OF GLENDALE  
Statement of Net Position  
Proprietary Funds  
June 30, 2023  
(amounts expressed in thousands)

	Business - Type Activities					
	Sewer Fund 5250	Electric Fund 5810-5880	Water Fund 5910-5980	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Pooled cash and investments	\$ 59,346	\$ 85,662	\$ 24,188	\$ 24,384	\$ 193,580	\$ 135,624
Cash and investments with fiscal agent	-	4,941	5,295	-	10,236	-
Investment-gas/electric commodity	-	8,018	-	-	8,018	-
Accounts receivable, net	3,990	28,314	7,289	2,684	42,277	2,898
Interest receivable	415	1,709	249	176	2,549	914
Inventories	-	11,484	-	-	11,484	818
Prepaid items	-	28,652	-	-	28,652	3,009
Total current assets	63,751	168,780	37,021	27,244	296,796	143,263
Noncurrent assets:						
Designated cash and investments	-	151,435	11,300	-	162,735	-
Restricted cash and investments	-	44,463	-	-	44,463	-
Leases receivable	-	993	718	-	1,711	-
PPP receivable	-	-	-	124	124	-
Capital assets, net	172,666	141,127	178,989	15,390	508,172	37,121
Capital assets, not being depreciated	812	36,213	3,898	1,639	42,562	242
Total noncurrent assets	173,478	374,231	194,905	17,153	759,767	37,363
Total assets	237,229	543,011	231,926	44,397	1,056,563	180,626
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows of resources related to OPEB	7	408	122	21	558	-
Deferred outflows of resources related to pensions	2,362	25,077	6,751	6,630	40,820	-
Loss on refunding	-	3,391	-	-	3,391	-
Total deferred outflows of resources	2,369	28,876	6,873	6,651	44,769	-
Total assets and deferred outflows of resources	\$ 239,598	\$ 571,887	\$ 238,799	\$ 51,048	\$ 1,101,332	\$ 180,626

(Continued)

Exhibit E-1  
CITY OF GLENDALE  
Statement of Net Position  
Proprietary Funds  
June 30, 2023  
(amounts expressed in thousands)

	Business - Type Activities					
	Sewer Fund 5250	Electric Fund 5810-5880	Water Fund 5910-5980	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 9,289	\$ 27,704	\$ 7,246	\$ 1,579	\$ 45,818	\$ 4,171
Bonds payable	-	7,431	2,561	-	9,992	-
Claims payable	-	-	-	-	-	16,393
Compensated absences	-	-	-	-	-	3,132
Deposits	306	1,726	450	94	2,576	-
Interest payable	-	2,447	806	-	3,253	-
Leases payable	-	42	12	-	54	44
Subscriptions payable	-	-	-	18	18	2,255
Wages and benefits payable	158	1,490	376	449	2,473	1,066
Total current liabilities	9,753	40,840	11,451	2,140	64,184	27,061
Noncurrent liabilities:						
Bonds payable	-	126,097	64,497	-	190,594	-
Claims payable	-	-	-	-	-	67,306
Compensated absences	-	-	-	-	-	29,294
Leases payable	-	86	24	-	110	513
Subscriptions payable	-	-	-	-	-	2,367
OPEB liability	170	1,781	587	559	3,097	-
Net pension liability	6,415	72,144	21,128	20,520	120,207	-
Total noncurrent liabilities	6,585	200,108	86,236	21,079	314,008	99,480
Total liabilities	16,338	240,948	97,687	23,219	378,192	126,541
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows of resources related to leases	-	942	683	-	1,625	-
Deferred inflows of resources related to OPEB	28	897	243	90	1,258	-
Deferred inflows of resources related to pensions	287	3,147	860	860	5,154	-
Deferred inflows of resources related to PPP	-	-	-	122	122	-
Gain on refunding	-	-	795	-	795	-
Total deferred inflows of resources	315	4,986	2,581	1,072	8,954	-
Total liabilities and deferred inflows of resources	16,653	245,934	100,268	24,291	387,146	126,541
<b>NET POSITION</b>						
Net investment in capital assets	173,421	43,249	118,618	16,607	351,895	31,485
Restricted for:						
Carbon emissions	-	37,160	-	-	37,160	-
Low carbon fuel standard	-	1,634	-	-	1,634	-
SCAQMD emission controls	-	5,669	-	-	5,669	-
Unrestricted	49,524	238,241	19,913	10,150	317,828	22,600
Total net position	\$ 222,945	\$ 325,953	\$ 138,531	\$ 26,757	714,186	\$ 54,085

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.

(21,753)

Total net position of business-type activities \$ 692,433

Exhibit E-2  
CITY OF GLENDALE  
Statement of Revenues, Expenses, and  
Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2023  
(amounts expressed in thousands)

	Business - Type Activities					
	Sewer Fund 5250	Electric Fund 5810-5880	Water Fund 5910-5980	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for services	\$ 27,203	\$ 259,483	\$ 49,501	\$ 17,823	\$ 354,010	\$ 117,725
Miscellaneous revenue	57	13,802	1,288	147	15,294	98
Total operating revenues	27,260	273,285	50,789	17,970	369,304	117,823
<b>OPERATING EXPENSES</b>						
Salaries and benefits	4,072	38,755	9,902	12,010	64,739	19,868
Claims and settlement	-	-	-	-	-	59,930
Maintenance and operation	20,900	226,106	38,355	15,667	301,028	40,005
Total operating expenses	24,972	264,861	48,257	27,677	365,767	119,803
Operating income (loss)	2,288	8,424	2,532	(9,707)	3,537	(1,980)
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental grants	9	1,786	7	50	1,852	462
Use of money and property	(200)	4,607	541	462	5,410	337
Interest expense	-	(5,214)	(1,707)	-	(6,921)	(137)
Litigation settlement	-	(5,508)	-	-	(5,508)	-
Total nonoperating revenues (expenses)	(191)	(4,329)	(1,159)	512	(5,167)	662
Income (loss) before contributions and transfers	2,097	4,095	1,373	(9,195)	(1,630)	(1,318)
Transfers in	-	-	-	-	-	10,910
Capital grants and contributions	-	2,236	778	-	3,014	-
Transfers out	-	(21,937)	-	-	(21,937)	(3,000)
Change in net position	2,097	(15,606)	2,151	(9,195)	(20,553)	6,592
Total net position - beginning	220,848	341,559	136,380	35,952		47,493
Total net position - ending	\$ 222,945	\$ 325,953	\$ 138,531	\$ 26,757		\$ 54,085

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.

Changes in net position of business-type activities (768)  
\$ (21,321)

Exhibit E-3  
CITY OF GLENDALE  
Statement of Cash Flows  
Proprietary Funds  
June 30, 2023  
(amounts expressed in thousands)

	Business - Type Activities					Internal Service Funds
	Sewer Fund 5250	Electric Fund 5810-5880	Water Fund 5910-5980	Nonmajor Enterprises Funds	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash receipts from customers	\$ 27,584	\$ 278,381	\$ 52,325	\$ 21,759	\$ 380,049	\$ 116,303
Payments to employees	(4,163)	(40,165)	(10,380)	(11,828)	(66,536)	(25,678)
Payments to suppliers	(11,605)	(215,623)	(30,189)	(12,940)	(270,357)	(83,285)
Intergovernmental grants received (returned)	(43)	1,786	7	50	1,800	462
Net cash provided (used) by operating activities	11,773	24,379	11,763	(2,959)	44,956	7,802
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Litigation settlement	-	(5,508)	-	-	(5,508)	-
Lease and PPP revenue received	-	846	250	1	1,097	41
Amounts received from (paid to) other funds	-	-	-	-	-	(55)
Transfers in (out), net	-	(21,937)	-	-	(21,937)	7,910
Net cash provided (used) by noncapital financing activities	-	(26,599)	250	1	(26,348)	7,896
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of capital assets	(2,685)	(3,550)	(7,688)	(4,524)	(18,447)	(5,614)
Interest paid on long-term debt	-	(6,233)	(2,015)	-	(8,248)	-
Principal payments	-	(5,995)	(2,260)	-	(8,255)	-
Proceeds from sales of capital assets	62	95	36	116	309	185
Capital grants and contributions received	-	2,236	778	-	3,014	\$ -
Net cash provided (used) by capital and related financing activities	(2,623)	(13,447)	(11,149)	(4,408)	(31,627)	(5,429)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment - gas/electric commodity	-	(8,018)	-	-	(8,018)	-
Interest received	(431)	3,379	184	324	3,456	(169)
Net cash provided (used) by investing activities	(431)	(4,639)	184	324	(4,562)	(169)
Net increase (decrease) in cash and cash equivalents	8,719	(20,306)	1,048	(7,042)	(17,581)	10,100
Balances - beginning of year	50,627	304,409	39,735	31,426	426,197	125,524
Balances - end of the year	\$ 59,346	\$ 284,103	\$ 40,783	\$ 24,384	\$ 408,616	\$ 135,624

(Continued)

Exhibit E-3  
CITY OF GLENDALE  
Statement of Cash Flows  
Proprietary Funds  
June 30, 2023  
(amounts expressed in thousands)

	Business - Type Activities					
	Sewer Fund 5250	Electric Fund 5810-5880	Water Fund 5910-5980	Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating Income (loss)	\$ 2,288	\$ 8,424	\$ 2,532	\$ (9,707)	\$ 3,537	\$ (1,980)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	3,627	20,402	7,331	2,441	33,801	8,222
Amortization	3,031	35	10	118	3,194	677
Depletion	-	681	-	-	681	-
Intergovernmental grants received	9	1,786	7	50	1,852	462
(Increase) Decrease Accounts receivable, net	214	4,772	1,436	3,933	10,355	(1,512)
(Increase) Decrease Inventories	-	(1,780)	-	-	(1,780)	(211)
(Increase) Decrease Prepaid expenses	-	(20,088)	-	-	(20,088)	(1,010)
(Increase) Decrease Deferred outflows from OPEB	(6)	60	18	(21)	51	-
(Increase) Decrease Deferred outflows from pension	(1,503)	(16,179)	(4,206)	(4,180)	(26,068)	-
Increase (Decrease) Accrued wages payable	23	196	38	60	317	137
Increase (Decrease) Compensated absences	-	-	-	-	-	304
Increase (Decrease) Accounts payable	2,498	9,787	563	(470)	12,378	(885)
Increase (Decrease) Deposits	110	371	99	(14)	566	-
Increase (Decrease) Unearned revenues	(52)	-	-	-	(52)	-
Increase (Decrease) Claims payable	-	-	-	-	-	3,598
Increase (Decrease) OPEB liability	170	(374)	(99)	559	256	-
Increase (Decrease) Deferred inflows from OPEB	28	214	54	90	386	-
Increase (Decrease) Deferred inflows from pension	(1,745)	(18,271)	(5,221)	(5,301)	(30,538)	-
Increase (Decrease) Deferred inflows from leases	-	(48)	(78)	-	(126)	-
Increase (Decrease) Deferred inflows from PPP	-	-	-	122	122	-
Increase (Decrease) Net pension liability	3,081	34,391	9,279	9,361	56,112	-
Net cash provided (used) by operating activities	<u>11,773</u>	<u>24,379</u>	<u>11,763</u>	<u>(2,959)</u>	<u>44,956</u>	<u>7,802</u>
<b>Reconciliation of Statement of Cash Flows to Statement of Net Position:</b>						
Pooled cash and investments	59,346	85,662	24,188	24,384	193,580	135,624
Cash with fiscal agent	-	2,543	5,295	-	7,838	-
Designated cash and investments	-	151,435	11,300	-	162,735	-
Restricted cash and investments	-	44,463	-	-	44,463	-
Cash and cash equivalents at June 30	<u>\$ 59,346</u>	<u>\$ 284,103</u>	<u>\$ 40,783</u>	<u>\$ 24,384</u>	<u>\$ 408,616</u>	<u>\$ 135,624</u>

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## **PRIVATE-PURPOSE TRUST FUND**

- 8060-8490 – Glendale Successor Agency Private-Purpose Trust Fund - To account for the activities of Glendale Successor Agency.

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Exhibit F-1  
CITY OF GLENDALE  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2023  
(amounts expressed in thousands)

	Glendale Successor Agency Private-Purpose Trust Fund 8060-8490	Total Custodial Funds
<b>ASSETS</b>		
Cash and investments	\$ 35,583	\$ 27,594
Restricted cash and investments	29	-
Interest receivable	-	15
Loans receivable	20	-
Capital assets, net	-	130
Capital assets, not being depreciated	-	2,795
Total assets	<u>35,632</u>	<u>30,534</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Loss on refunding	250	-
Total assets and deferred outflows of resources	<u>35,882</u>	<u>30,534</u>
<b>LIABILITIES</b>		
Accounts payable	9	33
Bonds payable	14,782	-
Interest payable	53	-
Wages and benefits payable	11	-
Total liabilities	<u>14,855</u>	<u>33</u>
<b>NET POSITION</b>		
Net investment in capital assets	-	2,925
Restricted for:		
Glendale Successor Agency	21,027	-
ICI system	-	2,022
Regional Housing Trust JPA	-	23,005
Unclaimed evidence	-	2,549
Total net position	<u>\$ 21,027</u>	<u>\$ 30,501</u>

Exhibit F-2  
CITY OF GLENDALE  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the year Ended June 30, 2023  
(amounts expressed in thousands)

	Glendale Successor Agency Private-Purpose Trust Fund 8060-8490	Total Custodial Funds
<b>ADDITIONS</b>		
Revenue from other agencies	\$ -	\$ 23,000
Charges for services	-	2,998
Interest income	1,038	(1)
Property tax	7,971	-
Unclaimed deposits	-	968
Total additions	<u>9,009</u>	<u>26,965</u>
<b>DEDUCTIONS</b>		
Depreciation	-	26
Interest and amortization expense on bonds	476	-
Operating expenses	444	2,773
Escheatment	-	23
Refunds	-	267
Total deductions	<u>920</u>	<u>3,089</u>
Net increase (decrease) in fiduciary net position	<u>8,089</u>	<u>23,876</u>
Net Position - beginning of the year	<u>12,938</u>	<u>6,625</u>
Net Position - end of the year	<u>\$ 21,027</u>	<u>\$ 30,501</u>