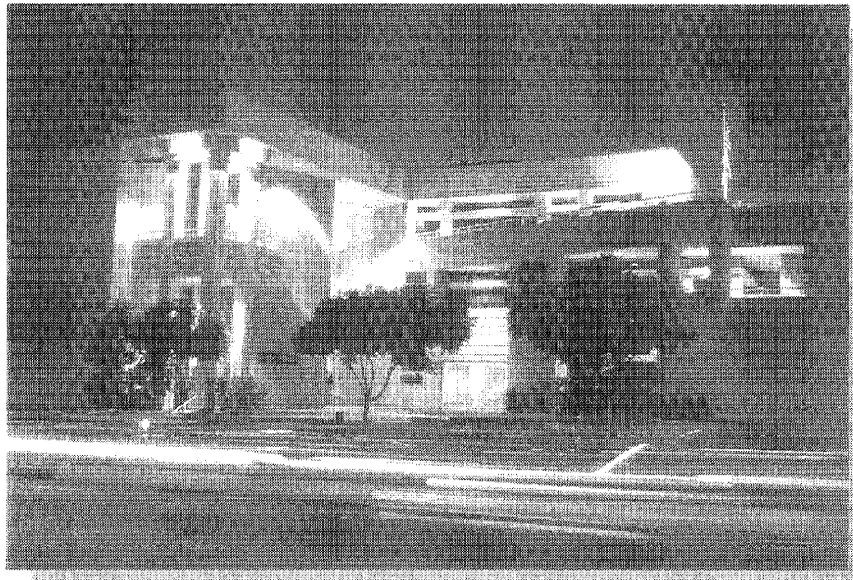
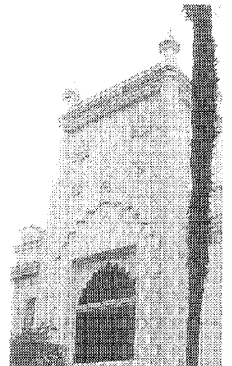


Comprehensive **A**nnual **F**inancial **R**eport



Year Ended
June 30, 2002



City of Glendale, California

CITY OF GLENDALE

<u>Table of Contents</u>	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Letter of Transmittal		i
Officials of the City of Glendale		vii
Organizational Chart of the City of Glendale		viii
Certificate of Achievement for Excellence in Financial Reporting.....		ix
FINANCIAL SECTION		
Independent Auditors' Report on Financial Statements.....		1
Management's Discussion and Analysis		5
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	Exhibit A-1	21
Statement of Activities	Exhibit A-2	23
Fund Financial Statements		
Balance Sheet – Governmental Funds	Exhibit B-1	27
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets	Exhibit B-2	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	Exhibit C-1	29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund balances of Governmental Funds to the Statement of Activities.....	Exhibit C-2	30
Schedule of Revenues - Budget and Actual – General Fund	Exhibit D-1	31
Schedule of Expenditures – Budget and Actual – General Fund	Exhibit D-2	34
Schedule of Expenditure Category – Budget and Actual – General Fund	Exhibit D-3	36
Statement of Net Assets – Proprietary Funds	Exhibit E-1	40
Statement of Revenues, Expenditures, and Changes in Net Assets - Proprietary Funds	Exhibit E-2	41
Statement of Cash Flows – Proprietary Funds	Exhibit E-3	42
Notes to the Financial Statements		45
Supplementary Information		
Combining and Individual fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds	Exhibit F-1	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	Exhibit F-2	70
Combining Balance sheet – Nonmajor Government Funds – Special Revenue.....	Exhibit G-1	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Government Funds – Special Revenue	Exhibit G-2	77
Schedules of Revenues – Budget and Actual – Nonmajor Governmental Funds – Special Revenue	Exhibit G-3	81
Schedules of Expenditures- Budget and Actual – Nonmajor Governmental Funds – Special Revenue	Exhibit G-4	84
Combining Balance Sheet – Nonmajor Governmental Funds - Debt Service	Exhibit H-1	89

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – Debt Service	Exhibit H-2	90
Schedules of Revenues – Budget and Actual – Nonmajor Governmental Funds – Debt Service	Exhibit H-3	91
Schedules of Expenditures- Budget and Actual – Nonmajor Governmental Funds – Debt Service	Exhibit H-4	92
Combining Balance Sheet – Nonmajor Governmental Funds – Capital Projects	Exhibit I-1	95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – Capital Projects	Exhibit I-2	96
Combining Statement of Net Assets – Proprietary Fund Type – Nonmajor Enterprise Funds	Exhibit J-1	99
Combining Statement of Revenues, Expenditures and Changes in Net Assets – Proprietary Fund Type – Nonmajor Enterprise Funds	Exhibit J-2	100
Combining Statement of Cash Flows – Proprietary Fund Type – Nonmajor Enterprise Funds	Exhibit J-3	101
Schedule of Investment in Capital Assets – Nonmajor Enterprise Funds	Exhibit J-4	102
Schedule of Changes in Capital Assets – Nonmajor Enterprise Funds	Exhibit J-5	103
Combining Balance Sheet – Internal Service Funds	Exhibit K-1	107
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds	Exhibit K-2	109
Combining Statement of Cash Flows – Internal Service Funds ...	Exhibit K-3	111
Capital Assets used in the Operation of Governmental Funds Schedule by Function and Activity	Exhibit L-1	113
Schedule of Changes of Function and Activity	Exhibit L-2	114

STATISTICAL SECTION:

(Not Covered by Independent Auditors' Report)

Government-wide information:

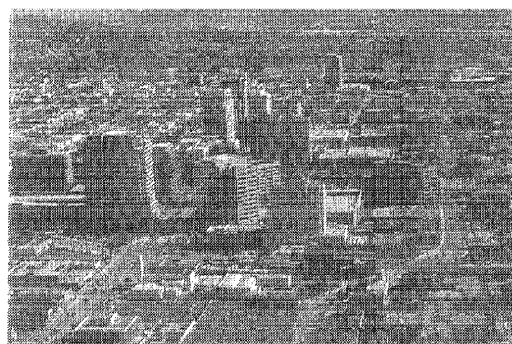
Government-wide Expenses by Function	1	115
Government-wide Revenues	2	116

Fund Information:

Governmental Expenditures and Transfers by Function	3	117
Governmental Revenues and Transfers by Source	4	118
Excess (Deficiency) of General Revenues over General Expenditures	5	119
Local Tax Revenue by Source	6	120
Property Tax, Levies and Collections	7	121
Market Values of Taxable Property	8	122
Property Tax Rates-All Overlapping Governments	9	123
Ratio of Debt to Assessed Value and Debt per Capita	10	124
Schedule of Direct and Overlapping Debt	11	125
Ratio of General Bonded Debt Expenditures to Total General Expenditures	12	126
Schedule of Revenue Bond Coverage-All Enterprise Funds	13	127
Building Permits Value and Bank Deposits	14	130
Insurance in Force	15	131
Demographic Statistics	16	132
Miscellaneous Statistical Data	17	133

CAF R

Introduction Section





CITY OF GLENDALE, CALIFORNIA
Administrative Services Division
FINANCE

141 North Glendale Avenue, Room 346
Glendale, California 91206-4998
(818) 548-2085 FAX (818) 956-3286
www.ci.glendale.ca.us

November 23, 2002

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

Council Members:

Submitted herewith is the Comprehensive Annual Financial Report (CAFR) for the City of Glendale (City) for the year ended June 30, 2002. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. This document is reported in a manner designed to present fairly the financial position and results of operations of the various funds, account groups and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report is presented in three sections: introductory, financial, and statistical. The introductory section is self-explanatory and consists of this transmittal letter, a list of municipal officers, the City's organization chart and a copy of the Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the government wide financial statements, the combining and individual fund financial statements & schedules, as well as the independent auditors' report. The statistical section includes selected financial and demographic information, which is generally presented on a multi-year basis.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget's Circular A-133, Audit of States, Local Governments, and Non-Profit organizations. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' reports on compliance and on internal control over financial reporting and compliance with requirements applicable to the major programs, and a schedule of findings and questioned costs are included in a separately issued single audit report.

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

Governmental Structure, Local Economic Condition and Outlook

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

Noted for its high quality of life and fiscal stability, Glendale is the third largest city in Los Angeles County, encompassing 30.6 square miles and serving over 200,000 residents. The City has a City Manager form of government with five elected Councilmembers, in addition to an elected City Clerk and City Treasurer. The Councilmembers elect a mayor from one of their members and appoint various Boards and Commissions.

Over the last several years, the City has committed itself to a long-term financial strategy. Fundamental to this effort was the development of the City's Strategic Plan. This Plan has served to guide the City in allocation of economic resources. This year, the General Fund shows an increase of \$5.4 million to fund balance. Over the last few years the City has developed a 10-year financial model for the General Fund. This financial model was explained to the public in various community meetings and publications. We conducted a phone survey to gauge how the public perceives the services they receive. There were many issues covered: police, fire, gangs, street improvements, potholes, community development and housing, etc. After this input the City departments undertook an internal assessment as to the services each department should provide to the public. We reviewed these assessments with the community and the City Council in early to mid 2000.

There are several issues which are cause for serious concern. The economic downturn in the United States and California, in particular, poses some serious concerns with regard to revenue growth amid rising expenses. The stock market decline has indirectly affected the City, since the City participates in CalPERS for our retirement program. The future rates that CalPERS charges will rise dramatically in the near future primarily due to the stock market losses. With a current State budget shortfall estimate of over \$30 million, the threat of the State taking City revenue to balance its budget is, by far, our biggest financial issue. Lastly, the State of California has a past history of taking City revenue when the State's budget is out-of-balance.

FINANCIAL INFORMATION, MANAGEMENT, AND CONTROL

A detailed presentation of the financial position and the operating results of the City are provided in the CAFR. Presented below is a description of the control techniques applicable to financial resources, obligations, and information. The City's accounting controls comprise the plan, procedures, and records that are concerned with the safeguarding of assets and the reliability of financial records. The definition of accounting control denotes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance for the proper recording of financial transactions.

In accordance with Article XI, Section 6 of the City Charter, a budget must be adopted before the beginning of the next fiscal year. The approved budget establishes budgetary accounting control for its operating funds. Budgetary control is maintained at each division's category level by the encumbrance of estimated purchase amounts prior to the release of purchase orders or contracts to vendors. Purchase orders or contracts, which result in an over-run of division accounts are not released until additional appropriations are made available through transfer from other accounts either by resolution of City Council or administrative transfer. Over expenditures of the budget under \$25,000 will be netted against the department's Expenditure Control Budget Savings. This year, two departments exceeded their authorized budgets in one or more sections, although for their overall department budget was not expended: Communication Services, Traffic Signals, Public Works Administration and Neighborhood Services. In addition, there were other departments who over expended in

one or more categories but were not over expended in total. Please refer to pages 36-39 for the detail of these budgets. Open encumbrances are reported as reservations of fund balances at fiscal year end.

CASH MANAGEMENT

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

The following table presents a comparison of the results of the City's investment of pooled cash for fiscal years 2001 and 2002:

	Fiscal years ended June 30,	
	2002	2001
Average portfolio balance	\$ 446,656,668	\$ 362,689,664
Total portfolio's interest income	\$ 22,593,925	\$ 22,611,774
Average return on invested cash	5.06 %	6.23 %

The average return on invested cash has significantly decreased because of decreased interest earnings from our investments reflection general economic conditions in the interest rate markets. The City Treasurer presents monthly reports to the City Manager and the City Council. The City's general investment strategies are set forth in a formal Statement of Investment Policy, which is approved by the City Council.

RISK MANAGEMENT

The City is self-insured for unemployment, uninsurable litigation, general liability, auto liability, workers' compensation, medical, vision and dental insurance. The City, however, has purchased excess insurance for general liability and workers' compensation (see page 134 for the list of policies). As of June 30, 2002, \$5.9 million was designated to meet losses in excess of claims payable of \$22.1 million as they arise. The City also employs various risk control techniques, including safety training for all employees and the inclusion of appropriate legal provisions in third party contracts, in order to minimize losses.

FINANCIAL OVERVIEW

Governmental Operations

This year's revenues, excluding operating transfers in, totaled \$205.2 million, an increase of approximately \$16.1 million over last year's \$189.1 million. Property Taxes is relatively unchanged from 2001 due to two opposing factors. The first is GASB 33 required us to accrue property taxes in 2001, effectively recording 13 months of revenue. The other factor is property values in Glendale continue to rise. Other taxes decreased by \$1.6 million, again due to 13 months of revenue by complying with GASB 33. The same reasoning holds true for Fines & Forfeitures. Use of Money & Property decreased \$2.5 million due to decreased returns from our investments while the Federal Reserve dramatically reduced the Fed Funds rate. Revenue from other agencies reflects an increase of \$11.5 million. This increase is from a variety of sources: \$2.3 million in various grants from HUD, \$1.6 million from the Workforce Investment Act, \$9.2 million in various grants from the Federal and State government, (\$0.7) million decrease from one-time funds from the State for ERAF, (\$0.4) million decrease in Motor Vehicle in Lieu, (\$0.5) million decrease from various grants in the Capital Improvement Fund. Charges for Services increased by \$1.9 million, of which \$1.1 million is from providing contract police protection to the Burbank/Glendale/Pasadena Airport and others, companies in the wake of the tragedy of 9-11-2001. The miscellaneous revenue increase is attributable to a one-time payment from the operators of the Glendale Galleria in the amount of \$3.8 million, \$0.9 million from a settlement related to the Glendale Fashion Center, \$1 from Low & Moderate Housing and \$1.1 from Electric Public Benefit.

The governmental current expenditures were maintained at the same level of service as the prior year with cost of living increases in employees' compensations along with other urgent needs. We have added two new funds: Fire Grant Fund spent \$0.1 million, Code Enforcement Fund spent \$0.2 million; and transferred two funds from the old expendable trust section: State Training Program Fund spent \$0.8 million & Fire Communication Fund spent \$1.4 million. The other significant variances from the prior year are increased expenditures in electric public benefit funds of \$1 million electricity conservations projects; capital expenditures increased by \$4.3 million, mainly due to the new Police Facility currently under construction. The increase in housing, health and community development is due to the activities of the Glendale Redevelopment Agency.

Total governmental expenditures exceeded total governmental revenues before operating transfers in by \$6.4 million. During the decade of the 1990's the General Fund has become increasingly dependent on operating transfers in to maintain service levels without adding new taxes. This fiscal year operating transfers accounted for 17.5% of the General Fund revenues, a decrease of 1.0% from the prior year.

General Fund Balance

The General Fund shows an increase in fund balance of \$5.4 million, from \$116 million to \$121.4 million. GASB 34 required the City to restate our beginning fund balance from \$53.9 million to \$116 million. This increase of \$62.1 million is solely due to recording on the balance sheet the City/Glendale Redevelopment Agency debt of \$63.6 million. The General Fund balance has shown an increase for the last nine years of approximately \$29.4 million. Of the total fund balance of \$121.4 million, \$44.1 million is unreserved.

Proprietary Operations

The proprietary operations consist of Enterprise and Internal Service Funds. The Enterprise group consists of the following activities: Recreation Fund, Hazardous Disposal Fund, Fire Paramedic Fund, Parking Fund, Sewer Fund, Refuse Disposal Fund, Electric Fund and Water Fund.

The Recreation Fund has shown vast improvement over the last few fiscal years, last year's positive net income of \$43,000 was a turnaround and this year's positive \$290,000 continues that trend. The Hazardous Disposal Fund posted net income of \$66,000; this is in contrast to last year's net loss of \$150,000. This fund will require a fee review in the near future. The Fire Paramedic fund was established in the fall of 1998 by the City Council. Eighteen new fire fighters were hired to perform Advance Life Support to the citizens of Glendale. The General Fund loaned \$1.9 million to the Fire Paramedic Fund as seed money for this new enterprise to purchase equipment, train employees and establish a billing system. This year we recorded net income of \$516,000, thereby creating positive net assets for this fund for the first time. The Parking Fund has a loss of over \$500,000. This fund cannot support the depreciation on four parking garages of \$1.8 million annually. However, the cash continues to grow each year, currently amounting to \$4.3 million. The Sewer Fund continues to generate significant net income, \$17.9 million this year versus \$13.7 million last year to fund major capital replacement in the Hyperion system as well as our own sewer infrastructure. This fund also holds \$45 million in cash. The Refuse Disposal Fund shows positive net income this year after a few years of net losses. The City Council approved increases in the refuse rates of 10% effective July 2001 and another 10% increase effective on July 2002. However, the cash position has deteriorated to about \$250,000 – due to expending \$2.3 million in capital for this fund. The Electric Fund earned \$33.8 million in net income this year. Much of the increase is due to wholesale transactions. The Water Fund earned \$3.7 million this year.

Internal Service Funds

Internal Service Funds are the second group of funds under the Proprietary Fund Type. They are comprised of: the Self-Insurance Funds for Unemployment, Uninsurable Litigation, Liability, Auto, Workers' Compensation, Dental, Medical and Vision Insurance; and a non-insurance related Equipment Reserve Fund and Employee Benefits Fund. The Employee Benefits Fund accounts for employees' post employment sick leave benefits and medical insurance for the dependents of public safety employees killed in the line of duty. All of these funds have positive fund balances in excess of claims payables, except for the Compensation Insurance Fund and the

Employee Benefits Fund. Transfers within the Internal Services funds may be required to “balance” the fund equities. All funds have healthy cash balances.

INDEPENDENT AUDIT

The firm of McGladrey & Pullen LLP has audited the financial statements of the City and its affiliated agencies. Their unqualified opinion on the City’s general purpose financial statements is included within this report.

AWARD

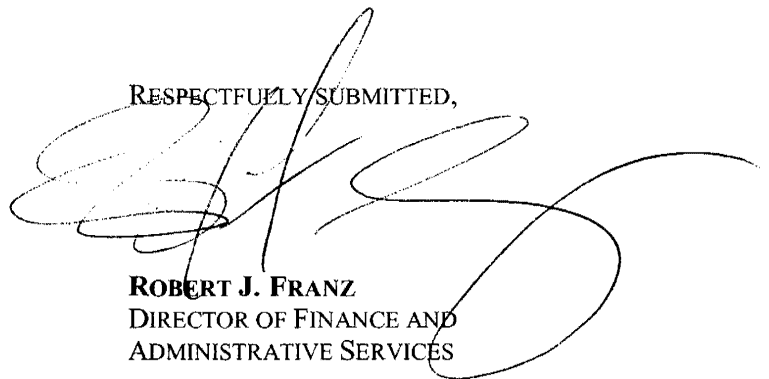
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the last seven fiscal years ended June 30, 1995 through June 30, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

ACKNOWLEDGMENTS

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

RESPECTFULLY SUBMITTED,

A large, stylized handwritten signature in black ink, appearing to read 'R. Franz', is written over the printed name and title.

ROBERT J. FRANZ
DIRECTOR OF FINANCE AND
ADMINISTRATIVE SERVICES

This page is left blank intentionally.

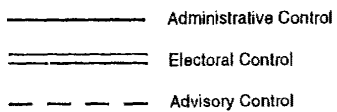
CITY OF GLENDALE
Officials of the City of Glendale
June 30, 2002

City Council

Rafi Manoukian, Mayor
Gus Gomez
Frank Quintero
Dave Weaver
Bob Yousefian

Administration and Division Heads

City Manager	James E. Starbird
Assistant City Manager	Robert K. McFall
Deputy City Manager	Yasmin Karmria
Director of Glendale Water & Power	Ignacio Troncoso
City Attorney	Scott H. Howard
Police Chief	Russel K. Siverling
Fire Chief	Christopher Gray
Director of Public Works	Kerry L. Morford
Director of Finance and Administrative Services	Robert J. Franz
Director of Development Services	Jeanne Armstrong
Director of Personnel and Employee Relations	John F. Hoffman
Director of Planning	Elaine Wilkerson
Director of Community Development and Housing	Madalyn A. Blake
Director of Information Services	Imelda G. Bickham
Director of Parks, Recreation and Community Services	Nello S. F. Iacono
Director of Library Services	Laurel R. Patric
City Treasurer	Ronald T. Borucki
City Clerk	Doris Twedt



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Glendale,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



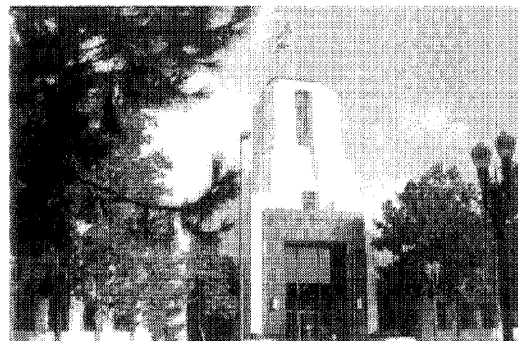
William F. Pate
President

Jeffrey L. Esser
Executive Director

This page is left blank intentionally.

CAF R

Financial Section



McGladrey & Pullen

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Glendale, California (the City), as of and for the year ended June 30, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Glendale's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Glendale, California, as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Audit Standards and should be read in conjunction with this report in considering the results of our audit.

As described in Note 1 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of June 30, 2002.

Management's discussion and analysis on pages 5 through 15 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Glendale's basic financial statements. The accompanying combining nonmajor funds financial statements, budgetary comparison schedules, combining internal service fund financial statements and schedules of Capital Assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor funds financial statements, budgetary comparison schedules, combining internal service fund financial statements and schedules of nonmajor enterprise funds capital assets and changes in capital assets listed as supplementary information in the table of contents have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, and schedules of capital assets used in the operation of governmental funds and statistical information as listed in the table of contents, have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

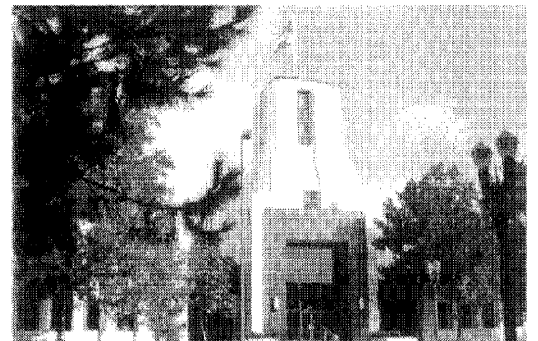
McGladrey & Pullen, LLP

Pasadena, California
November 15, 2002

CAFR

Financial Section

Management's Discussion
And Analysis



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, 2002. 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 -v of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$1,322,241,512 (*net assets*). Of this amount, \$305,130,997 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$95,053,238. Most of this increase is attributable to an increase in City/Agency advances.
- As of the close of the current fiscal year, the City governmental funds reported combined ending fund balances of \$275,821,688 an increase of \$8,519,746 in comparison with the prior year. Approximately one third of this total amount, \$94,173,736, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$44,094,861, or 44 percent of total general fund expenditures.
- The City's total debt decreased by \$3,416,000 (2.0 percent) during the current fiscal year. The factors in this decrease were the payment of \$201,000 toward the postclosure and postclosure care of the Scholl Canyon landfill, and the retirement of \$955,000 of parking lease revenue bonds, \$415,000 of Series A parking lease revenue bonds, and \$1,845,000 of 1993 Tax allocation bonds for the Glendale Redevelopment Agency.

Overview of the Financial Statements

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

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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both 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, public safety, public works, housing, health, and community development, employment programs, public service, parks, recreation, and community services, library and interest on long-term debt. The business-type activities of the City include recreation, hazardous disposal, fire paramedic, parking, sewer, refuse disposal, electric, and water operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate redevelopment agency and a legally separate electric and water utility for which the City is

financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The redevelopment agency and the housing 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 two categories: governmental funds and proprietary 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 thirty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general funds, the Glendale redevelopment agency funds, the debt service (police facility) fund, and capital projects funds, all of which are considered to be major funds. Data from the twenty other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27-39 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its recreation, hazardous disposal, fire paramedic, parking, sewer, refuse disposal, and electric and water utility operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles (general fund only), technology replacement, uninsurable litigation, employee benefits, and various other insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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 internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 40-42 of this report.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2002

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-64 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 67-113 of this report.

Government-wide Financial Analysis

The Government-wide financial analysis contained comparative information from the prior year. We have recast the prior year statements on a GASB 34 basis in order to facilitate the comparison. The prior year numbers are unaudited.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$1,322,241,512 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (66 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported 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 liquidate these liabilities.

City of Glendale's Net Assets

	Governmental activities		Business-type activities		Total	
	2002	2001	2002	2001	2002	2001
Current and other assets	434,728,116	407,546,042	280,872,021	237,797,968	715,600,137	645,344,010
Capital assets	572,264,292	551,728,797	402,317,835	384,025,706	974,582,127	935,754,503
Total assets	1,006,992,408	959,274,839	683,189,856	621,823,674	1,690,182,264	1,581,098,513
Long-term liabilities outstanding	231,436,285	229,808,236	37,154,655	39,426,842	268,590,940	269,235,078
Other liabilities	44,572,846	29,724,193	54,776,966	47,203,968	99,349,812	76,928,161
Total liabilities	276,009,131	259,532,429	91,931,621	86,630,810	367,940,752	346,163,239
Net assets:						
Invested in capital assets, net of related debt	507,880,535	500,292,945	387,742,819	384,025,706	895,623,354	884,318,651
Restricted	152,183,113	163,058,427	56,758,155	57,082,253	208,941,268	220,140,680
Unrestricted	70,919,629	36,391,038	146,757,261	94,084,905	217,676,890	130,475,943
Total net assets	730,983,277	699,742,410	591,258,235	535,192,864	1,322,241,512	1,234,935,274

An additional portion of the City's net assets (15.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$217,676,890) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, for government as a whole, as well as for all its separate governmental and business-type activities, except the Glendale redevelopment agency funds that had a negative balance. The same situation held true for the prior fiscal year.

City of Glendale

Management's Discussion and Analysis, continued

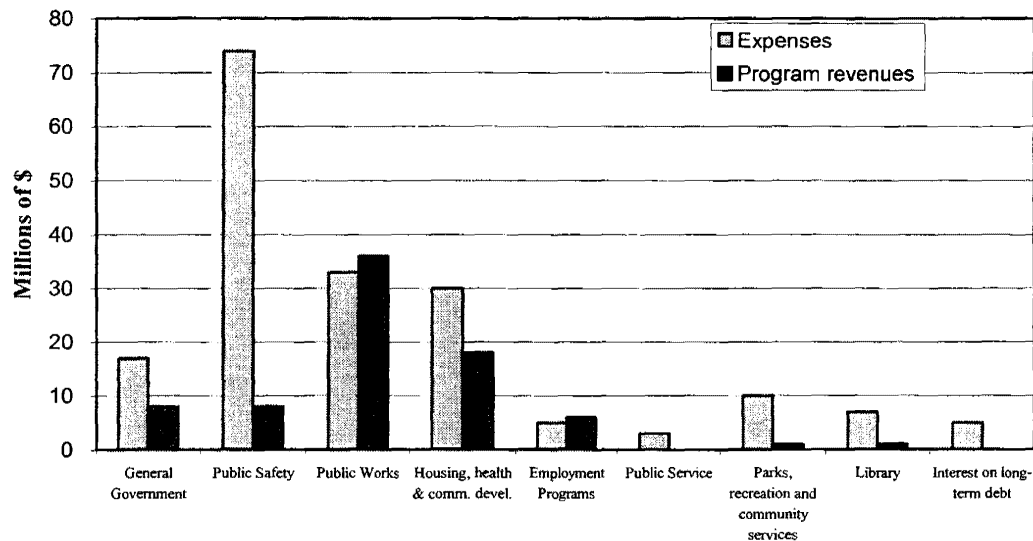
June 30, 2002

There was an decrease of \$11,199,412 in restricted net assets reported in connection with the City's governmental activities. Most of this decrease resulted from the depletion of the Police Facility bond proceeds as the building is near completion.

Governmental activities. Governmental activities increased the City's net assets by \$31,240,867, thereby accounting for 41 percent of the total growth in the net assets of the City. Key elements of this increase are as follows:

- Charges for services increased by \$2,219,214 (11.7 percent) during the year.
- Operating grants and contributions increased by \$6,886,177 (26.6 percent) during the year.
- Capital grants and contributions increased by \$6,166,944 (35.3 percent) during the year.
- Public Safety expenses declined by \$3,315,310 (4.3 percent) during the year.
- Miscellaneous revenue sources increased by \$4,348,269 (23.2 percent) during the year.

Expenses and Program Revenues – Governmental Activities



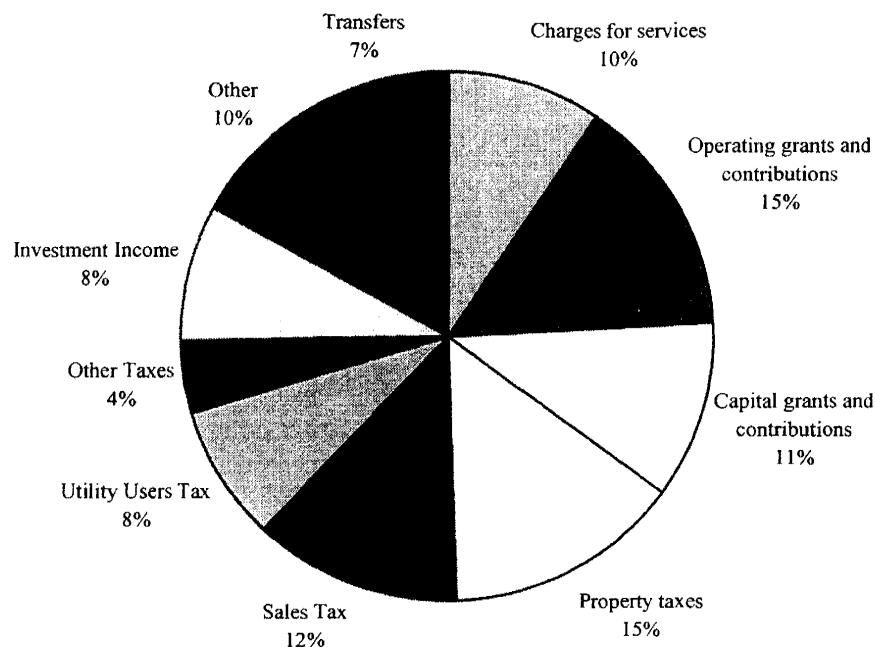
City of Glendale
Management's Discussion and Analysis, continued

June 30, 2002

City of Glendale's Changes in Net Assets

Program revenues:						
Charges for services	21,161,662	18,942,448	259,048,826	327,080,063	280,210,488	346,022,511
Operating grants & contrib	32,812,220	25,926,043	1,112,852	4,829,010	33,925,072	30,755,053
Capital grants & contrib	23,652,782	17,485,838	5,974,204	1,218,583	29,626,986	18,704,421
General revenues:						
Taxes:						
Property taxes	32,515,435	32,567,292	-	-	32,515,435	32,567,292
Sales Tax	27,546,950	27,878,226	-	-	27,546,950	27,878,226
Utility Users Tax	18,699,935	19,223,497	-	-	18,699,935	19,223,497
Other Taxes	9,957,957	10,398,492	-	-	9,957,957	10,398,492
Investment Income	18,415,113	18,870,436	13,196,106	12,585,872	31,611,219	31,456,308
Other	23,091,895	18,743,626	6,886,469	3,036,668	29,978,364	21,780,294
Transfers	14,642,469	21,273,432	(14,642,469)	(16,583,432)	-	4,690,000
Contributions	(7,747,000)	-	7,747,000	-	-	-
Proceeds of Bond Sale	-	64,200,000	-	-	-	64,200,000
Total revenues	214,749,418	275,509,330	279,322,988	332,166,764	494,072,406	607,676,094
Expenses:						
General Government	17,312,420	12,793,497	-	-	17,312,420	12,793,497
Public Safety	73,553,870	76,869,180	-	-	73,553,870	76,869,180
Public Works	33,002,905	26,797,318	-	-	33,002,905	26,797,318
Housing, health, and community devel.	29,565,756	19,957,190	-	-	29,565,756	19,957,190
Employment Programs	5,479,175	3,651,208	-	-	5,479,175	3,651,208
Public Service	3,356,978	2,164,946	-	-	3,356,978	2,164,946
Parks, recreation and community services	9,516,116	7,427,610	-	-	9,516,116	7,427,610
Library	6,968,227	6,005,121	-	-	6,968,227	6,005,121
Interest on long-term debt	4,753,104	3,800,137	-	-	4,753,104	3,800,137
Recreation	-	-	1,946,339	1,970,582	1,946,339	1,970,582
Hazardous disposal	-	-	1,429,576	1,570,574	1,429,576	1,570,574
Fire Paramedic	-	-	3,719,364	4,821,494	3,719,364	4,821,494
Parking	-	-	5,502,362	4,518,939	5,502,362	4,518,939
Sewer	-	-	6,479,740	8,735,437	6,479,740	8,735,437
Refuse Disposal	-	-	11,975,653	11,577,436	11,975,653	11,577,436
Electric	-	-	168,388,851	227,643,641	168,388,851	227,643,641
Water	-	-	23,815,732	24,404,204	23,815,732	24,404,204
Total expenses	183,508,551	159,466,207	223,257,617	285,242,307	406,766,168	444,708,514
Increase in net assets	31,240,867	116,043,123	56,065,371	46,924,457	87,306,238	162,967,580
Net assets - Beg. of the year	699,742,410	583,699,287	535,192,864	488,268,407	1,234,935,274	1,071,967,694
Net assets - End of the year	730,983,277	699,742,410	591,258,235	535,192,864	1,322,241,512	1,234,935,274

Revenues By Source – Governmental Activities



Business-type activities. Business-type activities increased the City of Glendale's net assets by \$56,065,371 accounting for 59 percent of the total growth in the government's net assets. Key elements of this increase are as follows.

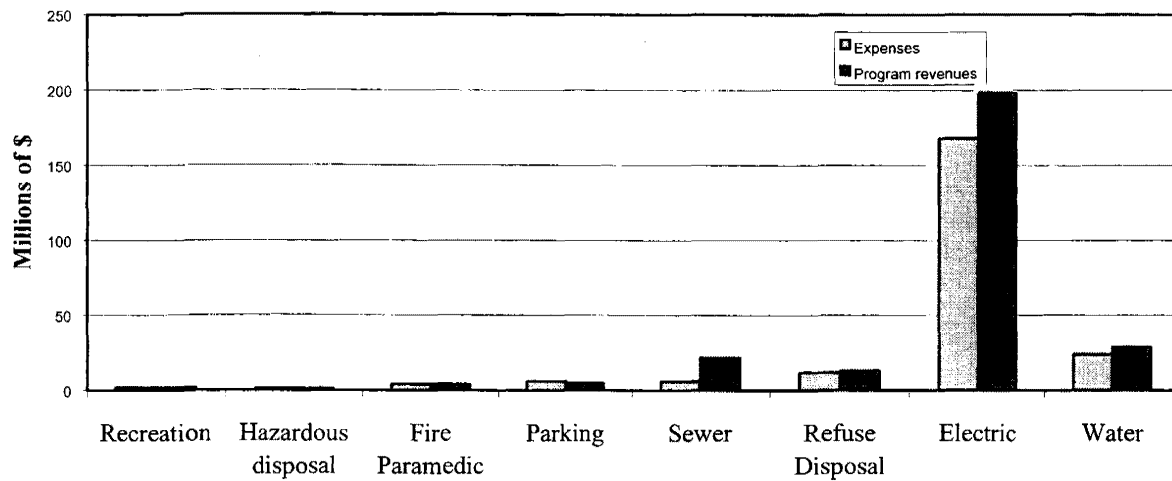
- Miscellaneous revenue sources increased by \$3,849,801 (126.8 percent) during the year.
- Expenses in Electric and Water were reduced by \$59,254,790 (26.0 percent) during the year.

Financial Analysis of the Government's Funds

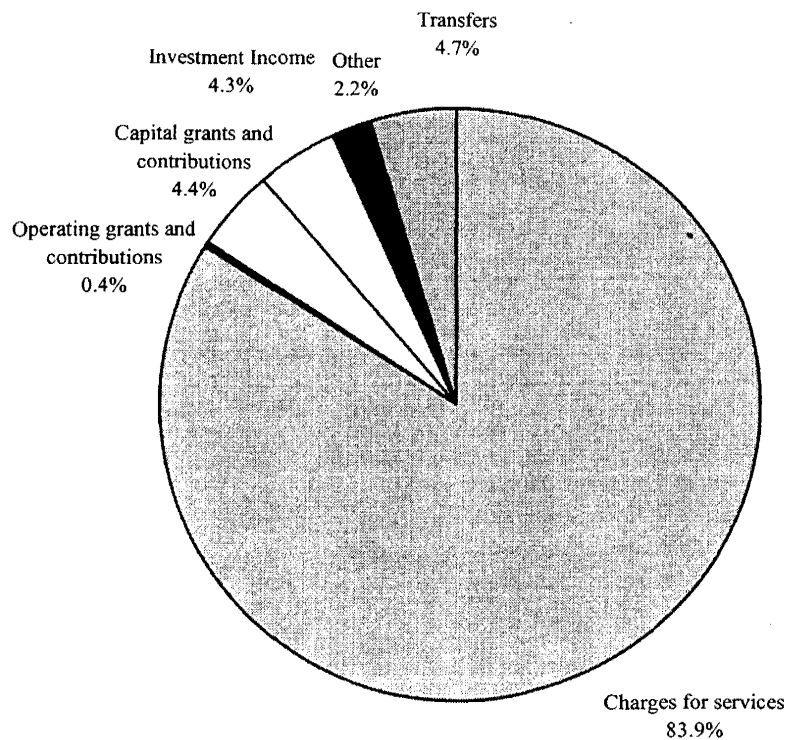
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Expenses and Program Revenues –Business-type Activities



Revenues By Source –Business-type Activities



As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$275,821,688, an increase of \$8,519,748 in comparison with the prior year. Approximately 34 percent of this total

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2002

amount (\$94,173,736) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$14,525,419), 2) to meet the charter reserve requirement (\$12,269,347), 3) to hold property for future development (\$21,293,015), 4) to pay debt service (\$63,243,533), 5) for loans receivable (\$6,551,243), 6) to advance City funds to the Glendale Redevelopment Agency (\$63,316,275) or 7) for a variety of other restricted purposes (\$449,120).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$44,094,861, while total fund balance reached \$121,395,812. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 44 percent of total general fund expenditures, while total fund balance represents 121 percent of that same amount.

The fund balance of the City's general fund increased by \$5,387,291 during the current fiscal year. Key factors in this growth are as follows:

- Charges for services increased by \$1,377,749 during the year.
- Interfund revenue increased by \$612,895 during the year.
- Transfer from the Capital Projects Fund increased by \$800,000 this year.

The debt service funds has a total fund balance of \$63,629,533, all of which, except \$386,000 for insurance, is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was minimal (\$3,617,461).

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

At the end of the year, unrestricted net assets of the Sewer Fund amounted to \$38,599,606, those for the Electric Fund amounted to \$97,812,917, those for the Water Fund totaled \$4,939,600, and other proprietary funds had unrestricted net assets of \$6,193,284. The total growth in net assets for the Sewer Fund was \$17,893,578, for the Electric Fund was \$33,828,386, for the Water Fund was \$3,693,729, and was \$1,437,824 for the other proprietary funds. Other factors concerning the finance of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

- \$988,740 in miscellaneous increases in general government activities
- \$1,415,549 in increases allocated to the public works department
- \$2,660,515 in increases allocated to the police department
- \$807,235 in increases allocated to the fire department
- \$651,805 in increases allocated to the parks department
- \$427,196 in increases allocated to the library department

Of this increase, \$1,359,997 was funded out of miscellaneous increases in various charges for services, and \$160,703 out of increases in state grants. The remaining \$5,629,320 was to be budgeted from available fund balance.

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, 2002, amounts to \$974,582,127 (net accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 5 percent (a 5.9 percent increase for governmental activities and a 4.8 percent increase for business-type activities).

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

- Continued construction on the new police building as of the close of the fiscal year has reached a value of \$39,056,016.
- Continued construction on the Edison Pacific Community Center as of the close of the fiscal year has reached a value of \$20,728,170.
- GASB 34 requires the identification of streets, sidewalks, and other infrastructure, which was \$214,564,952 at the close of the fiscal year.

City of Glendale's Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	2002	2001	2002	2001	2002	2001
Land	319,398,788	318,881,676	10,412,696	7,711,904	329,811,484	326,593,580
Buildings and improvements	129,887,724	120,767,407	292,217,833	285,097,609	422,105,557	405,865,016
Machinery and equipment	64,894,641	73,877,115	308,333,758	287,118,994	373,228,399	360,996,109
Infrastructure	201,862,952	201,440,000	-	-	201,862,952	201,440,000
Construction in progress	68,830,148	48,839,009	43,121,323	34,539,988	111,951,471	83,378,997
Total capital assets	784,874,253	763,805,207	654,085,610	614,468,495	1,438,959,863	1,378,273,702
Less accumulated depreciation	(212,609,961)	(212,076,410)	(251,767,775)	(230,442,790)	(464,377,736)	(442,519,200)
Net of depreciation	572,264,292	551,728,797	402,317,835	384,025,705	974,582,127	935,754,502

Additional information on the City's capital assets can be found in note III C on pages 53-54 as well as pages 112-113 of this report.

Long-term debt. At the end of the current fiscal year, the City has total debt outstanding of \$165,314,000. Of this amount, \$64,200,000 is certificates of participation to fund the new police facility, \$61,250,000 is tax allocation bonds backed by the property tax increment collected from the Central redevelopment area, and \$1,399,000 is owed for the postclosure and postclosure care of Scholl Canyon landfill. The remainder of the City's debt, \$38,465,000 represents revenue bonds secured solely by specified revenue sources, primarily in the Electric Utility operation.

City of Glendale's Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2002	2001	2002	2001	2002	2001
Landfill postclosure and postclosure care liability	1,399,000	1,600,000	-	-	1,399,000	1,600,000
Glendale Redevelopment Agency:						
Parking lease revenue bonds, Series A	440,000	855,000	-	-	440,000	855,000
Refunding parking lease revenue bonds, Series 1976	1,025,000	1,980,000	-	-	1,025,000	1,980,000
1993 Tax allocation bonds	61,250,000	63,095,000	-	-	61,250,000	63,095,000
Total Bonds Payable	62,715,000	65,930,000	-	-	62,715,000	65,930,000
The City of Glendale Financing Authority:						
Police Facility Certificates of Participation	64,200,000	64,200,000	-	-	64,200,000	64,200,000
Total general long term debt	64,200,000	64,200,000	-	-	64,200,000	64,200,000
Enterprise Fund:						
Electric Revenue Bonds 2000 Series	-	-	37,000,000	37,000,000	37,000,000	37,000,000
Grand total	128,314,000	131,730,000	37,000,000	37,000,000	165,314,000	168,730,000

The City's total debt decreased by \$3,416,000 (2.0 percent) during the current fiscal year. The factors in this decrease were the payment of \$201,000 toward the postclosure and postclosure care of the Scholl Canyon landfill, and the retirement of \$955,000 of parking lease revenue bonds, \$415,000 of Series A parking lease revenue bonds, and \$1,845,000 of 1993 Tax allocation bonds.

The recent Electric Revenue Bond issue received a "Aaa" rating from Moody's and a "AAA" rating from Fitch based on insurance purchased related to the issues. Also, the City of Glendale Financing Authority's Certificates of Participation received a "AA-" rating from Fitch and Standard & Poor's, and Moody's.

Additional information on the City's long-term debt can be found in note III D on pages 56-57 of this report.

Economic Factors and Next Year's Budget and Rates

- Auto sales continue to offset declines in other sales tax categories.
- Economic recovery from recent recession will be slower than originally projected in mid-year 2001-02.

All of these factors were considered in preparing the City's budget for the 2003 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$44,094,861. The City has appropriated \$1,028,943 of this amount for spending in the 2003 fiscal year budget. It is intended that this use of available fund balance is for non-recurring costs.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2002

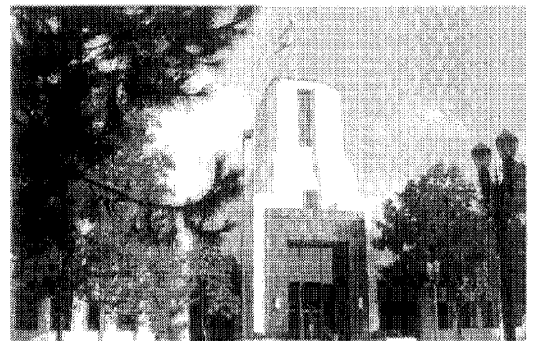
Requests for Information

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, Finance and Administrative Services, 141 North Glendale Avenue, Suite 346, Glendale, CA 91206.

CAFR

Financial Section

Basic Financial Statements



CITY OF GLENDALE
GOVERNMENT-WIDE FINANCIAL STATEMENTS
June 30, 2002

This page is left blank intentionally.

Exhibit A-1
CITY OF GLENDALE
Statement of Net Assets
June 30, 2002

	Governmental Activities Total	Business- Type Activities	Total
Assets			
Current assets:			
Cash and invested cash	\$ 266,837,399	237,133,346	503,970,745
Imprest cash	18,930	14,200	33,130
Cash with fiscal agent	29,818,618	7,155,678	36,974,296
Interest receivable	2,985,472	2,568,407	5,553,879
Investment in street assessment bonds	56,120	—	56,120
Investment -gas/electric commodity	—	2,287,797	2,287,797
Accounts receivable, net	13,162,889	13,738,840	26,901,729
Unbilled receivable	—	12,496,361	12,496,361
Due from other funds	7,635,967	—	7,635,967
Due from other agencies	20,597,441	—	20,597,441
Internal balances	788,146	(788,146)	—
Deposits	7,000	—	7,000
Inventories	255,636	4,680,671	4,936,307
Prepaid items	104,150	1,584,867	1,689,017
Total current assets	342,267,768	280,872,021	623,139,789
Noncurrent assets:			
Deferred charges	1,299,815	—	1,299,815
Loans receivable	6,551,243	—	6,551,243
Real property held for resale	21,293,015	—	21,293,015
Intergovernmental receivable	63,316,275	—	63,316,275
	92,460,348	—	92,460,348
Capital assets(net of accumulated depreciation)			
Land	319,398,788	10,412,696	329,811,484
Buildings and improvements	19,959,562	50,675,184	70,634,746
Machinery and equipment	34,976,842	298,108,632	333,085,474
Infrastructure	129,098,952	—	129,098,952
Construction in progress	68,830,148	43,121,323	111,951,471
Total capital assets	572,264,292	402,317,835	974,582,127
Total noncurrent assets	664,724,640	402,317,835	1,067,042,475
Total assets	\$ 1,006,992,408	683,189,856	1,690,182,264

CITY OF GLENDALE

Statement of Net Assets

June 30, 2002

	Governmental Activities Total	Business- Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 5,946,733	43,490,288	49,437,021
Contracts-retained amounts due	1,607,033	817,332	2,424,365
Accrued wages and withholdings	3,716,478	1,409,077	5,125,555
Due to other funds	5,603,150	2,032,817	7,635,967
Due to other agencies	571,056	—	571,056
Accrued interest	292,957	—	292,957
Matured bond principal and interest	201,023	904,706	1,105,729
Bonds payable, due in one year	4,500,000	—	4,500,000
Compensated absences	6,545,576	2,347,591	8,893,167
Deferred compensation and revenue	12,772,967	—	12,772,967
Deposits	2,815,873	3,775,155	6,591,028
Internal revenue	—	—	—
Total current liabilities	44,572,846	54,776,966	99,349,812
Noncurrent liabilities:			
Claims payable	25,057,669	—	25,057,669
City/Agency debt	63,316,275	—	63,316,275
Post employment benefits	6,048,341	—	6,048,341
Bonds payable, more than one year	122,415,000	37,000,000	159,415,000
Bond premium	—	154,655	154,655
Post closure & post closure care	14,599,000	—	14,599,000
Total noncurrent liabilities	231,436,285	37,154,655	268,590,940
Total liabilities	276,009,131	91,931,621	367,940,752
Net Assets			
Invested in capital assets, net of related debt	507,880,535	387,742,819	895,623,354
Restricted for:			
Charter requirement	12,269,347	—	12,269,347
Community development	42,399,657	—	42,399,657
Public works	11,005,904	—	11,005,904
Debt service	63,629,533	—	63,629,533
Capital projects	23,678,672	12,217,731	35,896,403
Deregulation	—	44,540,424	44,540,424
Unrestricted	70,119,629	146,757,261	216,876,890
Total net assets	\$ 730,983,277	591,258,235	1,322,241,512

Exhibit A-2
CITY OF GLENDALE
Statement of Activities
Year ended June 30, 2002

		Program Revenue			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
	Expenses						
Governmental activities:							
General government	\$ 17,312,420	7,846,676	26,129	—	(9,439,615)	—	(9,439,615)
Public safety	73,553,870	5,401,658	3,077,982	—	(65,074,230)	—	(65,074,230)
Public works	33,002,905	6,960,323	5,438,045	23,652,782	3,048,245	—	3,048,245
Housing, health and community development	29,565,756	780,585	17,529,356	—	(11,255,815)	—	(11,255,815)
Employment programs	5,479,175	—	5,523,057	—	43,882	—	43,882
Public service	3,356,978	—	—	—	(3,356,978)	—	(3,356,978)
Parks, recreation and community services	9,516,116	34,900	474,016	—	(9,007,200)	—	(9,007,200)
Library	6,968,227	137,520	743,635	—	(6,087,072)	—	(6,087,072)
Interest on long-term debt	4,753,104	—	—	—	(4,753,104)	—	(4,753,104)
Total governmental activities	183,508,551	21,161,662	32,812,220	23,652,782	(105,881,887)	—	(105,881,887)
Business-type activities:							
Recreation	1,946,339	1,628,997	326,674	—	—	9,332	9,332
Hazardous disposal	1,429,576	1,304,327	156,584	—	—	31,335	31,335
Fire paramedic	3,719,364	4,201,104	—	—	—	481,740	481,740
Parking	5,502,362	5,464,878	—	—	—	(37,484)	(37,484)
Sewer	6,479,740	18,252,337	—	3,683,829	—	15,456,426	15,456,426
Refuse disposal	11,975,653	11,432,177	—	1,122,787	—	579,311	579,311
Electric	168,388,851	188,297,461	390,897	1,167,588	—	21,467,095	21,467,095
Water	23,815,732	28,467,545	238,697	—	—	4,890,510	4,890,510
Total business-type activities	223,257,617	259,048,826	1,112,852	5,974,204	—	42,878,265	42,878,265
Total primary government	\$ 406,766,168	280,210,488	33,925,072	29,626,986	(105,881,887)	42,878,265	(63,003,622)
General revenues:							
Taxes:							
Property taxes				\$ 32,515,435	—		32,515,435
Sales tax				27,546,950	—		27,546,950
Utility users tax				18,699,935	—		18,699,935
Other taxes				9,957,957	—		9,957,957
Investment income				18,415,113	13,196,106		31,611,219
Other				23,091,895	6,886,469		29,978,364
Transfers				14,642,469	(14,642,469)		—
Contributions				(7,747,000)	7,747,000		—
Total general revenues and transfers				137,122,754	13,187,106		150,309,860
Change in net assets				31,240,867	56,065,371		87,306,238
Net assets, July 1				699,742,410	535,192,864		1,234,935,274
Net assets, June 30				\$ 730,983,277	591,258,235		1,322,241,512

The notes to the financial statements are an integral part
of this statement

This page is left blank intentionally.

CITY OF GLENDALE
FUND FINANCIAL STATEMENTS
June 30, 2002

This page is left blank intentionally.

Exhibit B-1
CITY OF GLENDALE
 Balance Sheet
 Governmental Funds
 June 30, 2002

Assets	Major Funds					Total Governmental Funds
	General Fund	Glendale Redevelopment Agency Fund	Debt Serv (Police Facility) Fund	Capital Project Fund	Nonmajor Governmental Funds	
Cash and invested cash	\$ 59,395,837	21,952,279	47,905,103	17,332,907	79,923,393	226,509,519
Imprest cash	18,730	200	—	—	—	18,930
Cash with fiscal agent	—	—	5,328,513	—	24,490,105	29,818,618
Interest receivable	981,351	213,081	552,855	—	754,924	2,502,211
Investment in street assessment bonds	56,120	—	—	—	—	56,120
Accounts receivable, net	857,167	—	—	10,629,634	1,657,957	13,144,758
Due from other funds	7,635,967	—	—	—	—	7,635,967
Due from other agencies	3,371,140	1,340,251	—	8,117,646	7,767,853	20,596,890
Deposits	—	7,000	—	—	—	7,000
Inventories	255,603	—	—	—	—	255,603
Intergovernmental receivable	63,316,275	—	—	—	—	63,316,275
Loans receivable	—	6,551,243	—	—	—	6,551,243
Real property held for resale	—	20,377,426	—	—	915,589	21,293,015
Total assets	135,888,190	50,441,480	53,786,471	36,080,187	115,509,821	391,706,149
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	893,494	238,690	—	851,217	3,719,891	5,703,292
Contracts-amounts due	1,342,051	248,114	—	—	16,868	1,607,033
Due to other funds	—	—	—	—	5,603,150	5,603,150
Due to other agencies	—	—	—	—	571,056	571,056
Matured bond principal and interest	—	—	—	—	201,023	201,023
Accrued wages and withholdings	3,052,813	49,447	—	50,598	478,816	3,631,674
Compensated absences	5,986,384	73,898	—	—	401,836	6,462,118
Deferred compensation and revenue	535,571	—	—	10,629,634	1,607,762	12,772,967
Deposits	2,682,065	38,012	—	—	95,796	2,815,873
City/Agency debt	—	63,316,275	—	—	—	63,316,275
Post closure & post closure care	—	—	—	—	13,200,000	13,200,000
Total liabilities	14,492,378	63,964,436	—	11,531,449	25,896,198	115,884,461
Fund balances:						
Reserved:						
Encumbrances	1,659,209	910,084	—	4,482,959	7,473,167	14,525,419
Charter	12,269,347	—	—	—	—	12,269,347
Real property held for resale	—	20,377,426	—	—	915,589	21,293,015
City/Agency advances	63,316,275	—	—	—	—	63,316,275
Principal and interest	—	—	53,786,471	—	9,457,062	63,243,533
Insurance	—	—	—	—	386,000	386,000
Investment in assessment bonds	56,120	—	—	—	—	56,120
Post closure & post closure care	—	—	—	—	—	—
Loans receivable	—	6,551,243	—	—	—	6,551,243
Deposits	—	7,000	—	—	—	7,000
Unreserved, reported in:						
General funds	44,094,861	—	—	—	—	44,094,861
Special revenue funds	—	(41,368,709)	—	—	36,849,150	(4,519,559)
Capital projects funds	—	—	—	20,065,779	34,532,655	54,598,434
Total fund balances	121,395,812	(13,522,956)	53,786,471	24,548,738	89,613,623	275,821,688
Total liabilities and fund balances	\$ 135,888,190	50,441,480	53,786,471	36,080,187	115,509,821	391,706,149

CITY OF GLENDALE

Reconciliation of Balance Sheet of

Governmental Funds to the Statement of Net Assets

June 30, 2002

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

Fund balances of governmental funds		\$ 275,821,688
-------------------------------------	--	----------------

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

Land	\$ 319,398,788	
Buildings and improvements	19,959,562	
Equipment	34,793,085	
Infrastructure	129,098,952	
Construction in progress	<u>68,830,148</u>	572,080,535

Costs of issuance of bonds were fully expended in the governmental
funds. This is the amount to establish the unamortized deferred charges.

Police building bonds	644,000	
1993 Tax allocation bonds	<u>655,815</u>	1,299,815

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

Due within one year:

Police building bonds	(1,100,000)	
1974 Parking lease revenue bonds, Series A	(440,000)	
1976 Refunding parking lease revenue bonds	(1,025,000)	
1993 Tax allocation bonds	<u>(1,935,000)</u>	(4,500,000)

Due more than one year:

Police building bonds	(63,100,000)	
1993 Tax allocation bonds	(59,315,000)	
Post closure and post closure care	<u>(1,399,000)</u>	(123,814,000)

Accrued interest payable for the current portion of interest due on:

1974 Parking lease revenue bonds, Series A	(4,620)	
1976 Refunding parking lease revenue bonds	(9,396)	
1993 Tax allocation bonds	<u>(278,941)</u>	(292,957)

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 assets.

10,388,196

Net assets of governmental activities		\$ <u><u>730,983,277</u></u>
---------------------------------------	--	------------------------------

Exhibit C-1
CITY OF GLENDALE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For Fiscal Year Ended June 30, 2002

	Major Funds					
	General Fund	Glendale Redevelopment Agency Fund	Debt Serv (Police Facility) Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 14,510,707	8,423,050	—	—	9,581,678	32,515,435
Other taxes	38,634,079	—	—	13,773,475	4,981,806	57,389,360
Licenses and permits	3,045,465	—	—	—	—	3,045,465
Fines and forfeitures	1,287,453	—	—	—	283,665	1,571,118
Use of money and property	8,591,760	1,530,035	3,590,978	20,593	6,058,199	19,791,565
Revenue from other agencies	12,063,076	1,094,306	—	16,940,466	35,210,108	65,307,956
Charges for services	3,741,722	716,729	—	2,958,453	3,538,809	10,955,713
Miscellaneous revenue	223,830	127,689	—	4,762,392	3,557,330	8,671,241
Interfund revenue	5,873,031	—	—	—	43,882	5,916,913
Total revenues	87,971,123	11,891,809	3,590,978	38,455,379	63,255,477	205,164,766
Expenditures:						
Current:						
General government	13,566,700	—	—	—	298,533	13,865,233
Community promotion	62,305	—	—	—	—	62,305
Public safety	55,707,387	—	—	—	3,120,131	58,827,518
Public works	14,645,687	—	—	—	6,585,191	21,230,878
Housing, health and community development	1,035,712	10,014,134	—	—	13,260,516	24,310,362
Employment programs	—	—	—	—	5,423,572	5,423,572
Public service	—	—	—	—	3,356,978	3,356,978
Parks, recreation and community services	7,579,770	—	—	—	510,569	8,090,339
Library	6,265,781	—	—	—	268,781	6,534,562
Capital	1,493,586	—	—	25,554,904	34,971,090	62,019,580
Debt Service:						
Principal retirement	—	—	—	—	3,215,000	3,215,000
Interest	—	—	1,038,105	—	3,610,285	4,648,390
Fiscal agent fees	—	—	18,494	—	—	18,494
Total expenditures	100,356,928	10,014,134	1,056,599	25,554,904	74,620,646	211,603,211
Excess of revenues over (under) expenditures	(12,385,805)	1,877,675	2,534,379	12,900,475	(11,365,169)	(6,438,445)
Other financing sources (uses):						
Operating transfers from:						
General fund	—	—	—	815,605	136,911	952,516
GRA	—	—	—	36,100	57,809	93,909
Capital projects fund	3,745,000	—	—	—	—	3,745,000
Electric fund	11,305,040	—	—	—	—	11,305,040
Water fund	2,818,283	—	—	—	—	2,818,283
Parking fund	834,868	—	—	—	—	834,868
Fire communication	22,420	—	—	—	—	22,420
Operating transfer to:						
General Fund	—	—	—	(3,745,000)	(22,420)	(3,767,420)
Special revenue fund	(136,911)	—	—	—	(57,809)	(194,720)
Capital projects fund	(815,605)	—	—	—	(36,100)	(851,705)
Total other financing sources (uses)	17,773,095	—	—	(2,893,295)	78,391	14,958,191
Net change in fund balances	5,387,290	1,877,675	2,534,379	10,007,180	(11,286,778)	8,519,746
Fund balance (deficit), July 1 restated	116,008,522	(15,400,631)	51,252,092	14,541,558	100,900,401	267,301,942
Fund balance (deficit), June 30	\$ 121,395,812	(13,522,956)	53,786,471	24,548,738	89,613,623	275,821,688

CITY OF GLENDALE

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For Fiscal Year Ended June 30, 2002

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

Net change in fund balances - total governmental funds	\$	8,519,746
Governmental funds report capital assets as expenditures		36,563,047
Contribution of street lights to the Electric fund at depreciated cost		(7,747,000)
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense		(10,531,464)
In the statement of activities, bond issuance costs are deferred and allocated to expense over the life of bonds:		
Police building bonds	\$	(23,000)
Tax allocation bonds		<u>(36,434)</u>
		(59,434)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
1974 Parking lease revenue bonds, series A		415,000
1976 Refunding parking lease revenue bonds		955,000
1993 Tax Allocation bonds		<u>1,845,000</u>
		3,215,000
In the statement of activities, interest is accrued on outstanding debt; whereas in the governmental funds, interest is recognized when due:		
Accrued interest, June 30, 2002		284,945
Accrued interest, June 30, 2001		<u>(319,743)</u>
		(34,798)
In the statement of activities, expense is accrued when the criteria is met; whereas in the governmental funds, expense is recognized when cash outlay is made:		
Landfill postclosure care additional expense		201,000
Change in net assets of Internal Service funds allocated to governmental activities		<u>1,114,770</u>
Change in net assets for governmental activities	\$	<u><u>31,240,867</u></u>

Exhibit D-1

CITY OF GLENDALE

Schedule of Revenues - Budget and Actual

General Fund

Year ended June 30, 2002

	2002			Variance Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
Property taxes	\$ 14,008,000	14,008,000	14,510,707	502,707
Other taxes:				
Utility users' tax	17,900,000	17,900,000	18,699,935	799,935
Sales tax	14,100,000	14,100,000	13,773,475	(326,525)
State 1/2% sales tax	1,250,000	1,250,000	1,184,518	(65,482)
Franchise tax	1,700,000	1,700,000	1,885,108	185,108
Occupancy tax	2,150,000	2,150,000	2,329,104	179,104
Property tax penalty	100,000	100,000	53,110	(46,890)
Real property transfer tax	575,000	575,000	708,829	133,829
Total	37,775,000	37,775,000	38,634,079	859,079
Licenses and permits:				
Dog licenses	130,000	130,000	159,138	29,138
Bicycle licenses	-	-	2	2
Building permits	2,200,000	2,200,000	1,883,258	(316,742)
Variance permits	270,000	270,000	371,600	101,600
Grading permits	30,000	30,000	45,646	15,646
Street permits	140,000	140,000	135,605	(4,395)
Business license permits	475,000	475,000	450,216	(24,784)
Total	3,245,000	3,245,000	3,045,465	(199,535)
Fines and forfeitures-Traffic safety fines	1,672,800	1,672,800	1,287,453	(385,347)
Use of money and property:				
Interest and investment revenue	5,000,000	5,000,000	4,271,078	(728,922)
Interest on City/Agency Debt	-	-	3,143,404	3,143,404
Landfill gas royalties	1,250,000	1,250,000	1,077,270	(172,730)
Rental income	117,000	117,000	100,008	(16,992)
Total	\$ 6,367,000	6,367,000	8,591,760	2,224,760

CITY OF GLENDALESchedule of Revenues - Budget and Actual
General Fund

	2002			Variance
	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
Revenue from other agencies:				
Motor vehicle in lieu	\$ 11,000,000	11,000,000	11,119,433	119,433
Disaster relief reimbursement	-	-	-	-
State grants	-	160,703	75,438	(85,265)
State S.B. 90	25,000	25,000	47,312	22,312
State ERAF {AB 1661}	-	-	-	-
State library grant	400,000	400,000	518,498	118,498
County grants	114,000	114,000	25,937	(88,063)
State homeowners' exemptions	230,000	230,000	214,529	(15,471)
State police grants	60,000	60,000	61,929	1,929
Total	11,829,000	11,989,703	12,063,076	73,373
Charges for services:				
Zoning and subdivision fees	45,000	45,000	53,277	8,277
Map and publication fees	25,000	25,000	31,218	6,218
Filing and certification fees	15,000	15,000	12,894	(2,106)
Finger print fees	115,000	115,000	342,670	227,670
Special police division fees	725,000	725,000	698,688	(26,312)
Police presence post 9-11-2001	-	1,359,997	1,067,953	(292,044)
Fire inspection fees	300,000	300,000	301,132	1,132
Fire communication fees	125,000	125,000	172,092	47,092
Hydrant flow test fees	4,000	4,000	3,375	(625)
Hazardous vegetation fees	2,000	2,000	3,876	1,876
Express plan check	100,000	100,000	141,293	41,293
Code enforcement	45,000	45,000	63,856	18,856
Local assessment fees	100,000	100,000	100,638	638
Excavation fees	15,000	15,000	52,337	37,337
Resurfacing fees	4,000	4,000	-	(4,000)
Collectible jobs - overhead	200,000	200,000	268,988	68,988
Collectible jobs - M & O	50,000	50,000	5,100	(44,900)
Collectible jobs - salary	6,000	6,000	48,068	42,068
Collectible jobs - vehicles	130,000	130,000	142,412	12,412
Collectible jobs - administrative	11,000	11,000	59,435	48,435
Res and reg processing fees	5,000	5,000	3,680	(1,320)
Aquatics	35,000	35,000	31,220	(3,780)
Library fines and fees	125,000	125,000	137,520	12,520
Special program fees	7,000	7,000	-	(7,000)
Total	\$ 2,189,000	3,548,997	3,741,722	192,725

CITY OF GLENDALESchedule of Revenues - Budget and Actual
General Fund

	2002		Variance
	Budgeted Amounts		Favorable
	Original	Final	(Unfavorable)
Miscellaneous revenue:			
Sale of real and personal property	\$ 5,000	5,000	1,193 (3,807)
Donations and contributions	8,000	8,000	47,033 39,033
Unclaimed money and property	50,000	50,000	316 (49,684)
Miscellaneous	200,000	200,000	175,288 (24,712)
Total	263,000	263,000	223,830 (39,170)
Interfund revenue:			
Charges to enterprise funds for:			
City council	90,000	90,000	138,896 48,896
City manager	550,000	550,000	639,779 89,779
City clerk	320,000	320,000	380,247 60,247
Finance	890,000	890,000	1,060,189 170,189
Information services	1,550,000	1,550,000	1,639,595 89,595
City treasurer	165,000	165,000	190,720 25,720
Purchasing	150,000	150,000	175,745 25,745
Legal	575,000	575,000	641,694 66,694
Personnel	275,000	275,000	418,744 143,744
Training	55,000	55,000	82,802 27,802
Parks, recreation and community service	45,000	45,000	53,629 8,629
General government building	46,000	46,000	45,840 (160)
Membership and dues	10,000	10,000	20,804 10,804
Public works-administration	245,000	245,000	336,666 91,666
Total	4,966,000	4,966,000	5,825,350 859,350
Salary overhead – budgeted jobs	250,000	250,000	47,681 (202,319)
Total	5,216,000	5,216,000	5,873,031 657,031
Total revenues	\$ 82,564,800	84,085,500	87,971,123 3,885,623

CITY OF GLENDALE

Schedule of expenditures - Budget and Actual

General Fund

Year ended June 30, 2002

	2002			Variance Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
General government:				
City council	\$ 229,570	283,299	287,119	(3,820)
City clerk	737,569	776,162	755,988	20,174
City treasurer	391,470	406,041	374,625	31,416
City manager	1,273,617	1,327,106	1,273,336	53,770
City auditor	279,311	289,801	300,121	(10,320)
Legal	1,428,324	1,540,348	1,325,473	214,875
Finance	1,937,042	2,120,319	2,092,122	28,197
Purchasing	332,617	344,299	345,206	(907)
Graphics	512,227	552,813	490,548	62,265
Information services	2,883,013	3,090,746	3,060,660	30,086
Communications services	295,033	314,254	363,031	(48,777)
Planning	1,716,509	1,839,906	1,632,042	207,864
Personnel	1,153,913	1,273,861	1,259,763	14,098
Training	269,696	269,696	255,722	13,974
Total	13,439,911	14,428,651	13,815,756	612,895
Community promotion:				
Membership and dues	61,331	62,331	62,305	26
Public safety:				
Police	31,518,300	34,103,779	31,823,383	2,280,396
Police helicopter	1,536,933	1,588,260	1,492,759	95,501
Civic center garage	439,284	458,659	385,035	73,624
Comm. family counseling	123,453	127,787	64,312	63,475
Animal control	586,300	586,300	490,500	95,800
Fire	19,215,455	19,971,439	19,780,364	191,075
Fire prevention	1,298,511	1,346,666	1,293,447	53,219
Fire communications	658,895	658,895	672,591	(13,696)
Emergency services	150,670	153,766	145,666	8,100
Total	\$ 55,527,801	58,995,551	56,148,057	2,847,494

CITY OF GLENDALE

Schedule of expenditures - Budget and Actual

General Fund

Year ended June 30, 2002

	2002			Variance
	Budgeted Amounts		Actual	Favorable
	Original	Final		(Unfavorable)
Public works:				
Public works	\$ 723,025	1,334,552	1,161,267	173,285
Engineering	2,316,878	2,475,603	2,340,614	134,989
Permit services	1,870,881	2,056,045	1,554,916	501,129
Custodial services	652,481	679,747	605,507	74,240
Building services	1,747,016	1,792,408	1,417,398	375,010
Street administration	460,053	475,746	361,516	114,230
Street maintenance	1,265,313	1,267,392	1,028,088	239,304
Sidewalk maintenance	943,427	969,124	841,337	127,787
Street trees maintenance	1,017,421	1,139,206	1,057,279	81,927
Mechanical maintenance	1,408,250	1,459,530	1,148,247	311,283
Warehouse	176,044	191,553	132,935	58,618
Traffic engineering	892,805	929,287	797,989	131,298
Traffic signals	1,083,033	1,127,633	1,162,211	(34,578)
Traffic safety controls	346,431	379,608	372,141	7,467
Corporation yard	103,500	103,500	115,608	(12,108)
Building inspection	1,087,010	1,128,183	1,033,364	94,819
Total	16,093,568	17,509,117	15,130,417	2,378,700
Housing, health and community development:				
Economic development	142,560	143,151	49,373	93,778
Community dev admin	-	-	(775)	775
Neighborhood services	939,416	1,075,474	1,016,130	59,344
Total	1,081,976	1,218,625	1,064,728	153,897
Parks, recreation and community services:				
Parks administration	737,007	792,182	805,632	(13,450)
Parks	4,805,017	5,087,285	4,772,359	314,926
Facility & events services	324,140	385,406	297,514	87,892
Rec & Community Services	870,396	1,007,671	898,863	108,808
Youth services	958,996	1,055,573	644,708	410,865
Senior programs	351,372	370,616	325,431	45,185
Total	8,046,928	8,698,733	7,744,507	954,226
Library	6,284,964	6,712,160	6,391,158	321,002
Total expenditures	\$ 100,475,148	107,625,168	100,356,928	7,268,240

CITY OF GLENDALE

Schedule of Expenditure Category-Budget and Actual

General Fund

Year ended June 30, 2002

	Salaries and Benefits				Maintenance and Operation			
	2002			Variance	2002			Variance
	Budgeted Amounts			Favorable	Budgeted Amounts			Favorable
	Original	Final	Expenditures	(Unfavorable)	Original	Final	Expenditures	(Unfavorable)
General government:								
110 City council	\$ 133,207	138,936	141,512	(2,576)	81,363	129,363	131,314	(1,951)
120 City clerk	626,461	649,054	643,277	5,777	109,308	114,308	103,633	10,675
130 City treasurer	316,483	331,054	331,158	(104)	74,987	74,987	43,467	31,520
140 City manager	974,656	1,015,845	1,055,840	(39,995)	289,961	299,461	210,830	88,631
141 City auditor	263,291	273,781	279,445	(5,664)	16,020	16,020	18,530	(2,510)
150 Legal	1,303,303	1,346,762	1,147,573	199,189	117,671	117,671	113,223	4,448
161 Finance	1,596,323	1,681,572	1,680,292	1,280	340,719	431,647	401,432	30,215
162 Purchasing	309,328	321,010	327,583	(6,573)	23,289	23,289	17,623	5,666
163 Graphics	322,702	346,358	324,942	21,416	134,397	146,087	109,612	36,475
171 Information services	2,360,320	2,465,605	2,453,090	12,515	477,102	551,800	536,287	15,513
172 Communications services	255,426	274,647	321,505	(46,858)	39,607	39,607	41,526	(1,919)
173 Admin support systems	-	-	-	-	-	-	-	-
180 Planning	1,492,859	1,546,256	1,495,979	50,277	220,650	290,650	134,573	156,077
201 Personnel	879,200	933,502	910,367	23,135	267,513	333,159	344,102	(10,943)
205 Training	-	-	-	-	244,196	244,196	247,985	(3,789)
Total	10,833,559	11,324,382	11,112,563	211,819	2,436,783	2,812,245	2,454,137	358,108
Community promotion:								
114 Membership and dues	-	-	-	-	61,331	62,331	62,305	26
Public safety:								
301 Police	27,347,927	29,835,915	28,103,362	1,732,553	4,098,594	4,142,366	3,633,387	508,979
311 Police helicopter	650,496	701,823	713,283	(11,460)	653,735	653,735	621,765	31,970
315 Civic center garage	321,543	340,918	359,795	(18,877)	91,341	91,341	19,135	72,206
325 Comm. family counseling	116,423	120,757	62,861	57,896	7,030	7,030	1,451	5,579
331 Animal control	-	-	-	-	586,300	586,300	490,500	95,800
401 Fire	16,762,913	17,493,463	17,615,712	(122,249)	2,210,152	2,210,152	1,978,011	232,141
411 Fire prevention	1,155,233	1,203,388	1,188,185	15,203	143,278	143,278	102,340	40,938
415 Fire communications	-	-	-	-	658,895	658,895	672,591	(13,696)
425 Emergency services	107,417	110,513	115,856	(5,343)	43,253	43,253	29,153	14,100
Total	\$ 46,461,952	49,806,777	48,159,054	1,647,723	8,492,578	8,536,350	7,548,333	988,017

The notes to the financial statements are an integral part of this statement.

Exhibit D-3, continued

CITY OF GLENDALE

Schedule of Expenditure Category-Budget and Actual

General Fund

Year ended June 30, 2002

	Capital Outlay				Total			
	2002			Variance	2002			Variance
	Budgeted Amounts			Favorable	Budgeted Amounts			Favorable
	Original	Final	Expenditures	(Unfavorable)	Original	Final	Expenditures	(Unfavorable)
General government:								
110 City council	\$ 15,000	15,000	14,293	707	229,570	283,299	287,119	(3,820)
120 City clerk	1,800	12,800	9,078	3,722	737,569	776,162	755,988	20,174
130 City treasurer	-	-	-	-	391,470	406,041	374,625	31,416
140 City manager	9,000	11,800	6,666	5,134	1,273,617	1,327,106	1,273,336	53,770
141 City auditor	-	-	2,146	(2,146)	279,311	289,801	300,121	(10,320)
150 Legal	7,350	75,915	64,677	11,238	1,428,324	1,540,348	1,325,473	214,875
161 Finance	-	7,100	10,398	(3,298)	1,937,042	2,120,319	2,092,122	28,197
162 Purchasing	-	-	-	-	332,617	344,299	345,206	(907)
163 Graphics	55,128	60,368	55,994	4,374	512,227	552,813	490,548	62,265
171 Information services	45,591	73,341	71,283	2,058	2,883,013	3,090,746	3,060,660	30,086
172 Communications services	-	-	-	-	295,033	314,254	363,031	(48,777)
173 Admin support systems	-	-	-	-	-	-	-	-
180 Planning	3,000	3,000	1,490	1,510	1,716,509	1,839,906	1,632,042	207,864
201 Personnel	7,200	7,200	5,294	1,906	1,153,913	1,273,861	1,259,763	14,098
205 Training	25,500	25,500	7,737	17,763	269,696	269,696	255,722	13,974
Total	169,569	292,024	249,056	42,968	13,439,911	14,428,651	13,815,756	612,895
Community promotion:								
114 Membership and dues	-	-	-	-	61,331	62,331	62,305	26
Public safety:								
301 Police	71,779	125,498	86,634	38,864	31,518,300	34,103,779	31,823,383	2,280,396
311 Police helicopter	232,702	232,702	157,711	74,991	1,536,933	1,588,260	1,492,759	95,501
315 Civic center garage	26,400	26,400	6,105	20,295	439,284	458,659	385,035	73,624
325 Comm. family counseling	-	-	-	-	123,453	127,787	64,312	63,475
331 Animal control	-	-	-	-	586,300	586,300	490,500	95,800
401 Fire	242,390	267,824	186,641	81,183	19,215,455	19,971,439	19,780,364	191,075
411 Fire prevention	-	-	2,922	(2,922)	1,298,511	1,346,666	1,293,447	53,219
415 Fire communications	-	-	-	-	658,895	658,895	672,591	(13,696)
425 Emergency services	-	-	657	(657)	150,670	153,766	145,666	8,100
Total	\$ 573,271	652,424	440,670	211,754	55,527,801	58,995,551	56,148,057	2,847,494

The notes to the financial statements are an integral part of this statement.

Exhibit D-3-2, continued

CITY OF GLENDALE

Schedule of Expenditure Category-Budget and Actual

General Fund

Year ended June 30, 2002

Salaries and Benefits					Maintenance and Operation				
2002				Variance	2002				Variance
Budgeted Amounts				Favorable	Budgeted Amounts				Favorable
Original	Final	Expenditures	(Unfavorable)		Original	Final	Expenditures	(Unfavorable)	
Public works:									
501 Public works	\$ 557,746	581,581	597,999	(16,418)	35,654	42,654	78,538	(35,884)	
511 Engineering	2,228,595	2,309,450	2,192,275	117,175	88,283	166,153	148,339	17,814	
522 Permit services	1,447,238	1,580,185	1,539,068	41,117	423,643	475,860	15,848	460,012	
532 Custodial services	509,050	536,316	521,482	14,834	143,431	143,431	84,025	59,406	
533 Building services	849,061	887,953	817,862	70,091	897,955	904,455	599,536	304,919	
534 Street administration	383,072	398,765	289,165	109,600	76,981	76,981	72,351	4,630	
535 Street maintenance	1,130,085	1,137,364	927,574	209,790	135,228	130,028	100,514	29,514	
536 Sidewalk maintenance	649,205	674,902	707,607	(32,705)	294,222	294,222	133,730	160,492	
537 Street trees maintenance	739,419	790,244	716,347	73,897	278,002	348,962	340,932	8,030	
541 Mechanical maintenance	358,230	509,510	438,936	70,574	1,050,020	950,020	709,311	240,709	
542 Warehouse	170,435	185,944	128,517	57,427	5,609	5,609	4,418	1,191	
552 Traffic engineering	512,230	548,712	551,460	(2,748)	380,575	380,575	246,529	134,046	
553 Traffic signals	79,223	77,521	76,020	1,501	1,003,810	1,050,112	1,086,191	(36,079)	
554 Traffic safety controls	258,374	285,551	286,220	(669)	88,057	94,057	85,921	8,136	
531 Corporation yard	-	-	-	-	103,500	103,500	115,608	(12,108)	
521 Building inspection	1,002,452	1,043,625	961,563	82,062	84,558	84,558	71,801	12,757	
Total	10,874,415	11,547,623	10,752,095	795,528	5,089,528	5,251,177	3,893,592	1,357,585	
Housing, health and community development:									
702 Economic development	68,662	69,253	33,225	36,028	73,898	73,898	16,148	57,750	
801 Community dev admin	-	-	-	-	-	-	(775)	775	
820 Neighborhood services	799,481	882,675	794,094	88,581	135,935	157,124	193,020	(35,896)	
Total	868,143	951,928	827,319	124,609	209,833	231,022	208,393	22,629	
Parks, recreation and community services:									
601 Parks administration	606,666	632,426	644,973	(12,547)	119,541	138,956	146,702	(7,746)	
602 Parks	3,258,111	3,407,949	3,263,659	144,290	1,423,606	1,541,036	1,402,189	138,847	
620 Facility & events services	100,921	112,214	85,011	27,203	165,219	180,864	194,523	(13,659)	
622 Rec & community services	784,724	842,291	745,049	97,242	85,672	161,380	151,059	10,321	
624 Youth services	794,469	864,424	446,338	418,086	138,527	165,149	180,357	(15,208)	
623 Senior programs	262,932	259,426	227,713	31,713	88,440	101,190	92,197	8,993	
Total	5,807,823	6,118,730	5,412,743	705,987	2,021,005	2,288,575	2,167,027	121,548	
681 Library	4,545,874	4,772,980	4,598,303	174,677	1,661,040	1,688,403	1,667,478	20,925	
Total expenditures	\$ 79,391,766	84,522,420	80,862,077	3,660,343	19,910,767	20,870,103	18,001,265	2,868,838	

The notes to the financial statements are an integral part of this statement.

Exhibit D-3-3, continued

CITY OF GLENDALE

Schedule of Expenditure Category-Budget and Actual

General Fund

Year ended June 30, 2002

	Capital Outlay				Total			
	2002			Variance	2002			Variance
	Budgeted Amounts			Favorable	Budgeted Amounts			Favorable
	Original	Final	Expenditures	(Unfavorable)	Original	Final	Expenditures	(Unfavorable)
Public works:								
501 Public works	\$ 129,625	710,317	484,730	225,587	723,025	1,334,552	1,161,267	173,285
511 Engineering	-	-	-	-	2,316,878	2,475,603	2,340,614	134,989
522 Permit services	-	-	-	-	1,870,881	2,056,045	1,554,916	501,129
532 Custodial services	-	-	-	-	652,481	679,747	605,507	74,240
533 Building services	-	-	-	-	1,747,016	1,792,408	1,417,398	375,010
534 Street administration	-	-	-	-	460,053	475,746	361,516	114,230
535 Street maintenance	-	-	-	-	1,265,313	1,267,392	1,028,088	239,304
536 Sidewalk maintenance	-	-	-	-	943,427	969,124	841,337	127,787
537 Street trees maintenance	-	-	-	-	1,017,421	1,139,206	1,057,279	81,927
541 Mechanical maintenance	-	-	-	-	1,408,250	1,459,530	1,148,247	311,283
542 Warehouse	-	-	-	-	176,044	191,553	132,935	58,618
552 Traffic engineering	-	-	-	-	892,805	929,287	797,989	131,298
553 Traffic signals	-	-	-	-	1,083,033	1,127,633	1,162,211	(34,578)
554 Traffic safety controls	-	-	-	-	346,431	379,608	372,141	7,467
531 Corporation yard	-	-	-	-	103,500	103,500	115,608	(12,108)
521 Building inspection	-	-	-	-	1,087,010	1,128,183	1,033,364	94,819
Total	129,625	710,317	484,730	225,587	16,093,568	17,509,117	15,130,417	2,378,700
Housing, health and community development:								
702 Economic development	-	-	-	-	142,560	143,151	49,373	93,778
801 Community dev admin	-	-	-	-	-	-	(775)	775
820 Neighborhood services	4,000	35,675	29,016	6,659	939,416	1,075,474	1,016,130	59,344
Total	4,000	35,675	29,016	6,659	1,081,976	1,218,625	1,064,728	153,897
Parks, recreation and community services:								
601 Parks administration	10,800	20,800	13,957	6,843	737,007	792,182	805,632	(13,450)
602 Parks	123,300	138,300	106,511	31,789	4,805,017	5,087,285	4,772,359	314,926
620 Facility & events services	58,000	92,328	17,980	74,348	324,140	385,406	297,514	87,892
622 Rec & community services	-	4,000	2,755	1,245	870,396	1,007,671	898,863	108,808
624 Youth services	26,000	26,000	18,013	7,987	958,996	1,055,573	644,708	410,865
623 Senior programs	-	10,000	5,521	4,479	351,372	370,616	325,431	45,185
Total	218,100	291,428	164,737	126,691	8,046,928	8,698,733	7,744,507	954,226
681 Library	78,050	250,777	125,377	125,400	6,284,964	6,712,160	6,391,158	321,002
Total expenditures	\$ 1,172,615	2,232,645	1,493,586	739,059	100,475,148	107,625,168	100,356,928	7,268,240

The notes to the financial statements are an integral part of this statement.

Assets	Business-type Activities-Enterprise Funds						Governmental Activities Internal Service Funds
	Sewer Fund	Electric Fund	Water Fund	All Major Enterprise Funds	Nonmajor Enterprise Funds	Total	
Current assets:							
Cash and invested cash	\$ 45,251,881	181,548,973	4,380,965	231,181,819	5,951,527	237,133,346	40,327,913
Cash with fiscal agents	—	7,155,678	—	7,155,678	—	7,155,678	—
Imprest cash	—	3,200	1,000	4,200	10,000	14,200	—
Investment-gas/electric commodity	—	2,287,797	—	2,287,797	—	2,287,797	—
Interest receivable	487,307	1,977,259	41,924	2,506,490	61,917	2,568,407	483,261
Due from other agencies	—	—	—	—	—	—	551
Accounts receivable, net	1,224,941	7,379,498	2,164,729	10,769,168	2,969,672	13,738,840	18,131
Unbilled receivable	1,446,531	8,349,055	1,868,709	11,664,295	832,066	12,496,361	—
Inventories	—	4,406,311	274,360	4,680,671	—	4,680,671	—
Prepaid items	—	1,578,076	—	1,578,076	6,791	1,584,867	104,150
Total current assets	48,410,660	214,685,847	8,731,687	271,828,194	9,831,973	281,660,167	40,934,006
Capital assets:							
Land	578,447	2,733,580	622,568	3,934,595	6,478,101	10,412,696	—
Buildings and improvements	139,555,729	47,606,560	59,571,715	246,734,004	45,483,829	292,217,833	—
Machinery and equipment	1,528,946	256,030,258	36,271,232	293,830,436	14,503,322	308,333,758	420,301
Less allowance for accumulated depreciation	(17,253,290)	(175,389,275)	(38,552,996)	(231,195,561)	(20,572,214)	(251,767,775)	(236,544)
Construction in progress	5,000,000	31,072,618	7,048,705	43,121,323	—	43,121,323	—
Total capital assets	129,409,832	162,053,741	64,961,224	356,424,797	45,893,038	402,317,835	183,757
Total assets	177,820,492	376,739,588	73,692,911	628,252,991	55,725,011	683,978,002	41,117,763
Liabilities and Net Assets							
Current liabilities:							
Accounts payable	9,307,196	31,245,059	2,590,683	43,142,938	347,350	43,490,288	243,441
Due to other funds	—	—	—	—	2,032,817	2,032,817	—
Contracts – retained amount due	—	776,274	41,058	817,332	—	817,332	—
Accrued wages and withholdings	49,800	885,505	94,094	1,029,399	379,678	1,409,077	83,458
Compensated absences	63,558	1,335,613	374,752	1,773,923	573,668	2,347,591	84,804
Bonds interest	—	904,706	—	904,706	—	904,706	—
Deposits	390,500	2,387,979	691,500	3,469,979	305,176	3,775,155	—
Total current liabilities	9,811,054	37,535,136	3,792,087	51,138,277	3,638,689	54,776,966	411,703
Noncurrent liabilities:							
Post employment benefits	—	—	—	—	—	—	6,048,341
Claims payable	—	—	—	—	—	—	25,057,669
Bonds payable, net of current portion	—	37,000,000	—	37,000,000	—	37,000,000	—
Bond premium	—	154,655	—	154,655	—	154,655	—
Total long term debt	—	37,154,655	—	37,154,655	—	37,154,655	31,106,010
Total liabilities	9,811,054	74,689,791	3,792,087	88,292,932	3,638,689	91,931,621	31,517,713
Net Assets:							
Invested in capital assets, net of related debt	129,409,832	147,478,725	64,961,224	341,849,781	45,893,038	387,742,819	183,757
Restricted							
Capital projects	—	12,217,731	—	12,217,731	—	12,217,731	—
Deregulation	—	44,540,424	—	44,540,424	—	44,540,424	—
Unrestricted							
Unrestricted	38,599,606	97,812,917	4,939,600	141,352,123	6,193,284	147,545,407	9,416,293
Total net assets	\$ 168,009,438	302,049,797	69,900,824	539,960,059	52,086,322	592,046,381	9,600,050
Adjustment to consolidate internal service fund activities related to enterprise funds.						(788,146)	
Net assets of business-type activities						<u>591,258,235</u>	

CITY OF GLENDALE
Statement of Revenues, Expenses and
Changes in Net Assets
Proprietary Funds
Year ended June 30, 2002

	Business-type Activities-Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Sewer Fund	Electric Fund	Water Fund	All Major Enterprise Funds	Nonmajor Enterprise Funds		
Operating revenues – charges for services:							
Recreation service	\$ —	—	—	—	1,628,997	1,628,997	—
Fire paramedic service	—	—	—	—	4,201,104	4,201,104	—
Parking service	—	—	—	—	5,464,878	5,464,878	—
Hazardous disposal service	—	—	—	—	1,304,327	1,304,327	—
Sewer service	18,252,337	—	—	18,252,337	—	18,252,337	—
Refuse disposal service	—	—	—	—	11,432,177	11,432,177	—
Electric service	—	188,297,461	—	188,297,461	—	188,297,461	—
Water service	—	—	28,467,545	28,467,545	—	28,467,545	—
Internal service charges	—	—	—	—	—	—	17,542,660
Total operating revenues	18,252,337	188,297,461	28,467,545	235,017,343	24,031,483	259,048,826	17,542,660
Operating expenses:							
Recreation service	—	—	—	—	1,828,169	1,828,169	—
Hazardous disposal service	—	—	—	—	1,312,312	1,312,312	—
Fire paramedic service	—	—	—	—	3,647,439	3,647,439	—
Parking service	—	—	—	—	3,682,344	3,682,344	—
Sewer service	5,020,678	—	—	5,020,678	—	5,020,678	—
Refuse disposal service	—	—	—	—	10,667,307	10,667,307	—
Electric and water services:							
Production	—	138,006,539	17,573,570	155,580,109	—	155,580,109	—
Transmission and distribution	—	13,808,255	2,044,735	15,852,990	—	15,852,990	—
Customer accounting and sales	—	4,120,312	1,636,033	5,756,345	—	5,756,345	—
Administrative and general	—	—	—	—	—	—	—
Claims and settlements	—	—	—	—	—	—	17,195,788
Vehicle related	—	—	—	—	—	—	1,147,983
Benefit related	—	—	—	—	—	—	1,224,239
Depreciation	1,443,450	10,257,734	2,442,688	14,143,872	3,137,745	17,281,617	29,500
Total operating expenses	6,464,128	166,192,840	23,697,026	196,353,994	24,275,316	220,629,310	19,597,510
Operating income (loss)	11,788,209	22,104,621	4,770,519	38,663,349	(243,833)	38,419,516	(2,054,850)
Non operating revenues (expenses):							
Interest revenue	2,275,126	10,345,205	279,521	12,899,852	296,254	13,196,106	2,593,020
Grant revenue	3,683,829	390,897	—	4,074,726	481,168	4,555,894	—
Other revenue	146,414	5,218,276	1,223,275	6,587,965	298,504	6,886,469	104,175
Interest expense	—	(1,840,161)	—	(1,840,161)	—	(1,840,161)	—
Contribution in aid	—	8,914,588	238,697	9,153,285	1,124,877	10,278,162	—
Total non operating revenues, net	6,105,369	23,028,805	1,741,493	30,875,667	2,200,803	33,076,470	2,697,195
Income before transfers	17,893,578	45,133,426	6,512,012	69,539,016	1,956,970	71,495,986	642,345
Transfer in(out) -internal service fund	—	—	—	—	315,722	315,722	(315,722)
Transfers out - general fund	—	(11,305,040)	(2,818,283)	(14,123,323)	(834,868)	(14,958,191)	—
Total transfers	—	(11,305,040)	(2,818,283)	(14,123,323)	(519,146)	(14,642,469)	(315,722)
Change in net assets	17,893,578	33,828,386	3,693,729	55,415,693	1,437,824	56,853,517	326,623
Total net assets, July 1	150,115,860	268,221,411	66,207,095	484,544,366	50,648,498	927,734,227	9,273,427
Total net assets, June 30	\$ 168,009,438	302,049,797	69,900,824	539,960,059	52,086,322	960,006,440	9,600,050
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(788,146)	
Change in net assets of business-type activities						56,065,371	

CITY OF GLENDALE

Statement of Cash Flows

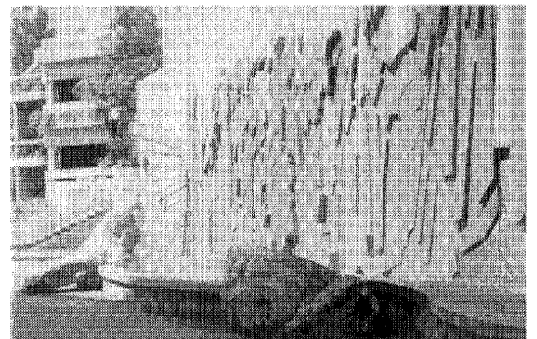
Proprietary Funds

Year ended June 30, 2002

	<u>Sewer Fund</u>	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Cash from customers	\$ 18,577,014	200,710,391	28,566,716	247,854,121
Cash paid to employees	(1,499,462)	(23,736,059)	(2,477,718)	(27,713,239)
Cash paid to suppliers	(4,285,749)	(127,230,550)	(16,673,686)	(148,189,985)
Net cash provided by operating activities	<u>12,791,803</u>	<u>49,743,782</u>	<u>9,415,312</u>	<u>71,950,897</u>
Cash flows from noncapital financing activities:				
Operating transfers out to general fund	—	(11,305,040)	(2,818,283)	(14,123,323)
Operating transfers in from GRA	—	—	—	—
Operating grant received	3,683,829	390,897	—	4,074,726
Miscellaneous revenue	146,414	5,218,276	1,223,275	6,587,965
Net cash flow provided by (used in) noncapital financing activities	<u>3,830,243</u>	<u>(5,695,867)</u>	<u>(1,595,008)</u>	<u>(3,460,632)</u>
Cash flows from capital and related financing activities:				
Interest on long term debt	—	(1,840,163)	—	(1,840,163)
Bond premium amortization	—	(8,360)	—	(8,360)
Contribution in aid	—	8,914,592	238,697	9,153,289
Acquisition of property, plant, and equipment	(6,556,460)	(20,782,880)	(4,093,559)	(31,432,899)
Investment - gas/electric commodity	—	712,203	—	712,203
Net cash (used in) capital and related financing activities	<u>(6,556,460)</u>	<u>(13,004,608)</u>	<u>(3,854,862)</u>	<u>(23,415,930)</u>
Cash provided by investing activities - interest received	<u>2,233,738</u>	<u>10,072,782</u>	<u>237,595</u>	<u>12,544,115</u>
Net increase (decrease) in cash and cash equivalents	<u>12,299,324</u>	<u>41,116,089</u>	<u>4,203,037</u>	<u>57,618,450</u>
Cash and cash equivalents at beginning of year	<u>32,952,557</u>	<u>147,591,762</u>	<u>178,928</u>	<u>180,723,247</u>
Cash and cash equivalents at end of year	<u><u>45,251,881</u></u>	<u><u>188,707,851</u></u>	<u><u>4,381,965</u></u>	<u><u>238,341,697</u></u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	11,788,209	22,104,621	4,770,519	38,663,349
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	1,443,450	10,257,734	2,442,688	14,143,872
Decrease in Accounts Receivable, net	222,708	12,095,187	226,880	12,544,775
(Increase) decrease in Unbilled Receivable	101,969	317,745	(127,709)	292,005
Decrease in Inventories	—	428,364	11,018	439,382
Increase (decrease) in Prepaid expenses	—	(11,413)	19,584	8,171
Increase in Contracts-retained amount due	—	73,763	13,841	87,604
Increase (decrease) in customers' deposits	40,883	(71,527)	35,576	4,932
Increase (decrease) in Accrued Sal & Withholding	(1,098)	38,538	2,665	40,105
Increase in comp absence payable	2,581	31,456	28,077	62,114
Increase (decrease) in Accounts payable	(806,899)	4,479,314	1,992,173	5,664,588
	<u>\$ 12,791,803</u>	<u>49,743,782</u>	<u>9,415,312</u>	<u>71,950,897</u>

CAF R

Notes To Financial Statements



CITY OF GLENDALE

Notes to the Financial Statements

June 30, 2002

I. Summary of Significant Accounting Policies

A. Reporting Entity

These financial statements present the financial results of the City of Glendale, California (the City) and its component units as required by accounting principles generally accepted in the United States of America. Component units are legally separate entities for which the primary government is financially accountable. The City has three component units, the Glendale Redevelopment Agency (the Agency), the Glendale Housing Authority (the Authority) and the City of Glendale Financing Authority (the Financing Authority). The City Council serves as the Board of the Agency, the Authority as well as the Financing Authority. Therefore, all of these entities are reported as blended component units within the City's comprehensive annual financial report (CAFR). Both the City and its blended component units have a June 30 year-end.

Component Units

The Agency was established in 1972 and is a separate governmental entity as prescribed in the California Community Redevelopment law and set forth in the Health and Safety Code of the State of California. The California Community Redevelopment law provides that, on adoption of a redevelopment plan, future incremental tax revenues attributable to increases in the tax base within a project area shall be paid into a special fund of the redevelopment agency to pay principal and interest on loans, advances and other indebtedness of the Agency. Accordingly, for purposes of its CAFR, the City records the activities of the Agency within the Special Revenue and Debt Service. Further information may be obtained from the Agency's Annual Financial Report available through the City.

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

The Financing Authority was established on December 7, 1999 by a joint powers authority between the City of Glendale and the Glendale Redevelopment Agency. The stated purpose is to provide financial assistance to the City of Glendale in connection with the construction and improvement of a Police Services Building to be located generally at west side of Isabel Street between Wilson and Broadway in the City of Glendale. On July 11, 2000, the Financing Authority issued \$64.2 million in variable rate demand certificates of participation for the construction of the Police Services Building. The Financing Authority's financial data and transactions are included within the Debt Service Funds; no separate financial report is issued for the Financing Authority.

B. Government-wide and fund financial statements

During the year ended June 30, 2002, the City implemented Government Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, which established new financial reporting requirements for all state and local governments and consists of the following:

- Management's discussion and analysis
- Basic Financial Statements
- Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting
- Fund financial statements, consisting of a series of statements that focus on a government's major governmental and enterprise (proprietary) funds.
- Notes to the financial statements

CITY OF GLENDALE

Notes to the Financial Statements, continued

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the activities of the primary government and its component units. For the most part, the effect of Interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Management's Discussion and Analysis - GASB Statement No. 34 requires that financial statements be accompanied by narrative introduction and analytical overview of the City's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis provided in the annual reports of private-sector organizations.

Accordingly, the City has recorded capital and certain other long-term assets and liabilities in the statement of net assets, and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities. As a result of this accounting change the City has restated the General Fund and Glendale Redevelopment Agency Fund beginning balances to include the loans between the two funds which were previously recorded as General Long Term Debt. The economic impact of this restatement is an increase of \$62,122,603 to the General fund balance and a decrease in the same amount to the Glendale Redevelopment Agency Fund.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental Funds are accounted for using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in debt service funds for payments to be made early in the following year.

Revenues that are accrued generally include real property taxes, sales tax, transit occupancy taxes, franchise taxes, vehicle license fees and interest. Revenues from federal and state grants are generally accrued when all eligibility requirements for the funding have been met. All other revenue items are considered measurable when received as cash.

Real property taxes are levied for the period beginning on July 1 through the following June 30 against property owners of record on the preceding January 1. The taxes are due in two installments, on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided the City receives the taxes within 60 days of year-end.

The City reports the following major governmental funds:

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

Glendale Redevelopment Agency Fund – Used to account for activities by the Agency in accordance with the Redevelopment Plan of the Agency made pursuant to redevelopment laws of the State of California.

CITY OF GLENDALE

Notes to the Financial Statements, continued

Police Facility Fund – Used to account for monies for the payment of interest and principal of the 2000 Police Building Project Variable Rate Demand Certificates of Participation. Debt service is currently financed via the capitalized interest set aside for the project. After the completion of the Police building construction, debt service will be financed via lease payments.

Capital Improvement Fund – Used to account for financial resources used for major capital projects of the general government operations and includes an annual provision for the ultimate post closure and clean up of the Scholl Canyon landfill site.

Proprietary funds are accounted for using a flow of economic resources measurement focus. Accordingly, all assets and liabilities are included in their respective balance sheets, and the reported fund equity (total reported assets, less total reported liabilities) provides an indication of the economic net worth of the fund. Operating statements for proprietary fund types report increases (revenues) and decreases (expenses) in net total assets. Proprietary fund types follow accounting principles prescribed by the Government Accounting Standards Board (GASB) and all Financial Accounting Standards Board's Statements issued prior to November 30, 1989 generally accepted in the United States of America. The accrual method of accounting is followed by the City's Proprietary Funds. Revenues are recorded when earned and expenses are recorded in the period incurred. Unbilled services receivables are accrued at year-end.

The City reports the following major proprietary (enterprise) funds:

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

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

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

Additionally, the City reports the following fund types:

Internal Service Funds - Used to account for the financing of goods or services provided by one department of the City to another department on a cost-reimbursement basis. These consist primarily of self-insurance funds.

D. Assets, Liabilities and Equity

1. Cash and Invested Cash

Cash and invested cash consist of U.S. Government backed securities, commercial paper, and investment in the State of California Local Agency Investment Fund. Invested cash is stated at fair value. An increase (decrease) in the fair value of investments is recognized as an increase (decrease) to Interest Income Revenue.

Interest income from the investment of pooled cash is allocated to all funds, except Capital Improvement Funds on a monthly basis based upon the month end cash balance of the fund as a percent of the month end total pooled cash balance. The interest earned in the Capital Improvements Funds and the Special Deposit Fund is recorded in the General Fund according to Article XI, Sections 14 and 18 of the City Charter. The City normally holds the investment to term, therefore no realized gain/loss is recorded.

All cash and invested cash are held in the City's cash management pool. Therefore, for purposes of the combined statement of cash flows for the Proprietary Funds, the City considers all cash and invested cash, imprest cash and cash with fiscal agents to be cash and cash equivalents.

2. Derivative Products

The City has entered into the following agreements, which represent derivative products:

- a. The City has negotiated basis swap transactions based on the commodity price of natural gas at the California border versus the commodity price of natural gas on the NYMEX. These transactions allow the City to transfer the risk of a portion of its natural gas purchases from a more risky and less manageable local market to the more liquid and manageable national {i.e. NYMEX} market.
- b. The City has purchased and sold options {calls and puts} in natural gas futures contracts at appropriate strike prices in upcoming months. These transactions allow the City to stabilize the ultimate purchase price of natural gas for the City's power plant. They, and other transactions, also give the City the ability to manage its overall exposure to fluctuations in the purchase price of natural gas. The options are carried at the lower of cost or market in the accompanying financial statements. At June 30, 2002, carrying value and market value of the options are \$397,000 and \$405,594, respectively.

3. *Receivables and Payables*

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

Due to/from Other Funds - There are numerous transactions between individual funds during the course of operations for goods provided and/or services rendered. These transactions are recorded on a cash basis. "Due to/from Other Funds" are only used when a fund has a temporary cash overdraft.

Due from Other Agencies - The City enters into transactions with other governmental agencies. Due from other agencies includes accrued revenue earned but not received by the City as of June 30, such as expenditure driven types of grants where the City accrues grant revenues for expenditures incurred but not yet reimbursed by the grantors, and property taxes earned but not received from the County of Los Angeles.

Property Taxes - A State Constitutional Amendment (Proposition 13) provided that the tax rate is limited to 1% of full cash value levied only by the County, and shared with all other political jurisdictions, including the City. Each jurisdiction (including the City) may increase its tax rate levy for voter-approved debt. However, the City has not exercised this option. Assessed values are determined on an annual basis by the Los Angeles County Assessor as of March 1. Taxes are levied annually and become a lien on real property at July 1. Property taxes levied for the fiscal year ended June 30 are payable in equal installments due on November 1 and February 1 and are delinquent on December 10 and April 10, respectively.

Unbilled receivable - The City records utility services delivered to customers but not billed as of June 30, 2002.

Loans Receivable - The City records loans to redevelopment developers as loans receivable.

4. *Inventories and Prepaid Items*

Inventories, consisting primarily of construction and maintenance materials as well as tools held by the Electric and Water Enterprise Funds are stated at cost, using the weighted average cost method or disposal value. Inventory shown in the General Fund consists of expendable supplies held for consumption. The consumption method of accounting is used where inventory acquisitions are recorded in inventory accounts initially and charged as expenditures when used. An inventory reserve is not established, as the City does not have a minimum amount of inventory requirement. Prepaid items are payments made for services to be received in the following accounting period such as insurance, energy purchases, etc.

5. *Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, sidewalks, traffic lights and signals, street lights and etc), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest capitalized during the year ended June 30, 2002 amounted to \$322,774.

A summary of the useful lives of the City's capital assets is as follows:

Assets	Years
Building and improvements	20-50
Sewer improvements	100
General equipment	8-10
Vehicles	6-10
Utility plant	10-75
Infrastructure	20-60

6. *Compensated Absences*

The City records and funds a liability for its employees' earned but unused accumulated vacation and overtime in the funds in which the liability incurred. The unused accumulated vacation and overtime are expensed in the fund, which incurs the liability. As of June 30, 2002, \$8,893,167 was accrued and funded for this purpose.

7. *Post Employment Benefit*

All City Employees that are eligible for retirement with accumulated sick leave are entitled to convert their sick leave hours valued at the rate stated in their respective MOU or Ordinance, into a Retiree Health Savings Plan (RHSP) instead of a monthly City paid amount towards medical insurance. The RHSP account is controlled by the retiree and money deposited into the account is non-taxable and money reimbursed, for eligible expenses as specified in IRS Publication 502, are non-taxable to the retiree. As of June 30, 2002, \$6,048,341 had been set-aside in the Internal Service Fund-Employee Benefits Fund related to such benefits.

For GCEA and Management employees that retired prior to July 2001, GPOA employees that retired prior to December 2001 and GFFA employees that retired prior to September 2002, the number of sick leave days, accumulated over the number of sick leave days specified in their respective MOU or Ordinance, are multiplied by the value of those days based on the benefit of their respective bargaining units. There are 127 retirees currently receiving this old City paid benefit.

8. *Deferred Revenue*

Grants and shared revenues received that are not available or eligible to finance current expenditures are reported as deferred revenues.

9. *Real Property Held for Resale*

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

10. *City/Agency Debt*

The City and the Agency entered into cooperation agreements through which the City agreed to advance funds to the Central and the San Fernando project areas to begin redevelopment before tax increment build up. The advances are interest bearing at the average annual "City investment portfolio rate but there is no repayment schedule. Repayment of the advances will be made as funds become available.

Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by the City's legislation or external restrictions by other governments, creditors or grantors

II. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

The City Council is required to adopt an annual budget for the General, Debt Service and all Special Revenue fund types, except the Glendale Redevelopment Agency Fund. The City Council adopts a ten-year capital improvement program for the Agency and the Capital Projects Fund. The annual budgets are consistent with accounting principles generally accepted in the United States of America.

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

The City utilizes an "encumbrance system". Under this procedure, encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Operational appropriations expire at year-end except for management approved items determined on a case by case basis. Therefore, outstanding encumbrances at year-end are recorded as restricted fund balances. Open capital project appropriations carry over to the next year.

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

- During May, the City Manager submits the proposed budget to the City Council for the subsequent fiscal year. The operating budget includes both the sources and types of funds for the proposed expenditures.
- In June, public hearings are conducted to obtain citizen input, with the final budget being adopted no later than July 1.
- The level of appropriated budgetary control is in the following categories: salary and fringe benefits; maintenance and operation; and capital outlay per departmental account.
- The budget is amended during the fiscal year to reflect all transfers and amendments.
- The expenditure control budget (ECB) is in effect for the General Fund to encourage savings and investment through operational effectiveness. Under the ECB concept, 50% of the favorable expenditure budget variance is apportioned to all departments, to the extent of net General Fund revenues. Expenditures in excess of a department's total annual appropriation will reduce the department's reserve. Departments may expend up to \$25,000 from the ECB reserves without Council approval for items authorized under the ECB. These typically would include capital purchases, one-time services and hourly staff. At the end of fiscal year ending 2002, the ECB policy was eliminated.
- Expenditures in excess of \$25,000, or otherwise not meeting ECB expenditure requirements, such as full-time staff, will require Council approval. The City Manager may authorize transfers of appropriations within a departmental account within the categories.

CITY OF GLENDALE

Notes to the Financial Statements, continued

The following operating units over expended their appropriations by more than \$25,000 as of June 30, 2002:

	Amount <u>Over Expended</u>
General Fund:	
Communication Services	\$ 48,777
Public Works Administration	35,884
Traffic Signals	36,079
Neighborhood Services	35,896
	<u>\$ 156,636</u>

III. Detailed Notes on All Funds and Account Groups**A. Cash and Invested Cash**

Cash resources of the individual funds are combined to form a pool of cash and investments. The City values all of its cash and invested cash at fair value on a portfolio basis. The City manages its pooled idle cash and investments under a formal investment policy that is reviewed by the Investment Committee and adopted annually by the City Council and that follow the guidelines of the State of California Government Code. Individual investments cannot be identified with any single fund because the City may be required to liquidate its investments at any time to cover large cash outlays required in excess of normal operating needs. Funds must request large outlays in advance in order that the City Treasurer will have the funding available.

The carrying amount of the City's cash and invested cash at June 30, 2002, and reconciliation to amounts shown on the Combined Balance Sheet are as follows:

<u>Cash and investments</u>	
Historical cost of net investments	\$ 532,434,036
Net increase in fair value	<u>6,619,398</u>
Sub-total	539,053,434
Cash on hand	<u>1,947,727</u>
	<u>541,001,161</u>
 <u>Statement of net assets</u>	
Cash and invested cash	503,970,745
Cash with fiscal agents	36,974,296
Investment in assessment bonds	56,120
	<u>\$ 541,001,161</u>

At June 30, 2002, the carrying amount of the City's cash deposit totaled of \$1,947,727 and the bank balance of the City's cash deposits maintained in financial institution is \$6,580,808. The cash deposits are held by the City's agent in the City's name. The first \$100,000 of cash deposits are insured by the Federal Depository Insurance Corporation and the remainder \$6,480,808 are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name. The primary difference between the carrying amount and the bank balance are deposits in transit and outstanding checks. In accordance with state statutes, the City maintains deposits at those depository institutions insured by the Federal Deposit Insurance Corporation. The California Government Code requires California banks and savings and loan associations to collateralize the deposits of governmental entities by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of those deposits. California law also allows financial institutions to secure the deposits of governmental entities by pledging first trust deed mortgage notes having a collateral value of 150% of a City's total deposits.

The City is authorized by its investment policy, in accordance with Section 53601 of the California Government Code, to invest in the following instruments:

- Securities issued or guaranteed by the Federal Government or its agencies
- Bankers' acceptances, issued by the 20 largest domestic or the 50 largest international banks

CITY OF GLENDALE

Notes to the Financial Statements, continued

- Commercial paper, rated A-1/P-1, secured by an irrevocable line of credit or government securities

In addition, the City invests in assessment bonds. These bonds are 1913 Street Improvements Bonds that only benefit an exclusive group of property owners. These bonds mature serially over nine years with semi-annual interest at the rate of 8% per annum due January 2 and July 2 each year and the principal due January 2 of each year. These investments are not liquid and therefore, are not included as cash equivalents.

In accordance with GASB Statement 3, cash deposits and investments, the City's investments are categorized, according to the following criteria, to give an indication of the level of risk assumed by the City at year-end:

- Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.
- Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.
- Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name.

The following is the summary of investments as of June 30, 2002:

	Category			Uncate-	Fair Value
	1	2	3	gorized	
<u>City held investments</u>					
Street Assessment Bonds	\$ 56,120	-	-	-	56,120
U.S. Government securities	-	375,029,021	-	-	375,029,021
Corporate Notes	-	60,363,514	-	-	60,363,514
Commercial Papers	-	14,994,256	-	-	14,994,256
Certificates of Deposit	100,000	2,400,000	-	-	2,500,000
Total City held investments	156,120	452,786,791	-	-	452,942,911
<u>Trustee held investments</u>	-				
U.S. Government Securities	-	36,974,296	-	-	36,974,296
Total trustee held investments	-	36,974,296	-	-	36,974,296
<u>Investment in pool</u>					
California State Local Agency Investment Fund (LAIF)	-	-	-	49,130,227	49,130,227
Total investments	\$ 156,120	489,761,087	-	49,130,227	539,053,434

Investments: State statutes authorize the City to invest any available funds in securities issued or guaranteed by the United States Treasury or agencies of the United States, bank certificates of deposit, bankers acceptances, negotiable certificates of deposit, the State Treasurer's Investment Pool (LAIF), repurchase agreements, commercial paper and bonds, and registered warrants or treasury notes of the State of California and its local agencies. An advisory board has been established to monitor LAIF's compliance with regulations and investment alternatives established by the State.

The City participates in a voluntary external investment pool, LAIF, which is managed by the state Treasurer. LAIF has oversight provided by the Local Agency Investment Advisory Board. The Board consists of five members as designated by State statute. The Chairman of the Board is the State Treasurer or his designated representative. The fair value of the City's shares in the pool approximates the fair value of the position in the pool.

CITY OF GLENDALE

Notes to the Financial Statements, continued

At June 30, 2002 the City's pooled investments in LAIF in the amount of \$49,130,227 are not subject to custodial credit risk categorization. The total estimated fair value invested by all public agencies in LAIF is \$48,082,558,174. That entire amount is invested in nonderivative financial products.

B. Cash with Fiscal Agents

The City has monies held by trustees or fiscal agents pledged to the payment or security of certain bonds. These are subject to the same risk category as the invested cash. The California Government Code provides that these monies, in absence of specific statutory provisions governing the issuance of bonds or certificates, may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions or indentures are generally more restrictive than the City's general investment policy.

C. Capital Assets

Capital asset activity for the Year ended December 31, 2002 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Transfer*	
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 318,881,676	517,112	-	-	319,398,788
Construction in progress	48,839,009	19,991,139	-	-	68,830,148
Total assets not being depreciated	367,720,685	20,508,251	-	-	388,228,936
Other capital assets:					
Buildings and improvements	120,767,407	9,120,317			129,887,724
Machinery & equipment	73,877,115	8,762,439	2,250,913	(15,494,000)	64,894,641
Infrastructure	201,440,000	422,952			201,862,952
Total other capital assets at historical cost	396,084,522	18,305,708	2,250,913	(15,494,000)	396,645,317
Less accumulated depreciation	212,076,410	10,531,464	2,250,913	(7,747,000)	212,609,961
Governmental activities capital assets, net	551,728,797	28,282,495	-	(7,747,000)	572,264,292
Business-type activities:					
Land	7,711,904	1,814,471	-	-	9,526,375
Buildings and improvements	285,097,609	7,142,344	22,120	-	292,217,833
Equipment	287,118,994	9,822,138	4,101,374	15,494,000	308,333,758
Construction in progress	34,539,989	9,653,690	186,035	-	44,007,644
Totals at historical cost	614,468,496	28,432,643	4,309,529	15,494,000	654,085,610
Less accumulated depreciation	230,442,790	17,281,617	3,703,632	7,747,000	251,767,775
Business-type activities capital assets, net	\$ 384,025,706	11,151,026	605,897	7,747,000	402,317,835

*Transfer represents a contribution of capital asset, special item, statement of activities.

CITY OF GLENDALE

Notes to the Financial Statements, continued

Depreciation expense was charged to functions as follows:

Governmental activities:

General Government	\$	1,830,636
Public Safety		1,656,109
Public Works		5,378,532
Parks		1,050,655
Library		324,867
Housing & Com Dev		290,665
Total governmental activities depreciation expense		<u>10,531,464</u>

Business-type activities:

Sewer		1,443,450
Electric		10,257,734
Water		2,442,688
Recreation		10,500
Hazardous Disposal		93,307
Fire Paramedic		38,009
Parking		1,803,329
Refuse		1,192,600
Total business-type activities depreciation expense	\$	<u>17,281,617</u>

D. Long-Term Debt

The City's long-term debt as of June 30, 2002 consists of the following:

<u>Description of bonds</u>	<u>Interest rates</u>	<u>Original issue</u>	<u>Outstanding June 30, 2002</u>
Postclosure and postclosure care liability			<u>\$ 14,599,000</u>
Glendale Redevelopment Agency:			
Parking lease revenue bonds, Series A	6.30%	\$ 6,200,000	440,000
Refunding parking lease revenue			
bonds, Series 1976	6.10%	13,725,000	1,025,000
	5.00%-6.00%		
1993 Tax allocation bonds		<u>67,685,000</u>	<u>61,250,000</u>
		87,610,000	62,715,000
The City of Glendale Financing Authority:			
Police Facility Certificates of Participation	Variable	<u>64,200,000</u>	<u>64,200,000</u>
		151,810,000	126,915,000
Enterprise Fund:			
Electric Revenue Bonds, 2000 Series	5.75%-6.00%	<u>37,000,000</u>	<u>37,000,000</u>
		<u>\$ 188,810,000</u>	<u>\$ 163,915,000</u>

CITY OF GLENDALE

Notes to the Financial Statements, continued

The following is a summary of long term debt for the year ended June 30, 2002:

	Glendale Financing Authority	Enterprise	Glendale Redevelopment Agency	Total
Long term debt at June 30, 2002	\$ 64,200,000	37,000,000	65,930,000	167,130,000
Debt retired	-	-	(3,215,000)	(3,215,000)
Long term debt at June 30, 2002	<u>\$ 64,200,000</u>	<u>37,000,000</u>	<u>62,715,000</u>	<u>163,915,000</u>

LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

Pursuant to Assembly Bill 2448 and the regulations established by the California Integrated Waste Management Board (Board), landfill operators are required to submit an initial cost estimate of closure and postclosure maintenance and to establish a financial mechanism to demonstrate the availability of funding to conduct closure and postclosure maintenance activities. The City selected a trust fund as the financial mechanism and the Board approved this. The City Treasurer was designated as the trustee to ensure that the City set aside annual required deposits in the Special Deposit Fund. The City records the annual provision for the required landfill deposits as expenditure in the Capital Project Fund-Capital Improvement Fund. The City owns two landfills, Brand and Scholl Canyon. The City applied for and received approval by the Board to declassify Brand Landfill effective fiscal year 1994-95. Consequently, the City no longer is required to fund the Brand Landfill closure and postclosure care costs.

The City subcontracts with Los Angeles County Sanitation District to operate Scholl Canyon and as part of this contract, the County is responsible for the closure cost of Scholl Canyon. The City is responsible for the postclosure maintenance cost of Scholl Canyon. According to Los Angeles County Sanitation District's records, the permitted capacity filled between August 18, 1989 and July 11, 2002 was 6.08 million tons. The total permitted capacity remains 14.75 million tons. Therefore, the City has 8.67 million tons unfilled capacity remaining. Using an inflation factor from the U.S. Department of Commerce, Bureau of Economic Analysis of 1.02, the revised postclosure cost was \$33,540,928. Due to the passage of AB1827, this liability has increased to 30 years from 15 years. The Board required funding level, using the data above, is \$14,599,000. The City has funded \$13,200,000 of this in the Scholl Canyon Life Extension Fund – Capital Improvement Fund. Based on an estimated average annual filled capacity of 460,000 tons the Scholl Canyon Landfill has a remaining life of approximately 18.8 years.

GLENDALE REDEVELOPMENT AGENCY BONDS1974 Parking Lease Revenue Bonds, Series A

These bonds were issued in 1974 and fully mature in 2003 with a principal amount of \$440,000. The bonds are subject to redemption at the option of the Agency at 100% of principal value. The bonds are secured by a lease to the City and are payable from rentals received under terms of a parking lease agreement dated May 1, 1974.

The Agency is required to make contributions to a sinking fund in amounts equal to 50% of the amount sufficient to call and redeem the principal amount of term bonds for which minimum payment is due on the succeeding May 1.

1976 Refunding Parking Lease Revenue Bonds

These bonds were issued in 1976 and fully mature in 2003 with principal amount of \$1,025,000. Refunding bonds are subject to redemption at the option of the Agency from any source of funds, as a whole or in part, in inverse order of maturity and by lot within a maturity, on any interest payment date at prices ranging from 102.5% to 100% of principal value. The terms of the refunding bond indenture provide for the establishment of a bond service fund of escrowed cash and investments in Federal securities. The Agency is required to maintain the bond service fund at an amount sufficient to pay interest on the outstanding bonds on the next interest payment date and to pay 50% of the principal amount of the bonds maturing on the next succeeding May 1.

CITY OF GLENDALE

Notes to the Financial Statements, continued

An insurance reserve of \$386,000 is required to be maintained by the Agency under terms of the bond indenture for the refunded parking revenue bonds, Series B. This amount is shown as a reservation of fund balance in the accompanying combined balance sheet. The insurance reserve monies may be used for (a) repairing or rebuilding the parking facility in the event of loss or damage not covered by the Agency's insurance, (b) redemption of bonds in the event the parking facility is not to be rebuilt or repaired or (c) payment of debt service on the bonds in the event sufficient monies are not available in the Bond Service Fund or Sinking Fund, maintained by the trustee.

1993 Tax Allocation Bonds

The Agency issued \$67,685,000 in tax allocation bonds with an average rate of 5.5% to advance refund a portion of the Agency's outstanding Central Glendale Redevelopment Project 1990 Tax Allocation Bonds (the "Prior Bonds") with an average interest rate of 6.9%, to provide additional funds for various improvements in the Central Project Area and to pay the cost of issuance of the 1993 Bonds. The 1993 Bonds mature in regularly increasing principal amounts ranging from \$1,935,000 to \$5,030,000 from 2003 to 2021. A collateralized investment agreement was entered between the trustee and Svenska Handelsbanken. This agreement guarantees the Agency a return of 7.42% in the Reserve Account. The bond indebtedness of both the 1990 and 1993 Tax Allocation Bonds are secured by a pledge of 80% of all incremental property taxes allocated to and received by the Agency for the Central Project Area. The bonds are subject to redemption at the option of the Agency on any interest payment date at a price ranging from 102% to 100% of the principal value. Per the trust indenture, the trustee shall invest the bond proceeds in government securities.

THE CITY OF GLENDALE FINANCING AUTHORITY

Variable Rate Demand Certificates of Participation (2000 Police Building Project)

The bonds issued on July 11, 2000 mature in increasing amounts ranging from \$1,100,000 to \$4,200,000 annually from 2003-2030. The Certificates are subject to purchase on the demand of the holder while they are outstanding at a variable rate. Payment of these demand certificates shall be made from the proceeds of the resale of such certificates by the City's remarketing agent. Should there be insufficient funds from this source, funds will be made available from a liquidity facility. The liquidity facility is valid through July 2003. The bond indebtedness is secured by a lease to the City and is payable from rentals received under terms of the lease agreement dated July 1, 2000.

The Financing Authority has leased certain real property (the "Police Building Site") from the City of Glendale pursuant to a Site Lease, dated as of July 1, 2000. The Financing Authority has leased the Police Building Site and the police building to be constructed there, back to the City of Glendale pursuant to a lease agreement, dated as of July 1, 2000. Annual lease payments from the City of Glendale are to be at a rate sufficient to meet debt service requirements of the outstanding bond indebtedness on the leased premises.

ENTERPRISE FUND

Electric Revenue Bonds, 2000 Series

The Electric utility of Glendale Water and Power issued revenue bonds in February 2000 to finance the costs of acquisition and construction of certain capital improvements. The terms of the 2000 Electric Revenue Bonds' (2000 Bonds) indenture requires the trustee to establish and maintain a reserve account equal to the reserved requirement. The reserve requirement of this bond issue is satisfied by a bond insurance policy with MBIA Insurance Corporation. This policy insured the bondholders up to \$1.46 million, which is 50% of the maximum debt service. The bonds mature in regularly increasing amounts ranging from \$690,000 to \$2,755,000 annually from 2006 to 2030. The 2000 Bonds maturing on or prior to February 1, 2010 are not subject to call and redemption prior to maturity. The 2000 bonds maturing on and after February 1, 2011 are subject to call and redemption prior to maturity, at a redemption price ranging from 101% to 100%.

CITY OF GLENDALE

Notes to the Financial Statements, continued

The annual debt service requirements to amortize long-term bonded debt at June 30, 2002 are as follows:

	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>				<u>Total</u>		<u>Total Debt Service</u>
	<u>Governmental</u>		<u>Governmental</u>		<u>Business-type</u>				
	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
2003	2,465,280	-	3,431,385	3,400,000	2,171,295	-	8,067,960	3,400,000	11,467,960
2004	1,236,721	1,100,000	3,247,023	2,035,000	2,171,295	-	6,655,039	3,135,000	9,790,039
2005	3,210,480	1,100,000	3,139,750	2,130,000	2,171,295	-	8,521,525	3,230,000	11,751,525
2006	3,149,816	1,200,000	3,024,745	2,250,000	2,171,295	690,000	8,345,856	4,140,000	12,485,856
2007	3,083,636	1,200,000	2,902,448	2,365,000	2,131,620	725,000	8,117,703	4,290,000	12,407,703
2008-12	14,253,784	7,200,000	12,391,617	13,880,000	9,975,287	4,370,000	36,620,688	25,450,000	62,070,688
2013-17	12,236,752	9,400,000	8,013,125	18,135,000	8,581,488	5,645,000	28,831,365	33,180,000	62,011,365
2018-22	9,241,378	12,000,000	2,264,350	18,520,000	6,749,550	7,570,000	18,255,278	38,090,000	56,345,278
2023-27	1,812,997	31,000,000	-	-	4,236,560	10,210,000	6,049,557	41,210,000	47,259,557
2027-30	-	-	-	-	953,700	7,790,000	953,700	7,790,000	8,743,700
	50,690,844	64,200,000	38,414,443	62,715,000	41,313,385	37,000,000	130,418,671	163,915,000	294,333,671

There are a number of limitations and restrictions contained in the bond indentures. The City is in compliance with all significant limitations and restrictions.

Matured bond principal and interest outstanding at June 30, 2002 consists of the following:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities	\$ -	201,023	201,023
Business-Type Activities	-	904,706	904,706
	<u>\$ -</u>	<u>1,105,729</u>	<u>1,105,729</u>

CONDUIT DEBT OBLIGATIONS

Certain bonds that the City issued are in the public interest and necessity of its citizens. These bonds are not a debt or liability of the City. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal or interest on the bonds. Such bonds are authorized under sections 3, 5 and 7 of Articles XI of the Constitution of the State of California and Section 1 of Article III of the Charter as well as the Refunding Act of 1984 for 1915 Improvement Act Bonds.

The following is a list of such bonds:

<u>Description of bonds</u>	<u>Interest Rates</u>	<u>Original issue</u>	<u>Outstanding at June 30, 2002</u>
City of Glendale Insured Hospital Refunding Bonds, Series 1991A (Adventist Health System/West)	4.5% - 6.75%	\$50,000,000	\$34,245,000
City of Glendale Insured Hospital Revenue Bonds Verdugo Hills Hospital, 1994 Series	7.25% - 8%	27,140,000	20,650,000
City of Glendale Hospital Insured Hospital Revenue 1995 - Series A (Glendale Memorial Hospital and Health Center)	4.65% - 5.6%	36,000,000	32,435,000
City of Glendale Mountain Road Assessment District Limited Obligation Refunding Bonds, Series 1994	5% - 6%	11,935,000	9,775,000

CITY OF GLENDALE

Notes to the Financial Statements, continued

E. Restricted Net Assets and Retained Earnings

The City has restricted its ordinarily available fund balances for such purposes as required future debt service and bond indenture requirements, loans receivables, deposits, real property held for resale, outstanding encumbrances, prepaid items and for certain commitments and contingencies. The City Charter requires \$12,269,347 in restricted net assets for contingencies, wherein 24% of the projected General Fund's current revenue estimate must be restricted to maintain liquidity.

The Electric Fund restricted \$12,217,731 for excess capital surcharge revenue designated to retrofit the City's Grayson Power Plant as mandated by the Air Quality Management District. In addition, as part of the Electric operation's strategy to face deregulation, all net revenues from electric wholesale power transactions and savings from cost reductions are restricted to accelerate debt retirement and to meet obligations from the "take or pay" contracts per Note IV D. As of June 30, 2002, \$44,540,424 is restricted for this purpose.

As of June 30, 2002, the Employee Benefit Fund and the Compensation Insurance Fund of the Internal Service Funds had negative retained earnings of \$662,670 and \$1,213,655 respectively.

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City retains risks for the following types of liabilities: workers' compensation insurance (up to \$1,000,000 per occurrence), unemployment insurance, post employment benefits, general auto, dental, medical and vision as well as public liability (up to \$2,000,000) through separate Internal Service Funds. The City purchased several commercial insurance policies from third-party insurance companies for errors and omissions of its officers and employees, destruction of assets and natural disasters as well as excess workers' compensation and general public liability claims. There were no significant settlements or reductions in insurance coverage from settlements for the past three years.

Operating funds are charged a premium and the Internal Service Funds recognize the corresponding revenue. Claims expenses are recorded in the Internal Service Funds. Premiums are evaluated periodically and increases are charged to the operating funds to reflect recent trends in actual claims experience and to provide sufficient reserve for catastrophic losses. The reserve designated for future catastrophic losses was \$3,608,815 June 30, 2002.

Claims payable liability has been established in these funds based on estimates of incurred but not reported and litigated claims. Management believes that provisions for claims at June 30, 2002 are adequate to cover the cost of claims incurred to date. However, such liabilities are, by necessity, based upon estimates and there can be no assurance that the ultimate cost will not exceed such estimates. A reconciliation of the changes in the aggregate liabilities for claims for the current fiscal year and eight prior fiscal years are as follows:

Fiscal Year	Beginning Balance	Claims and Changes	Claim Payments	Ending Balance
1993-94	11,438,000	9,083,000	8,356,000	12,165,000
1994-95	12,165,000	10,039,000	9,724,000	12,480,000
1995-96	12,480,000	8,163,000	9,264,000	11,379,000
1996-97	11,379,000	14,856,000	10,861,000	15,374,000
1997-98	15,374,000	10,375,000	9,026,000	16,723,000
1998-99	16,723,000	10,555,000	9,541,000	17,737,000
1999-00	17,737,000	12,451,000	11,119,000	19,069,000
2000-01	19,069,000	18,781,000	13,794,000	24,056,000
2001-02	24,056,000	16,597,000	18,595,000	22,058,000

B. Contingent Liabilities and Commitments

The City is a defendant in several general damage and personal injury lawsuits and claims. These claims arise primarily from injuries sustained by the claimants while on property owned or maintained by the City. While litigation is by nature uncertain, management believes that, based on consultation with the City Attorney, that these cases in the aggregate are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that sufficient reserves are available to the City to cover any potential losses should an unfavorable outcome materialize.

The City is a subscribing agency in the City of Los Angeles' sewage treatment facilities. During the year ended June 30, 2002, the City of Los Angeles advised the City that its allocation of capital improvements to the facility over the next ten years be estimated at \$101,900,000. The City anticipates funding these improvements through cash accumulated in the Sewer Enterprise Fund. The City Engineer is preparing a proposal for a sewer master plan to review the City's existing contract with City of Los Angeles and to evaluate the City's wastewater direction in the future.

The City's electric operation is committed to purchase all available landfill gas generated by Scholl Canyon LFG Limited Partnership at a price based on various natural gas indices. The term of this commitment is for a period of twenty years from July 1994 to July 2014. The landfill gas purchase for fiscal year 2001-02 was approximately 1,017,965 MMBtu and the average purchase price was \$5.59 per MMBtu.

The City's electric operations executed two power sale and exchange agreements in 1988. These agreements provide long term obligations to provide and purchase energy and capacity to and from other utilities. The first agreement is with Bonneville Power Administration (BPA). The agreement extends for twenty years and operates in either a sale or exchange mode. Under the sale mode the City is entitled to 10 megawatts annually, plus an additional 10 megawatts during the summer peaking period. The City is required to purchase 73,000 megawatt hours of energy annually under this agreement. In the exchange mode, BPA (under periods of adverse hydro conditions) may elect to receive energy from the City during off-peak hours in lieu of City's monthly charges for this agreement. The second agreement is a twenty-five year power sale and exchange agreement with Portland General Electric Company (PGE). The sale portion calls for the City to receive 20 megawatts of capacity and associated energy over the Pacific Northwest Intertie at its discretion. In exchange, the City may call up to 30 megawatts during the summer months (June through September) and PGE may call for the same amount in winter months (November through February). Energy cannot exceed 1,800 megawatts per week.

The City Council approved the Electric Utility's participation in the Magnolia Power Project Planning Agreement (Project). The Project is a SCPPA owned project, and will be financed through SCPPA. Currently seven members of SCPPA are participating in the initial phase of the Project – the California Cities of Anaheim, Burbank, Colton, Glendale, Pasadena, Cerritos and San Marcus (Participants). Because of a significant and growing need in California to construct and operate new power generating facilities, the Participants have agreed to complete a preliminary study to determine the feasibility of constructing and operating a Power-Generating Facility (Facility) with a service capacity of approximately 237 to 305 megawatts. This Facility is to be located on the existing Magnolia power-generating site in the City of Burbank. If constructed, the City anticipates executing another "Take of Pay" contract with SCPPA for approximately 20 megawatts. This Project may be terminated at any time by agreement of all of the Participants or upon execution of a Joint-Ownership Agreement to construct the facility. The City has agreed to pay 8.2644% of the Project's preliminary study and pre-construction costs up to a total of \$1,519,000.

C. Jointly Governed OrganizationsJoint Power Agreement between the City and the Glendale Community College

The City and the Glendale Community College (College) have agreed to establish a multi-faceted parking program to facilitate on street parking for the City residents living near the College campus and to meet the parking needs of the College. In order to implement the parking program, the City and the College have entered into a Joint Power Agreement (JPA) and issued \$6,160,000 in bonds - Glendale Parking Facilities Joint Powers Authority Parking Revenue Bonds, 1993 Series A (Bonds). The Bonds do not constitute a debt or liability of the JPA nor is the JPA liable for the payment of the principal or interest on the Bonds. The College will provide fiscal management for this JPA. The amount of revenues available to pay debt service on the Bonds will be derived from two sources. The first source is the student-parking permit. The second source is the metered revenue from the City owned parking lots. In return for the loss of the metered revenue, the City shall receive reimbursement

CITY OF GLENDALE

Notes to the Financial Statements, continued

annually of \$100. In addition, the City shall receive annual reimbursement of at least \$25 for lot and meter maintenance. Furthermore, any remaining balance of the revenue, after debt service and JPA operational costs, shall be divided equally between the City and the College.

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

"Take or Pay" Contracts

The City has entered into six "Take or Pay" contracts, which requires payments to be made whether or not projects are completed or operable, or whether output from such projects is suspended, interrupted or terminated. Such payments represent the City's share of current and long-term obligations. Payment for these obligations is expected to be made from operating revenues received during the year that payment is due. These contracts provide for current and future electric generating capacity and transmission of energy for City residents. Through these contracts, the City purchased approximately 41% of its total energy requirements during fiscal year 2001-02. This energy will displace some of the energy that was to have been supplied by the local generating plant. The City is obligated to pay the amortized cost of indebtedness regardless of the ability of the contracting agency to provide electricity. The original indebtedness will be amortized by adding the financing costs to purchase energy over the life of the contract. All of these agreements contain "step-up" provisions obligating the City to pay a share of the obligations of any defaulting participant.

The Intermountain Power agency, a subdivision of the State of Utah, was formed in January 1974 to finance the construction of a 1,685 megawatt coal-fueled generating plant consisting of two generating units located near Delta, Utah. The City through contract is obligated for 29 megawatts or 1.704% of the generation. In addition, the City entered into an "Excess Power Sales Agreement" with the ICPA, agent for the Utah Municipal Purchasers and the Cooperative Purchasers, which entitles the City to an additional share of 7 megawatts or 0.4154% through March 24, 2003. The total City's obligation from Intermountain Power Project (IPP) is 36 megawatts.

The City joined the Southern California Public Power Authority (SCPPA) on November 1, 1980. This authority, consisting of the California cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, Vernon, San Marcos and the Imperial Irrigation District, was formed for the purpose of financing future power resources. The City has entered into five projects with SCPPA. The first of the SCPPA projects is a 3,810 megawatt nuclear fuel generation plant in Arizona (Palo Verde). The Palo Verde nuclear project consists of three (3) units, each having an electric output of approximately 1,270 megawatts. SCPPA has purchased approximately 225 megawatts of capacity and associated energy (approximately 5.910% of total Palo Verde output), of which the City receives 9.9 megawatts or 4.4000% of SCPPA's entitlement.

As required by the Participation Agreement, the co-owners of the Palo Verde Nuclear Generating Station (PVNGS) have created external accounts for the decommissioning of PVNGS at the end of its life. The market value of the Authority's accounts for decommissioning was approximately \$103,104,000 at June 30, 2002. Based on the most recent (2002) estimate of decommissioning costs, SCPPA estimates that its share of the amount required for decommissioning of PVNGS is approximately 88.46% funded. Under the forgoing assumptions, an additional \$13,496,000, of which Glendale's share is \$593,800, would be required for SCPPA to fully fund its share of decommissioning costs. No assurance can be given, however, that such amount will be sufficient to fully fund SCPPA's share of decommissioning costs. SCPPA anticipates receiving a new estimate of decommissioning costs every three years.

A second project financed through SCPPA is the Southern Transmission System that transmits power from the coal-fired IPP to Southern California. The 500 kV DC line is rated at 1,920 megawatts. The City's share of the line is 2.274% or approximately 44 megawatts.

A third project financed through SCPPA is the acquisition of an ownership interest in Unit 3 of the San Juan Generating Station located approximately 15 miles northwest of Farmington, New Mexico. Members of SCPPA in this project consist of

CITY OF GLENDALE

Notes to the Financial Statements, continued

the Imperial Irrigation District and the California cities of Glendale, Azusa, Banning and Colton. SCPPA holds 41.8000% interest, the Public Service Company of New Mexico holds a 50% interest, and Tri-State G & T holds the remaining 8.2000% interest in the Unit. SCPPA members are entitled to receive approximately 204 megawatts of power from the 488 megawatt unit. The City is obligated for 20 megawatts or 9.8050% of SCPPA's entitlement.

A fourth project financed through SCPPA consists of a 202-mile 500 kV AC transmission line from a termination in southern Nevada, to a termination in the vicinity of Adelanto, California and the development of the Marketplace Substation at the southern Nevada line termination approximately 17 miles southwest of Boulder City, Nevada. The initial transfer capability of the Mead-Adelanto Project is estimated at 1,200 megawatts. SCPPA members in the project are entitled to 815 megawatts. The City is obligated for 90 megawatts or 11.0430% of the SCPPA entitlement.

A fifth project financed through SCPPA consists of a 256-mile long 500 kV AC transmission line from the Westwing Substation in the vicinity of Phoenix, Arizona to the Marketplace Substation approximately 17 miles southwest of Boulder City, Nevada with an interconnection to the Mead Substation in southern Nevada. The project consists of three separate components: the Westwing-Mead Component, the Mead Substation Component, and the Mead-Marketplace Component. The City's participation shares in the components range from 11.7647% to 22.7273%. The Mead-Phoenix Project in conjunction with the Mead-Adelanto Project provides an alternative path for the City's purchases from the Palo Verde Nuclear Generating Station, San Juan Generating Station and Hoover Power Plant. These transmission lines also provide access to the southwest U.S. where economical coal energy is readily available.

A summary of the City's "Take or Pay" contracts and related projects and its contingent liability at June 30, 2002 is as follows:

	Bonds and Notes Authorized	Bonds and Notes sold and Outstanding	Interest	Combined total debt service	City of Glendale percentage	City of Glendale Obligation
Intermountain Power Projects	\$ 4,442,017,000	\$ 4,020,787,000	\$ 2,441,611,000	\$ 6,462,398,000	2.2056%	\$142,534,650
Southern California Public Power Authority Projects:						
Palo Verde	1,071,347,000	808,850,000	504,294,000	1,313,144,000	4.4000%	57,778,336
IPP Southern Transmission	1,132,135,000	995,185,000	620,506,000	1,615,691,000	2.2740%	36,740,813
San Juan Power Project-Unit 3	237,375,000	204,360,000	106,813,000	311,173,000	9.8047%	30,509,579
Meade-Adelanto	280,655,000	229,175,000	151,117,000	380,292,000	11.0430%	41,995,646
Mead-Phoenix	90,635,000	71,915,000	47,484,093	119,399,093	14.5137%	17,329,226
	<u>7,254,164,000</u>	<u>6,330,272,000</u>	<u>3,891,825,093</u>	<u>10,202,097,093</u>		<u>326,888,250</u>

It is the opinion of management that the City will fully utilize the output for which it is obligated and that its obligation under the "Take or Pay" contracts should be recovered through utility fees.

D. Employee Retirement System and Plans

Plan Description

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

All full-time employees are required to participate in CalPERS, and related benefits vest after five years of service. Upon five years of service, employees who retire at age 50 or older are entitled to receive an annual retirement benefit. The benefit is payable monthly for life. The benefit is calculated as follows: years of credited service multiplied by their highest twelve consecutive months of salary multiplied by a percentage factor. This factor is age-based – public safety employees use the 3% at age 50 factor while all others use the 2% at age 55 factor. The system also provides death and disability benefits. CalPERS issues a publicly available financial report that includes financial statements and required supplemental information of participating public entities within the state of California. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

CITY OF GLENDALE

Notes to the Financial Statements, continued

Funding Policy

CalPERS is a contributory plan deriving funds from employee contributions as well as from employer contributions and earnings from investments. According to the plan, City employees are required to contribute 7% of annual salary for general members and 9% of annual salary for public safety members. The City is also required to contribute at an actuarially determined rate; however the City is currently over funded, therefore the City's contribution for general and safety employees is 0% for fiscal year 2002. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

Contributions to CalPERS totaling \$8,291,590 were made during the fiscal year ended June 30, 2002 in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 1999. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.25% a year compounded annually (net of administrative expenses), (b) projected salary increases that vary by duration of service ranging from 3.75% to 14.2%, (c) no additional projected salary increases attributable to seniority/merit and (d) no post retirement benefit increases. The actuarial value of the City's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five-year period depending on the size of investment gains and/or losses. CalPERS uses the entry-age-normal-actuarial-cost method, which is a projected-benefit-cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued. According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. CalPERS uses a modification of the entry-age-cost method in which the employer's total normal cost is expressed as a level percentage of payroll. CalPERS also uses the level-percentage-of-payroll method to amortize any unfunded actuarial liabilities.

Three year Trend Information

Fiscal year ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/00	\$8,423,000	100%	0
6/30/01	\$7,832,000	100%	0
6/30/02	\$8,291,590	100%	0

REQUIRED SUPPLEMENTARY INFORMATION**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets <a>	Actuarial Accrued Liability <AAL> - Entry Age 	(Unfunded AAL) / Over- funded AAL <a-b>	Funded Ratio <a/b>	Covered Payroll <c>	(Unfunded AAL) as a Percentage of Covered Payroll <(a-b)/c>
6/30/98	635,145,075	527,710,053	107,435,022	120.36%	85,118,111	126.22%
6/30/99	714,481,049	560,822,323	153,658,726	127.40%	91,017,813	168.82%
6/30/00	794,954,969	639,884,600	155,070,369	124.23%	95,697,086	162.04%

CITY OF GLENDALE

Notes to the Financial Statements, continued

E. Interfund Transactions

The composition of interfund balances consist of Due to/from other funds and operating/capital transfers. The Due to/from other funds are temporary cash overdrafts within a fund. The following is a listing of Due to/ from other funds for fiscal year 2001-02:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Community Development Fund	\$ 1,906,486
General Fund	Home Grant Fund	418,354
General Fund	Supportive Housing Grant Fund	1,736,162
General Fund	Emergency Shelter Grant Fund	29,968
General Fund	Workforce Investment Fund	1,192,573
General Fund	H-1B Tech. Skill Training Grant	33,953
General Fund	Code Enforcement	87,972
General Fund	Fire Grant Fund	33,232
General Fund	Nutritional Meals Grant Fund	34,552
General Fund	Fire Paramedic Fund	2,032,817
General Fund	State Training Programs Fund	129,898
		<u>\$ 7,635,967</u>

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 3,745,000
	Electric Works Revenue Fund	11,305,040
	Water Works Revenue Fund	2,818,283
	Nonmajor Proprietary Funds	834,868
	Nonmajor Governmental Funds	22,420
Capital Projects Fund	General Fund	815,605
	Non Major Governmental Funds	36,100
Nonmajor Governmental Funds	General Fund	136,911
Nonmajor Governmental Funds	Nonmajor Governmental Funds	57,809
Nonmajor proprietary funds	Internal Service fund	<u>315,722</u>
Grand Total		<u>\$ 20,087,758</u>

Transfers are used to (1) subsidize the activities of other funds (2) move revenues from the fund that budget requires to collect them to the fund that budget requires to expend them

G. Subsequent Events

1. The Electric Utility authorized the issuance up to \$35,000,000 in Electric Revenue Bonds in fiscal year 2002-03. The 2003 bonds proceeds will be used for acquisition, construction and installation of a gas-fired simple combustion turbine for the power plant. The bonds are expected to be payable in annual principal and interest payment through 2032.
2. The Glendale Redevelopment authorized the issuance up to \$55,000,000 in 2002 Tax Allocation Bonds on November 4th, 2002. The 2002 Tax Allocation Bonds are to be fully repaid in 2021.
3. The State of California (State) enacted legislation which reallocated funds from redevelopment agencies to school districts by shifting a portion of each agency's tax increment, net of amounts due to other taxing agencies, to school districts for deposit in the Education Revenue Augmentation (ERAF). The State has exercised this legislature every time it faced a major budget crisis (fiscal years 1992-93, 1993-94 and 1994-95). The Glendale Redevelopment Agency is expected to pay approximately \$690,000 towards the ERAF for fiscal year 2002-03. In addition, as a consequence of its current budget crisis, the State is proposing to remove the Vehicle license fee as well as the available surplus fund balance from the Low and Moderate Fund.

CAFR

Financial Section

Supplemental Information

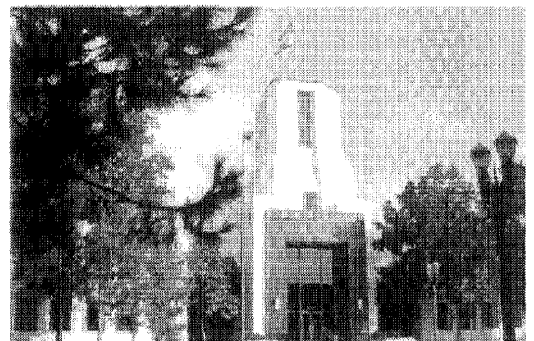


Exhibit F-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2002

Assets	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Cash and invested cash	\$ 43,120,080	2,747,681	34,055,632	79,923,393
Cash with fiscal agent	—	7,264,685	17,225,420	24,490,105
Interest receivable	463,765	31,719	259,440	754,924
Accounts receivable, net	1,657,957	—	—	1,657,957
Due from other agencies	6,978,192	—	789,661	7,767,853
Real property held for resale	915,589	—	—	915,589
Total assets	<u>53,135,583</u>	<u>10,044,085</u>	<u>52,330,153</u>	<u>115,509,821</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	2,021,907	—	1,697,984	3,719,891
Contracts-amounts due	16,868	—	—	16,868
Due to other funds	5,603,150	—	—	5,603,150
Due to other agencies	571,056	—	—	571,056
Matured bond principal and interest	—	201,023	—	201,023
Accrued wages and withholdings	417,551	—	61,265	478,816
Compensated absences	401,836	—	—	401,836
Deferred compensation and revenue	1,607,762	—	—	1,607,762
Deposits	95,796	—	—	95,796
Post closure and post closure care liability	—	—	13,200,000	13,200,000
Total liabilities	<u>10,735,926</u>	<u>201,023</u>	<u>14,959,249</u>	<u>25,896,198</u>
Fund balances:				
Reserved:				
Encumbrances	4,634,918	—	2,838,249	7,473,167
Real property held for resale	915,589	—	—	915,589
Principal and interest	—	9,457,062	—	9,457,062
Insurance	—	386,000	—	386,000
Unreserved	<u>36,849,150</u>	<u>—</u>	<u>34,532,655</u>	<u>71,381,805</u>
Total fund balances	<u>42,399,657</u>	<u>9,843,062</u>	<u>37,370,904</u>	<u>89,613,623</u>
Total liabilities and fund balances	<u>\$ 53,135,583</u>	<u>10,044,085</u>	<u>52,330,153</u>	<u>115,509,821</u>

CITY OF GLENDALE

Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For Fiscal Year Ended June 30, 2002

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 3,941,434	5,640,244	—	9,581,678
Other taxes	3,167,631	—	1,814,175	4,981,806
Fines and forfeitures	283,665	—	—	283,665
Use of money and property	1,986,849	2,268,123	1,803,227	6,058,199
Revenue from other agencies	28,489,781	—	6,720,327	35,210,108
Charges for services	3,538,809	—	—	3,538,809
Miscellaneous revenue	3,557,330	—	—	3,557,330
Interfund revenue	43,882	—	—	43,882
Total revenues	<u>45,009,381</u>	<u>7,908,367</u>	<u>10,337,729</u>	<u>63,255,477</u>
Expenditures:				
General government	298,533	—	—	298,533
Public safety	3,120,131	—	—	3,120,131
Public works	6,585,191	—	—	6,585,191
Housing, health and community development	13,260,516	—	—	13,260,516
Employment programs	5,423,572	—	—	5,423,572
Public service	3,356,978	—	—	3,356,978
Parks, recreation and community services	510,569	—	—	510,569
Library	268,781	—	—	268,781
Capital	10,035,155	—	24,935,935	34,971,090
Debt service:				
Principal retirement	—	3,215,000	—	3,215,000
Interest	—	3,610,285	—	3,610,285
Cost of bond issuance	—	—	—	—
Total expenditures	<u>42,859,426</u>	<u>6,825,285</u>	<u>24,935,935</u>	<u>74,620,646</u>
Excess of revenues over (under) expenditures	2,149,955	1,083,082	(14,598,206)	(11,365,169)
Other financing sources (use):				
Operating transfers from:				
General fund	136,911	—	—	136,911
GRA	57,809	—	—	57,809
Operating transfer to:				
General fund	(22,420)	—	—	(22,420)
Special revenue fund	(57,809)	—	—	(57,809)
Capital projects fund	(36,100)	—	—	(36,100)
Total financing sources (use)	<u>78,391</u>	<u>—</u>	<u>—</u>	<u>78,391</u>
Excess of revenues and other financing sources over(under) expenditures and other financing uses	2,228,346	1,083,082	(14,598,206)	(11,286,778)
Fund balance, July 1	<u>40,171,311</u>	<u>8,759,980</u>	<u>51,969,110</u>	<u>100,900,401</u>
Fund balance, June 30	\$ <u>42,399,657</u>	<u>9,843,062</u>	<u>37,370,904</u>	<u>89,613,623</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue resources or to finance specified activities as required by law or administrative regulation. These funds are:

- Community Development Fund-To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant Program.
- 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.
- Home Grant Fund-To account for monies received and expended by the City under the HOME Investment Partnerships Program to strengthen public-private partnerships and to preserve and provide affordable housing.
- Supportive Housing Grant Fund- To account for monies received by the City under the Supportive Housing Program to address the homeless needs of the City.
- Emergency Shelter Grant Fund-To account for monies received by the City under the Emergency Shelter Grant Program to address the homeless needs of the City.
- Workforce Investment Act Fund-To account for grant monies received and expended, in the federally funded job training program
- State Training Program Fund-To account for monies received and expended, as trustee, as participant in the federally funded Welfare to Work.
- H-1B Technology Skills Training Fund-To account for grant monies received and expended, in the federally funded technical training of entertainment industry workers.
- Code Enforcement Fund-To account for grant monies received and expended for code enforcement programs.
- Low and Moderate Housing Fund-To account for monies received and expended by the Agency for the 20% set aside funds pursuant to redevelopment laws of the State of California.
- Local Transit Assistance Fund-To account for monies received from a portion of the sales tax which is restricted to transportation-related activities.
- Air Quality Improvement Fund-To account for monies received from South Coast Air Quality Management District and expended on air pollution reduction.
- Narcotic Forfeiture Fund-To account for the proceeds of money or property seized as a result of illegal activity which is restricted to law enforcement uses.
- Special Grant Fund-To account for various small grants received and expended by the City, such as the Career Criminal Apprehension Program, Community Oriented Policing and the Child Passenger Safety Grant.
- Supplemental Law Enforcement Fund- To account for monies received from the State of California to provide funding for local agencies for the Citizen's Option for Public Safety Program (COPS).
- Nutritional Meals Grant Fund-To account for monies received from Federal assistance programs for senior citizen services.
- Cable Access Fund – To account for the 1.45% cable access fee to provide for resources to broadcast the City Council meetings and other various commissions, forums, etc.
- Library Grant Fund-To account for grant monies received and expended from State and local agencies.

- Electric Public Benefit Fund – To account for the 2.85% fees assessed on the electric customers to fund public benefit programs such as low income projects, research and development and demonstration program as mandated by State of California, AB 1890.
- Fire Grant Fund-To account for grant monies received and expended for fire prevention programs.
- Fire Communication Fund-To account for monies received and expended, as the lead city, for the tri-city (Burbank, Glendale and Pasadena) fire communication operations.

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2002

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Shelter Grant Fund	Workforce Investment Act Fund
Assets						
Cash and invested cash	\$ 5,118	2,325,785	—	851	—	182,046
Interest receivable	—	9,764	—	—	—	—
Accounts receivable, net	986,560	—	—	—	—	36,437
Due from other agencies	2,249,566	41,119	429,646	1,762,689	41,976	1,274,802
Real property held for resale	—	—	—	—	—	—
Total assets	<u>3,241,244</u>	<u>2,376,668</u>	<u>429,646</u>	<u>1,763,540</u>	<u>41,976</u>	<u>1,493,285</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	202,016	432,000	—	22,232	—	138,846
Contracts-amounts due	16,868	—	—	—	—	—
Due to other funds	1,906,486	—	418,354	1,736,162	29,968	1,192,573
Due to other agencies	—	234,314	—	—	12,008	616
Accrued wages and withholdings	58,421	38,192	2,875	5,146	—	76,673
Compensated absences	70,893	47,136	8,417	—	—	20,695
Deferred compensation and revenue	986,560	—	—	—	—	—
Deposits	—	95,796	—	—	—	—
Total liabilities	<u>3,241,244</u>	<u>847,438</u>	<u>429,646</u>	<u>1,763,540</u>	<u>41,976</u>	<u>1,429,403</u>
Fund balances:						
Reserved:						
Encumbrances	—	28,521	—	—	—	—
Real property held for resale	—	—	—	—	—	—
Unreserved		<u>1,500,709</u>				<u>63,882</u>
Total fund balances	<u>—</u>	<u>1,529,230</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>63,882</u>
Total liabilities and fund balances	<u>\$ 3,241,244</u>	<u>2,376,668</u>	<u>429,646</u>	<u>1,763,540</u>	<u>41,976</u>	<u>1,493,285</u>

Exhibit G-1, continued

Exhibit G-1-2
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2002

		State Training Program Fund	H-1B Technology Skills Training Fund	Code Enforcement Fund	Low & Moderate Housing Fund	Local Transit Assistance Fund
Assets						
Cash and invested cash	\$	195,958	—	57,809	12,320,580	8,690,597
Interest receivable		—	—	—	123,609	105,023
Accounts receivable, net		—	—	—	—	621,202
Due from other agencies		—	35,907	39,400	93,682	782,901
Real property held for resale		—	—	—	915,589	—
Total assets		<u>195,958</u>	<u>35,907</u>	<u>97,209</u>	<u>13,453,460</u>	<u>10,199,723</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable		—	—	—	26,019	451,502
Contracts-amounts due		—	—	—	—	—
Due to other funds		129,898	33,953	87,972	—	—
Due to other agencies		41,747	—	—	—	12,856
Accrued wages and withholdings		220	1,845	8,834	42,543	24,832
Compensated absences		22,263	109	403	38,650	24,408
Deferred compensation and revenue		—	—	—	—	621,202
Deposits		—	—	—	—	—
Total liabilities		<u>194,128</u>	<u>35,907</u>	<u>97,209</u>	<u>107,212</u>	<u>1,134,800</u>
Fund balances:						
Reserved:						
Encumbrances		—	—	—	147,949	608,164
Real property held for resale		—	—	—	915,589	—
Unreserved		<u>1,830</u>	—	—	<u>12,282,710</u>	<u>8,456,759</u>
Total fund balances		<u>1,830</u>	—	—	<u>13,346,248</u>	<u>9,064,923</u>
Total liabilities and fund balances	\$	<u>195,958</u>	<u>35,907</u>	<u>97,209</u>	<u>13,453,460</u>	<u>10,199,723</u>

Exhibit G-1-2, continued

Exhibit G-1-3
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2002

Assets	Air Quality Improvement Fund	Narcotic Forfeiture Fund	Special Grant Fund	Supplemental Law Enforcement Fund	Nutritional Meals Grant Fund
Cash and invested cash	\$ 389,688	1,441,919	790,313	249,954	—
Interest receivable	3,017	17,496	5,256	5,304	4
Accounts receivable, net	—	—	—	—	—
Due from other agencies	55,900	53,414	—	—	87,006
Real property held for resale	—	—	—	—	—
Total assets	448,605	1,512,829	795,569	255,258	87,010
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	4,996	3,900	28,743	—	25,601
Contracts-amounts due	—	—	—	—	—
Due to other funds	—	—	—	—	34,552
Due to other agencies	—	—	269,515	—	—
Accrued wages and withholdings	299	6,532	33,868	17,157	11,311
Compensated absences	840	9,618	20,315	32,272	15,546
Deferred compensation and revenue	—	—	—	—	—
Deposits	—	—	—	—	—
Total liabilities	6,135	20,050	352,441	49,429	87,010
Fund balances:					
Reserved:					
Encumbrances	—	116,130	144,832	—	—
Real property held for resale	—	—	—	—	—
Unreserved	442,470	1,376,649	298,296	205,829	—
Total fund balances	442,470	1,492,779	443,128	205,829	—
Total liabilities and fund balances	\$ 448,605	1,512,829	795,569	255,258	87,010

Exhibit G-1-3, continued

Exhibit G-1-4
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2002

Assets	Cable Access Fund	Library Grant Fund	Electric Public Benefit Fund	Fire Grant Fund	Fire Communication Fund	Total Nonmajor Special Revenue Funds
Cash and invested cash	\$ 2,273,407	143,100	11,272,125	16,616	2,764,214	43,120,080
Interest receivable	26,673	2,278	126,974	—	38,367	463,765
Accounts receivable, net	—	—	—	—	13,758	1,657,957
Due from other agencies	—	—	—	30,184	—	6,978,192
Real property held for resale	—	—	—	—	—	915,589
Total assets	<u>2,300,080</u>	<u>145,378</u>	<u>11,399,099</u>	<u>46,800</u>	<u>2,816,339</u>	<u>53,135,583</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	—	10,006	659,063	—	16,983	2,021,907
Contracts-amounts due	—	—	—	—	—	16,868
Due to other funds	—	—	—	33,232	—	5,603,150
Due to other agencies	—	—	—	—	—	571,056
Accrued wages and withholdings	12,884	3,871	19,420	4,611	48,017	417,551
Compensated absences	17,788	—	—	66	72,417	401,836
Deferred compensation and revenue	—	—	—	—	—	1,607,762
Deposits	—	—	—	—	—	95,796
Total liabilities	<u>30,672</u>	<u>13,877</u>	<u>678,483</u>	<u>37,909</u>	<u>137,417</u>	<u>10,735,926</u>
Fund balances:						
Reserved:						
Encumbrances	55,479	—	3,533,843	—	—	4,634,918
Real property held for resale	—	—	—	—	—	915,589
Unreserved						
	<u>2,213,929</u>	<u>131,501</u>	<u>7,186,773</u>	<u>8,891</u>	<u>2,678,922</u>	<u>36,849,150</u>
Total fund balances	<u>2,269,408</u>	<u>131,501</u>	<u>10,720,616</u>	<u>8,891</u>	<u>2,678,922</u>	<u>42,399,657</u>
Total liabilities and fund balances	<u>\$ 2,300,080</u>	<u>145,378</u>	<u>11,399,099</u>	<u>46,800</u>	<u>2,816,339</u>	<u>53,135,583</u>

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Special Revenue

For Fiscal Year Ended June 30, 2002

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Shelter Grant Fund	Workforce Investment Act Fund
Revenues:						
Property taxes	\$ —	—	—	—	—	—
Other taxes	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Use of money and property	—	56,256	—	—	—	—
Revenue from other agencies	5,305,986	9,033,200	508,085	983,084	124,377	3,798,240
Charges for services	—	—	—	—	—	—
Miscellaneous revenue	316,331	45,893	4,827	—	—	—
Interfund revenue	—	—	—	—	—	43,882
Total revenues	5,622,317	9,135,349	512,912	983,084	124,377	3,842,122
Expenditures:						
General government	—	—	—	—	—	—
Public safety	—	—	—	—	—	—
Public works	—	—	—	—	—	—
Housing, health and community development	2,041,131	8,659,748	100,990	983,084	124,377	—
Employment Programs	—	—	—	—	—	3,750,656
Public service	—	—	—	—	—	—
Parks, recreation and community services	—	—	—	—	—	—
Library	—	—	—	—	—	—
Capital	3,581,186	7,184	411,922	—	—	47,584
Total expenditures	5,622,317	8,666,932	512,912	983,084	124,377	3,798,240
Excess of revenues over (under) expenditures	—	468,417	—	—	—	43,882
Other financing sources (use):						
Operating transfers from:						
General Fund	—	—	—	—	—	—
Special revenue fund	—	—	—	—	—	—
Operating transfer to:						
General Fund	—	—	—	—	—	—
Special revenue fund	—	—	—	—	—	—
Capital projects fund	—	—	—	—	—	—
Total financing sources (use)	—	—	—	—	—	—
Excess of revenues and other financing sources over (under) expenditures and other financing uses	—	468,417	—	—	—	43,882
Fund balance, July 1	—	1,060,813	—	—	—	20,000
Fund balance, June 30	\$ —	1,529,230	—	—	—	63,882

Exhibit G-2, continued

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Special Revenue

For Fiscal Year Ended June 30, 2002

	State Training Program Fund	H-1B Technology Skills Training Fund	Code Enforcement Fund	Low & Moderate Housing Fund	Local Transit Assistance Fund
Revenues:					
Property taxes	\$ —	—	—	3,941,434	—
Other taxes	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Use of money and property	—	—	—	566,819	506,796
Revenue from other agencies	803,409	877,526	113,268	—	5,163,063
Charges for services	—	—	—	—	1,326,084
Miscellaneous revenue	—	—	—	1,062,531	25,101
Interfund revenue	—	—	—	—	—
Total revenues	803,409	877,526	113,268	5,570,784	7,021,044
Expenditures:					
General government	—	—	—	—	—
Public safety	—	—	—	—	—
Public works	—	—	—	—	6,307,895
Housing, health and community development	—	—	161,590	1,189,596	—
Employment Programs	803,409	869,507	—	—	—
Public service	—	—	—	—	—
Parks, recreation and community services	—	—	—	—	—
Library	—	—	—	—	—
Capital	—	8,019	9,487	818,606	4,473,922
Total expenditures	803,409	877,526	171,077	2,008,202	10,781,817
Excess of revenues over (under) expenditures	—	—	(57,809)	3,562,582	(3,760,773)
Other financing sources (use):					
Operating transfers from:					
General Fund	—	—	—	—	—
Special revenue fund	—	—	57,809	—	—
Operating transfer to:					
General Fund	—	—	—	—	—
Special revenue fund	—	—	—	(57,809)	—
Capital projects fund	—	—	—	—	—
Total financing sources (use)	—	—	57,809	(57,809)	—
Excess of revenues and other financing sources over(under) expenditures and other financing uses	—	—	—	3,504,773	(3,760,773)
Fund balance, July 1	1,830	—	—	9,841,475	12,825,696
Fund balance, June 30	\$ 1,830	—	—	13,346,248	9,064,923

Exhibit G-2-2, continued

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Special Revenue

For Fiscal Year Ended June 30, 2002

	Air Quality Improvement Fund	Narcotic Forfeiture Fund	Special Grant Fund	Supplemental Law Enforcement Fund	Nutritional Meals Grant Fund
Revenues:					
Property taxes	\$ —	—	—	—	—
Other taxes	—	—	—	—	—
Fines and forfeitures	—	283,665	—	—	—
Use of money and property	13,053	77,688	18,035	23,010	—
Revenue from other agencies	274,982	—	484,642	397,995	296,143
Charges for services	46,047	—	146,168	—	—
Miscellaneous revenue	—	—	516,267	—	85,484
Interfund revenue	—	—	—	—	—
Total revenues	334,082	361,353	1,165,112	421,005	381,627
Expenditures:					
General government	—	—	—	—	—
Public safety	—	253,297	861,928	463,697	—
Public works	277,296	—	—	—	—
Housing, health and community development	—	—	—	—	—
Employment Programs	—	—	—	—	—
Public service	—	—	—	—	—
Parks, recreation and community services	—	—	—	—	510,569
Library	—	—	—	—	—
Capital	—	39,296	491,709	1,646	9,099
Total expenditures	277,296	292,593	1,353,637	465,343	519,668
Excess of revenues over (under) expenditures	56,786	68,760	(188,525)	(44,338)	(138,041)
Other financing sources (use):					
Operating transfers from:					
General Fund	—	—	—	—	136,911
Special revenue fund	—	—	—	—	—
Operating transfer to:					
General Fund	—	—	—	—	—
Special revenue fund	—	—	—	—	—
Capital projects fund	—	—	—	—	—
Total financing sources (use)	—	—	—	—	136,911
Excess of revenues and other financing sources over (under) expenditures and other financing uses	56,786	68,760	(188,525)	(44,338)	(1,130)
Fund balance, July 1	385,684	1,424,019	631,653	250,167	1,130
Fund balance, June 30	\$ 442,470	1,492,779	443,128	205,829	—

Exhibit G-2-3, continued

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Special Revenue

For Fiscal Year Ended June 30, 2002

	Cable Access Fund	Library Grant Fund	Electric Public Benefit Fund	Fire Grant Fund	Fire Communication Fund	Total Nonmajor Special Revenue Funds
Revenues:						
Property taxes	\$ —	—	—	—	—	3,941,434
Other taxes	—	—	3,167,631	—	—	3,167,631
Fines and forfeitures	—	—	—	—	—	283,665
Use of money and property	116,449	10,098	572,730	—	25,915	1,986,849
Revenue from other agencies	—	225,137	—	100,644	—	28,489,781
Charges for services	299,590	—	—	—	1,720,920	3,538,809
Miscellaneous revenue	1,379	—	1,121,610	24,559	353,348	3,557,330
Interfund revenue	—	—	—	—	—	43,882
Total revenues	417,418	235,235	4,861,971	125,203	2,100,183	45,009,381
Expenditures:						
General government	298,533	—	—	—	—	298,533
Public safety	—	—	—	105,509	1,435,700	3,120,131
Public works	—	—	—	—	—	6,585,191
Housing, health and community development	—	—	—	—	—	13,260,516
Employment Programs	—	—	—	—	—	5,423,572
Public service	—	—	3,356,978	—	—	3,356,978
Parks, recreation and community services	—	—	—	—	—	510,569
Library	—	268,781	—	—	—	268,781
Capital	71,030	2,305	—	10,803	51,357	10,035,155
Total expenditures	369,563	271,086	3,356,978	116,312	1,487,057	42,859,426
Excess of revenues over (under) expenditures	47,855	(35,851)	1,504,993	8,891	613,126	2,149,955
Other financing sources (use):						
Operating transfers from:						
General Fund	—	—	—	—	—	136,911
Special revenue fund	—	—	—	—	—	57,809
Operating transfer to:						
General Fund	—	—	—	—	(22,420)	(22,420)
Special revenue fund	—	—	—	—	—	(57,809)
Capital projects fund	—	—	—	—	(36,100)	(36,100)
Total financing sources (use)	—	—	—	—	(58,520)	78,391
Excess of revenues and other financing sources over (under) expenditures and other financing uses	47,855	(35,851)	1,504,993	8,891	554,606	2,228,346
Fund balance, July 1	2,221,553	167,352	9,215,623	—	2,124,316	40,171,311
Fund balance, June 30	\$ 2,269,408	131,501	10,720,616	8,891	2,678,922	42,399,657

CITY OF GLENDALE

Schedule of Revenues - Budget and Actual (Nonmajor Governmental Funds-Special Revenue)

Special Revenue Funds

Year ended June 30, 2002

		2002		Variance
		Original	Final	Favorable (Unfavorable)
Community Development Fund:				
Revenue from other agencies	\$	4,155,768	4,155,768	5,305,986
Miscellaneous revenue		40,516	40,516	316,331
Total		4,196,284	4,196,284	5,622,317
Housing Assistance Fund:				
Use of money and property		100,000	100,000	56,256
Revenue from other agencies		7,248,821	8,297,592	9,033,200
Miscellaneous revenue		51,000	51,000	45,893
Total		7,399,821	8,448,592	9,135,349
Home Grant Fund:				
Revenue from other agencies		1,933,000	1,933,000	508,085
Miscellaneous revenue		20,000	20,000	4,827
Total		1,953,000	1,953,000	512,912
Supportive Housing Grant Fund:				
Revenue from other agencies		1,420,483	1,420,483	983,084
Miscellaneous revenue		—	—	—
Total		1,420,483	1,420,483	983,084
Emergency Shelter Grant Fund:				
Revenue from other agencies		141,000	141,000	124,377
Workforce Investment Act Fund:				
Revenue from other agencies		4,037,836	4,037,836	3,798,240
Miscellaneous revenue		—	—	43,882
Total		4,037,836	4,037,836	3,842,122
State Training Program Fund:				
Revenue from other agencies		1,740,619	1,740,619	803,409
H - 1B Technology Skills Training Fund:				
Revenue from other agencies		2,333,000	2,333,000	877,526
Miscellaneous revenue		1,000,000	1,000,000	—
Total		3,333,000	3,333,000	877,526
Code Enforcement Fund:				
Revenue from other agencies		232,257	232,257	113,268
Transfer from other funds		129,786	129,786	57,809
Total		362,043	362,043	171,077
Low & Moderate Housing Fund:				
Property Taxes		3,897,120	3,897,120	3,941,434
Use of Money and Property		403,000	403,000	566,819
Miscellaneous revenue		150,000	150,000	1,062,531
Total		4,450,120	4,450,120	5,570,784
Local Transit Assistance Fund:				
Use of money and property		413,000	413,000	506,796
Revenue from other agencies		4,567,772	4,979,372	5,163,063
Charges for services		1,073,000	1,073,000	1,326,084
Miscellaneous revenue		—	—	25,101
Total	\$	6,053,772	6,465,372	7,021,044

CITY OF GLENDALE

Schedule of Revenues - Budget and Actual (Nonmajor Governmental Funds-Special Revenue)

Special Revenue Funds

Year ended June 30, 2002

	2002			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Air Quality Improvement Fund:				
Use of money and property	\$ 9,500	9,500	13,053	3,553
Revenue from other agencies	190,000	190,000	274,982	84,982
Charges for services	38,500	38,500	46,047	7,547
Total	238,000	238,000	334,082	96,082
Narcotic Forfeiture Fund:				
Fines and forfeitures	—	—	283,665	283,665
Use of money and property	—	—	77,688	77,688
Total	—	—	361,353	361,353
Special Grant Fund:				
Use of money and property	75,000	75,000	18,035	(56,965)
Revenue from other agencies	601,000	844,745	484,642	(360,103)
Charges for Services	120,000	120,000	146,168	26,168
Miscellaneous revenue	913,702	931,996	516,267	(415,729)
Total	1,709,702	1,971,741	1,165,112	(806,629)
Supplemental Law Enforcement Fund:				
Use of money and property	35,000	35,000	23,010	(11,990)
Revenue from other agencies	450,000	450,000	397,995	(52,005)
Total	485,000	485,000	421,005	(63,995)
Nutritional Meals Grant Fund:				
Revenue from other agencies	321,656	352,605	296,143	(56,462)
Miscellaneous revenue	75,600	88,350	85,484	(2,866)
Transfer from other funds	136,911	136,911	136,911	—
Total	534,167	577,866	518,538	(59,328)
Cable Access Fund:				
Use of money and property	125,000	125,000	116,449	(8,551)
Charges for services	350,000	350,000	299,590	(50,410)
Miscellaneous revenue	—	—	1,379	1,379
Total	475,000	475,000	417,418	(57,582)
Library Grant Fund:				
Use of money and property	—	—	10,098	10,098
Revenue from other agencies	122,000	400,173	225,137	(175,036)
Total	122,000	400,173	235,235	(164,938)
Electric Public Benefit Fund:				
Other taxes	3,200,000	3,200,000	3,167,631	(32,369)
Use of money and property	300,000	300,000	572,730	272,730
Miscellaneous revenue	—	—	1,121,610	1,121,610
Total	3,500,000	3,500,000	4,861,971	1,361,971
Fire Grant Fund				
Revenue from other agencies	—	466,230	100,644	(365,586)
Miscellaneous revenue	—	3,014	24,559	21,545
Total	\$ —	469,244	125,203	(344,041)

CITY OF GLENDALE

Schedule of Revenues - Budget and Actual (Nonmajor Governmental Funds-Special Revenue)

Special Revenue Funds

Year ended June 30, 2002

		2002		Variance
	Original	Final	Actual	Favorable (Unfavorable)
Fire Communication Fund				
Charges for services	\$ 1,712,000	1,712,000	1,720,920	8,920
Use of money and property	—	—	25,915	25,915
Miscellaneous revenue	336,000	336,000	353,348	17,348
Total	2,048,000	2,048,000	2,100,183	52,183
Total revenues	\$ 44,199,847	46,713,373	45,204,101	(1,509,272)

CITY OF GLENDALE

Schedule of Expenditures - Budget and Actual (Nonmajor Governmental Funds-Special Revenue)

Special Revenue Funds

Year ended June 30, 2002

		2002		Variance
	Original	Final	Actual	Favorable (Unfavorable)
Community Development Fund:				
Housing, health and community development:				
Salaries and benefits	\$ 1,015,056	1,420,991	1,324,664	96,327
Maintenance and operations	138,904	993,627	716,467	277,160
Capital	2,061,565	6,298,229	3,581,186	2,717,043
Total	3,215,525	8,712,847	5,622,317	3,090,530
Housing Assistance Fund:				
Housing, health and community development:				
Salaries and benefits	827,937	1,007,688	906,545	101,143
Maintenance and operations	6,351,779	7,898,490	7,753,203	145,287
Capital	24,685	162,485	7,184	155,301
Total	7,204,401	9,068,663	8,666,932	401,731
Home Grant Fund:				
Housing, health and community development:				
Salaries and benefits	94,844	107,854	85,583	22,271
Maintenance and operations	60,841	60,841	15,407	45,434
Capital	2,704,052	10,758,881	411,922	10,346,959
Total	2,859,737	10,927,576	512,912	10,414,664
Supportive Housing Grant Fund:				
Housing, health and community development:				
Salaries and benefits	11,877	105,861	94,441	11,420
Maintenance and operations	27,163	3,567,330	888,643	2,678,687
Total	39,040	3,673,191	983,084	2,690,107
Emergency Shelter Grant Fund:				
Housing, health and community development:				
Maintenance and operations	141,000	149,595	124,377	25,218
Total	141,000	149,595	124,377	25,218
Workforce Investment Act Fund:				
Employment and job training services:				
Salaries and benefits	1,915,407	2,024,521	2,089,209	(64,688)
Maintenance and operations	2,363,194	2,669,484	1,661,447	1,008,037
Capital	5,000	15,000	47,584	(32,584)
Total	4,283,601	4,709,005	3,798,240	910,765
State Training Program Fund				
Employment and job training services:				
Salaries and benefits	601,169	622,262	364,230	258,032
Maintenance and operations	212,797	1,901,316	439,179	1,462,137
Capital	—	—	—	—
Total	\$ 813,966	2,523,578	803,409	1,720,169

CITY OF GLENDALE

Schedule of Expenditures - Budget and Actual (Nonmajor Governmental Funds-Special Revenue)

Special Revenue Funds

Year ended June 30, 2002

	2002			Variance
	Original	Final	Actual	Favorable (Unfavorable)
H - 1B Technology Skills Training Fund:				
Employment and job training programs:				
Salaries and benefits	\$ 431,488	480,060	103,819	376,241
Maintenance and operations	2,883,125	4,941,052	765,688	4,175,364
Capital	10,000	10,000	8,019	1,981
Total	3,324,613	5,431,112	877,526	4,553,586
Code Enforcement Fund:				
Housing, health and community development:				
Salaries and benefits	239,072	247,918	149,191	98,727
Maintenance and operations	12,700	12,700	12,399	301
Capital	37,500	37,500	9,487	28,013
Total	289,272	298,118	171,077	127,041
Low & Moderate Housing Fund:				
Housing, health and community development:				
Salaries and benefits	811,717	1,469,496	913,143	556,353
Maintenance and operations	195,714	1,440,640	276,453	1,164,187
Capital	897,913	8,263,682	818,606	7,445,076
Transfer to other funds	129,786	129,786	57,809	71,977
Total	2,035,130	11,303,604	2,066,011	9,237,593
Local Transit Assistance Fund:				
Public works:				
Salaries and benefits	448,337	610,451	662,891	(52,440)
Maintenance and operations	5,745,260	5,745,260	5,645,004	100,256
Capital	6,244,000	9,954,358	4,473,922	5,480,436
Total	12,437,597	16,310,069	10,781,817	5,528,252
Air Quality Improvement Fund:				
Public works:				
Salaries and benefits	174,806	175,814	204,765	(28,951)
Maintenance and operations	135,623	135,623	72,531	63,092
Total	310,429	311,437	277,296	34,141
Narcotic Forfeiture Fund:				
Public safety:				
Salaries and benefits	179,578	185,400	191,470	(6,070)
Maintenance and operations	102,913	200,913	61,827	139,086
Capital	30,000	30,000	39,296	(9,296)
Total	312,491	416,313	292,593	123,720
Special Grant Fund:				
Public safety:				
Salaries and benefits	902,279	1,066,348	760,313	306,035
Maintenance and operations	235,808	246,088	101,615	144,473
Capital	1,247,007	1,429,952	491,709	938,243
Total	\$ 2,385,094	2,742,388	1,353,637	1,388,751

CITY OF GLENDALE

Schedule of Expenditures - Budget and Actual (Nonmajor Governmental Funds-Special Revenue)

Special Revenue Funds

Year ended June 30, 2002

	2002			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Supplemental Law Enforcement Fund:				
Public safety:				
Salaries and benefits	\$ 507,581	532,266	463,018	69,248
Maintenance and operations	7,400	7,400	679	6,721
Capital	—	1,650	1,646	4
Total	514,981	541,316	465,343	75,973
Nutritional Meals Grant Fund:				
Parks, recreation and community services:				
Salaries and benefits	292,101	302,445	260,715	41,730
Maintenance and operations	255,727	255,727	249,854	5,873
Capital	—	—	9,099	(9,099)
Total	547,828	558,172	519,668	38,504
Cable Access Fund:				
General government:				
Salaries and benefits	256,805	273,562	258,019	15,543
Maintenance and operations	53,945	53,945	40,514	13,431
Capital	50,000	71,072	71,030	42
Total	360,750	398,579	369,563	29,016
Library Grant Fund:				
Library:				
Salaries and benefits	82,224	246,340	89,099	157,241
Maintenance and operations	111,814	376,504	179,682	196,822
Capital	—	8,500	2,305	6,195
Total	194,038	631,344	271,086	360,258
Electric Public Benefit Fund:				
Public service:				
Salaries and benefits	202,400	209,889	229,587	(19,698)
Maintenance and operations	6,764,300	6,966,130	3,127,391	3,838,739
Capital	—	—	—	—
Total	6,966,700	7,176,019	3,356,978	3,819,041
Fire Grant Fund				
Public safety:				
Salaries and benefits	—	91,286	61,157	30,129
Maintenance and operations	—	338,414	44,352	294,062
Capital	—	18,313	10,803	7,510
Total	—	448,013	116,312	331,701
Fire Community Fund				
Public safety:				
Salaries and benefits	1,229,679	1,283,147	1,227,192	55,955
Maintenance and operations	242,180	242,180	208,508	33,672
Transfer to other funds	—	58,520	58,520	—
Capital	24,072	58,312	51,357	6,955
Total	1,495,931	1,642,159	1,545,577	96,582
Total expenditures	\$ 49,732,124	87,973,098	42,975,755	44,997,343

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation and disbursement of financial resources that will be used to make principal and interest payments on general long-term debt of the City of Glendale. The specific debt service funds used include:

- Parking Lease Revenue Bonds Fund-To accumulate monies for the payment of interest and principal on the 1974 Parking Lease Revenue Bonds, Series A and the Refunding Parking Lease Revenue Bonds, Series 1976. Debt service is financed via lease payments.
- 1993 Tax Allocation Bonds Fund-To accumulate monies for the payment of interest and principal of the 1993 Tax Allocation bonds. Debt Service is financed via the incremental property tax from the Glendale Redevelopment Agency.

This page is left blank intentionally.

Exhibit H-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Debt Service
June 30, 2002

		Debt Service Parking Lease Revenue Fund	Debt Service 1993 Tax Allocation Fund	Total Debt Service
Assets				
Cash and invested cash	\$	2,747,681	—	2,747,681
Cash with fiscal agent		1,102,409	6,162,276	7,264,685
Interest receivable		31,719	—	31,719
Total assets		3,881,809	6,162,276	10,044,085
Liabilities and Fund Balances				
Liabilities:				
Matured bond principal and interest		201,023	—	201,023
Fund balances:				
Reserved:				
Principal and Interest		3,294,786	6,162,276	9,457,062
Insurance		386,000	—	386,000
Total fund balances		3,680,786	6,162,276	9,843,062
Total liabilities and fund balances	\$	3,881,809	6,162,276	10,044,085

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Debt Service

For Fiscal Year Ended June 30, 2002

		Debt Service Parking Lease Revenue Funds	Debt Service 1993 Tax Allocation Fund	Total Debt Service
Revenues:				
Property taxes	\$	—	5,640,244	5,640,244
Use of money and property		1,793,786	474,337	2,268,123
		<u>1,793,786</u>	<u>6,114,581</u>	<u>7,908,367</u>
Total revenues		<u>1,793,786</u>	<u>6,114,581</u>	<u>7,908,367</u>
Expenditures:				
Debt Service:				
Principal retirement		1,370,000	1,845,000	3,215,000
Interest		168,495	3,441,790	3,610,285
		<u>1,538,495</u>	<u>5,286,790</u>	<u>6,825,285</u>
Total expenditures		<u>1,538,495</u>	<u>5,286,790</u>	<u>6,825,285</u>
Excess of revenues over expenditures		255,291	827,791	1,083,082
Fund balance, July 1		<u>3,425,495</u>	<u>5,334,485</u>	<u>8,759,980</u>
Fund balance, June 30	\$	<u><u>3,680,786</u></u>	<u><u>6,162,276</u></u>	<u><u>9,843,062</u></u>

Exhibit H-3
CITY OF GLENDALE
Schedule of Revenues - Budget and Actual
Nonmajor Governmental Funds - Debt Service
Year ended June 30, 2002

		2002		Variance
	Original	Final	Actual	Favorable (Unfavorable)
Debt Service Parking Lease Revenue Funds				
Use of money and property				
Interest & inv. revenue	\$ 150,000	150,000	150,613	613
Interest & inv. GASB 31	—	—	13,598	13,598
Rental income	1,629,575	1,629,575	1,629,575	—
Total	1,779,575	1,779,575	1,793,786	14,211
Debt Service 1993 Tax Allocation Fund				
Use of money and property				
Property tax current	5,286,790	5,286,790	5,640,244	353,454
Interest & inv. Revenue	—	—	474,337	474,337
Total	5,286,790	5,286,790	6,114,581	827,791
Total revenues	\$ 7,066,365	7,066,365	7,908,367	842,002

Exhibit H-4

CITY OF GLENDALE

Schedule of Expenditures - Budget and Actual

Nonmajor Governmental Funds - Debt Service

Year ended June 30, 2002

		2002		Variance
		Original	Final	Favorable (Unfavorable)
Debt Service Parking Lease Revenue Fund				
Maintenance and operations	\$	1,538,495	1,538,495	—
Total		1,538,495	1,538,495	—
Debt Service 1993 Tax Allocation Fund				
Maintenance and operations		5,286,790	5,286,790	—
Total		5,286,790	5,286,790	—
Total expenditures	\$	6,825,285	6,825,285	—

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources used for the acquisition of major capital facilities other than those financed by Special Revenue and Proprietary Funds. These funds are:

- State Gas Tax Fund-To account for monies received and expended from state gas tax allocations for street improvement purposes.
- Scholl Canyon Life Extension Fund-To account for monies received for the disposal of solid waste at the Scholl Canyon Landfill.
- Glendale Redevelopment Agency Construction Projects Fund- To account for monies from the 1993 Tax Allocation Bond proceeds.

This page is left blank intentionally.

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds - Capital Projects

June 30, 2002

Assets	State Gas Tax Fund	Scholl Canyon Life Extension Fund	Police Facility Construction Fund	Total
Cash and invested cash	\$ 11,074,495	15,470,446	7,510,691	34,055,632
Cash with fiscal agent	—	—	17,225,420	17,225,420
Interest receivable	123,992	15,882	119,566	259,440
Due from other agencies	389,661	400,000	—	789,661
Total assets	<u>11,588,148</u>	<u>15,886,328</u>	<u>24,855,677</u>	<u>52,330,153</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	528,276	—	1,169,708	1,697,984
Accrued wages and withholdings	53,968	—	7,297	61,265
Post closure and post closure care liability	—	13,200,000	—	13,200,000
Total liabilities	<u>582,244</u>	<u>13,200,000</u>	<u>1,177,005</u>	<u>14,959,249</u>
Fund balances:				
Reserved:				
Encumbrances	1,344,886	—	1,493,363	2,838,249
Unreserved	<u>9,661,018</u>	<u>2,686,328</u>	<u>22,185,309</u>	<u>34,532,655</u>
Total fund balances	<u>11,005,904</u>	<u>2,686,328</u>	<u>23,678,672</u>	<u>37,370,904</u>
Total liabilities and fund balances	<u>\$ 11,588,148</u>	<u>15,886,328</u>	<u>24,855,677</u>	<u>52,330,153</u>

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Capital Projects

For Fiscal Year Ended June 30, 2002

	State Gas Tax Fund	Scholl Canyon Life Extension Fund	Police Facility Construction Fund	Total
Revenues:				
Other taxes	\$ —	1,814,175	—	1,814,175
Use of money and property	573,726	82,622	1,146,879	1,803,227
Revenue from other agencies	6,720,327	—	—	6,720,327
Total revenues	7,294,053	1,896,797	1,146,879	10,337,729
Capital Expenditures:				
Public safety	—	—	17,846,004	17,846,004
Public works	7,089,931	—	—	7,089,931
Total capital expenditures	7,089,931	—	17,846,004	24,935,935
Excess of revenues over (under) expenditures	204,122	1,896,797	(16,699,125)	(14,598,206)
Fund balance, July 1	10,801,782	789,531	40,377,797	51,969,110
Fund Balance, June 30	\$ 11,005,904	2,686,328	23,678,672	37,370,904

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that provide goods or services to the general public that are financed primarily by a user charge or where the periodic measurement of net income is deemed appropriate. Funds included are:

- Recreation Fund-To account for recreation programs of the Parks, Recreation and Community Services department on a proprietary user fee basis.
- Hazardous Disposal Fund-To account for operations of the toxic waste disposal in the City.
- Fire Paramedic Fund- To account for operations of the emergency transport and paramedic service in the City.
- Parking Fund-To account for operations of City-owned public parking lots and garages.
- Refuse Disposal Fund- To account for operations of the City-owned refuse collection and disposal service.

This page is left blank intentionally.

CITY OF GLENDALE

Combining Statement of Net Assets

Proprietary Fund Type - Nonmajor Enterprise Funds

June 30, 2002

Assets	Recreation Fund	Hazardous Disposal Fund	Fire Paramedic Fund	Parking Fund	Refuse Disposal Fund	Total
Current assets:						
Cash and invested cash	\$ 450,862	905,754	—	4,346,121	248,790	5,951,527
Imprest cash	10,000	—	—	—	—	10,000
Interest receivable	—	7,172	—	54,745	—	61,917
Accounts receivable, net	—	20,579	1,768,693	45,486	1,134,914	2,969,672
Unbilled receivable	—	74,493	—	—	757,573	832,066
Prepaid items	—	—	—	6,791	—	6,791
Total current assets	460,862	1,007,998	1,768,693	4,453,143	2,141,277	9,831,973
Capital assets:						
Land	—	—	—	5,651,021	827,080	6,478,101
Buildings and improvements	—	535,118	—	40,832,535	4,116,176	45,483,829
Machinery and equipment	216,816	393,316	600,341	1,688,721	11,604,128	14,503,322
Less allowance for accumulated depreciation	(88,049)	(699,144)	(105,367)	(12,288,424)	(7,391,230)	(20,572,214)
Total capital assets	128,767	229,290	494,974	35,883,853	9,156,154	45,893,038
Total assets	589,629	1,237,288	2,263,667	40,336,996	11,297,431	55,725,011
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	35,975	2,369	162	33,967	274,877	347,350
Due to other funds	—	—	2,032,817	—	—	2,032,817
Accrued wages and withholdings	25,284	36,632	85,233	61,060	171,469	379,678
Compensated absences	33,396	102,597	104,201	116,513	216,961	573,668
Deposits	10,776	19,700	—	—	274,700	305,176
Total current liabilities	105,431	161,298	2,222,413	211,540	938,007	3,638,689
Net Assets						
Invested in capital assets	128,767	229,290	494,974	35,883,853	9,156,154	45,893,038
Unrestricted net assets (deficit)	355,431	846,700	(453,720)	4,241,603	1,203,270	6,193,284
Total net assets	\$ 484,198	1,075,990	41,254	40,125,456	10,359,424	52,086,322

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Fund Type - Nonmajor Enterprise Funds
Year ended June 30, 2002

	Recreation Fund	Hazardous Disposal Fund	Fire Paramedic Fund	Parking Fund	Refuse Disposal Fund	Total
Operating revenues – charges for services:						
Recreation service	\$ 1,628,997	—	—	—	—	1,628,997
Fire paramedic service	—	—	4,201,104	—	—	4,201,104
Parking service	—	—	—	5,464,878	—	5,464,878
Hazardous disposal service	—	1,304,327	—	—	—	1,304,327
Refuse disposal service	—	—	—	—	11,432,177	11,432,177
Total operating revenues	1,628,997	1,304,327	4,201,104	5,464,878	11,432,177	24,031,483
Operating expenses:						
Recreation service	1,828,169	—	—	—	—	1,828,169
Hazardous disposal service	—	1,312,312	—	—	—	1,312,312
Fire paramedic service	—	—	3,647,439	—	—	3,647,439
Parking service	—	—	—	3,682,344	—	3,682,344
Refuse disposal service	—	—	—	—	10,667,307	10,667,307
Depreciation	10,500	93,307	38,009	1,803,329	1,192,600	3,137,745
Total operating expenses	1,838,669	1,405,619	3,685,448	5,485,673	11,859,907	24,275,316
Operating income (loss)	(209,672)	(101,292)	515,656	(20,795)	(427,730)	(243,833)
Non operating revenues (expenses):						
Interest revenue (expense)	1,792	34,772	—	261,940	(2,250)	296,254
Grant revenue	324,584	156,584	—	—	—	481,168
Other revenue	171,499	(23,824)	—	46,262	104,567	298,504
Contribution in aid	2,090	—	—	—	1,122,787	1,124,877
Total non operating revenues, net	499,965	167,532	—	308,202	1,225,104	2,200,803
Income before transfers	290,293	66,240	515,656	287,407	797,374	1,956,970
Transfer in-Internal Service Fund	—	—	—	—	315,722	315,722
Transfers out - General Fund	—	—	—	(834,868)	—	(834,868)
Change in net assets	290,293	66,240	515,656	(547,461)	1,113,096	1,437,824
Total net assets (deficit), July 1	193,905	1,009,750	(474,402)	40,672,917	9,246,328	50,648,498
Total net assets (deficit), June 30	\$ 484,198	1,075,990	41,254	40,125,456	10,359,424	52,086,322

CITY OF GLENDALE

Combining Statement of Cash Flows

Proprietary Fund Type - Nonmajor Enterprise Funds

Year ended June 30, 2002

	Recreation Fund	Hazardous Disposal Fund	Fire Paramedic Fund	Parking Fund	Refuse Disposal Fund	Total
Cash flows from operating activities:						
Cash from customers	\$ 1,628,997	1,352,975	4,168,494	5,559,848	11,304,703	24,015,017
Cash paid to employees	(1,038,352)	(878,169)	(2,222,565)	(1,575,304)	(5,019,609)	(10,733,999)
Cash paid to suppliers	(798,624)	(434,743)	(1,933,480)	(2,071,830)	(5,709,020)	(10,947,697)
Net cash provided by (used in) operating activities	(207,979)	40,063	12,449	1,912,714	576,074	2,333,321
Cash flows from noncapital financing activities:						
Operating transfers out to general fund	—	—	—	(834,868)	315,722	(519,146)
Operating grant received	324,584	156,584	—	—	—	481,168
Other non operating revenue	173,589	(23,824)	—	46,262	1,227,354	1,423,381
Net cash provided by (used in) noncapital financing activities	498,173	132,760	—	(788,606)	1,543,076	1,385,403
Cash flows from capital and related financing activities:						
Acquisition of property, plant, and equipment	—	10,973	(12,449)	(1,912,383)	(2,226,982)	(4,140,841)
Cash provided by investing activities - interest received	3,913	36,871	—	272,980	2,541	316,305
Net increase (decrease) in cash and cash equivalents	294,107	220,667	—	(515,295)	(105,291)	(105,812)
Cash and cash equivalents at beginning of year	166,755	685,087	—	4,861,416	354,081	6,067,339
Cash and cash equivalents at end of year	460,862	905,754	—	4,346,121	248,790	5,961,527
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	(209,672)	(101,292)	515,656	(20,795)	(427,730)	(243,833)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	10,500	93,307	38,009	1,803,329	1,192,600	3,137,745
(Increase) decrease in Accounts Receivable, net	—	49,141	(32,610)	94,969	(264,900)	(153,400)
(Increase) decrease in Unbilled Receivable	—	(493)	—	—	137,427	136,934
Increase (decrease) in Prepaid expenses	9,488	—	—	(3,437)	—	6,051
Decrease due to other fund	—	—	(536,317)	—	—	(536,317)
Increase in customers' deposits	3,652	792	—	—	27,331	31,775
Increase (decrease) in Accrued Sal & Withholding	(18,199)	5,494	24,235	7,155	19,199	37,884
Increase in comp absence payable	1,445	2,149	3,633	3,946	10,476	21,649
Increase (decrease) in Accounts payable	(5,193)	(9,035)	(157)	27,547	(118,329)	(105,167)
	\$ (207,979)	40,063	12,449	1,912,714	576,074	2,333,321

CITY OF GLENDALE

Schedule of Investment in Capital Assets

Nonmajor Enterprise Funds

June 30, 2002

	<u>Land</u>	<u>Buildings and improvements</u>	<u>Machinery and equipment</u>	<u>Total</u>
Recreation Fund	\$ <u>—</u>	<u>—</u>	<u>216,816</u>	<u>216,816</u>
Hazardous Disposal Fund	<u>—</u>	<u>535,118</u>	<u>393,316</u>	<u>928,434</u>
Fire Paramedic Fund	<u>—</u>	<u>—</u>	<u>600,341</u>	<u>600,341</u>
Parking Fund	<u>5,651,021</u>	<u>40,832,535</u>	<u>1,688,721</u>	<u>48,172,277</u>
Total capital assets	\$ <u><u>6,478,101</u></u>	<u><u>45,483,829</u></u>	<u><u>14,503,322</u></u>	<u><u>66,465,252</u></u>

Exhibit J-5

CITY OF GLENDALE

Schedule of Changes in Capital Assets

Nonmajor Enterprise Funds

Year ended June 30, 2002

	<u>Balance at July 1</u>	<u>Additions/ Reclass</u>	<u>Retirements/ Reclass</u>	<u>Balance at June 30</u>
Recreation Fund	\$ <u>216,816</u>	<u>-</u>	<u>-</u>	<u>216,816</u>
Hazardous Disposal Fund	<u>990,928</u>	<u>19,960</u>	<u>82,454</u>	<u>928,434</u>
Fire Paramedic Fund	<u>587,892</u>	<u>12,449</u>	<u>-</u>	<u>600,341</u>
Parking Fund	<u>46,264,970</u>	<u>1,912,384</u>	<u>5,077</u>	<u>48,172,277</u>
Refuse Disposal Fund	<u>14,396,743</u>	<u>2,554,252</u>	<u>403,611</u>	<u>16,547,384</u>
Total capital assets	\$ <u><u>62,457,349</u></u>	<u><u>4,499,045</u></u>	<u><u>491,142</u></u>	<u><u>66,465,252</u></u>

This page is left blank intentionally.

INTERNAL SERVICE FUNDS

Internal Service Funds are established to finance and account for goods and services provided by one department of the City to other City departments or agencies. These funds include:

- Equipment Reserve Fund-To account for equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of equipment.
- Unemployment Insurance Fund-To finance and account for unemployment claims. Resources are derived from unemployment insurance charges to various City operations. Unemployment claims are reimbursed to the State Employment Department which disburses the unemployment claims.
- Uninsurable Litigation Fund-To account for financing and disbursement of City self-insurance fund for uninsurable litigation activities. Charges, in lieu of insurance premiums, are made periodically to City operations to provide the self-insurance resources.
- Liability Insurance Fund-To account for financing and disbursement of City self-insurance funds for general liability claims. Charges, in lieu of insurance premiums, are made periodically to City operations to provide the self-insurance resources.
- Auto Insurance Fund-To account for financing and disbursement of City self-insurance funds for auto liability claims. Charges, in lieu of insurance premiums, are made periodically to City operations to provide the self-insurance resources.
- Compensation Insurance Fund-To finance and account for the City's workers' compensation claims. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Dental Insurance Fund-To finance and account for the City's dental insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Medical Insurance Fund-To finance and account for the City's medical insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Employee Benefits Fund-To account for the resources and the liability for employees' post employment benefit for medical insurance.
- Vision Insurance Fund-To finance and account for the City's vision insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.

This page is left blank intentionally.

Exhibit K-1
CITY OF GLENDALE
Combining Balance Sheet
Internal Service Funds
June 30, 2002

		Equipment Reserve Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund	Liability Insurance Fund	Auto Insurance Fund	Compensation Insurance Fund
Assets							
Current assets:							
Cash and invested cash	\$	6,646,557	840,203	7,124,350	3,304,298	2,903,725	12,504,119
Interest receivable		77,759	9,479	84,913	42,184	32,986	150,384
Due from other agencies		—	—	—	—	—	551
Accounts receivable, net		—	—	—	—	—	18,131
Prepaid items		—	—	—	—	—	5,000
Total current assets		<u>6,724,316</u>	<u>849,682</u>	<u>7,209,263</u>	<u>3,346,482</u>	<u>2,936,711</u>	<u>12,678,185</u>
Capital assets:							
Machinery and equipment		—	—	—	—	—	420,301
Less allowance for accumulated depreciation		—	—	—	—	—	(236,544)
Net capital assets		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>183,757</u>
Total assets		<u>6,724,316</u>	<u>849,682</u>	<u>7,209,263</u>	<u>3,346,482</u>	<u>2,936,711</u>	<u>12,861,942</u>
Liabilities and Net Assets							
Current Liabilities:							
Accounts payable		70,411	—	270	—	—	26,439
Claims payable		—	—	3,992,000	6,062,854	284,319	13,889,140
Accrued wages and withholdings		—	—	—	7,828	—	76,976
Compensated absences		—	—	—	416	—	83,042
Post employment benefits		—	—	—	—	—	—
Total liabilities		<u>70,411</u>	<u>—</u>	<u>3,992,270</u>	<u>6,071,098</u>	<u>284,319</u>	<u>14,075,597</u>
Net assets							
Invested in capital assets		—	—	—	—	—	183,757
Unrestricted net assets (deficit)		<u>6,653,905</u>	<u>849,682</u>	<u>3,216,993</u>	<u>(2,724,616)</u>	<u>2,652,392</u>	<u>(1,397,412)</u>
Total net assets	\$	<u>6,653,905</u>	<u>849,682</u>	<u>3,216,993</u>	<u>(2,724,616)</u>	<u>2,652,392</u>	<u>(1,213,655)</u>

Exhibit K, continued

CITY OF GLENDALE

Combining Balance Sheet

Internal Service Funds

June 30, 2002

Assets	Dental Insurance Fund	Medical Insurance Fund	Employee Benefits Fund	Vision Insurance Fund	Total
Current assets:					
Cash and invested cash	\$ 154,529	1,505,994	5,319,871	24,267	40,327,913
Interest receivable	2,505	16,964	65,800	287	483,261
Due from other agencies	—	—	—	—	551
Accounts receivable, net	—	—	—	—	18,131
Prepaid items	12,100	82,250	—	4,800	104,150
Total current assets	169,134	1,605,208	5,385,671	29,354	40,934,006
Capital assets:					
Machinery and equipment	—	—	—	—	420,301
Less allowance for accumulated depreciation	—	—	—	—	(236,544)
Net capital assets	—	—	—	—	183,757
Total assets	169,134	1,605,208	5,385,671	29,354	41,117,763
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable	—	146,321	—	—	243,441
Claims payable	24,000	801,356	—	4,000	25,057,669
Accrued wages and withholdings	—	—	—	—	84,804
Compensated absences	—	—	—	—	83,458
Post employment benefits	—	—	6,048,341	—	6,048,341
Total liabilities	24,000	947,677	6,048,341	4,000	31,517,713
Net assets					
Invested in capital assets	—	—	—	—	183,757
Unrestricted net assets (deficit)	145,134	657,531	(662,670)	25,354	9,416,293
Total net assets	\$ 145,134	657,531	(662,670)	25,354	9,600,050

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets
Internal Service Funds
Year ended June 30, 2002

	Equipment Reserve Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund	Liability Insurance Fund	Auto Insurance Fund	Compensation Insurance Fund
Operating revenues – charges for services						
Internal service charges	\$ 1,861,145	114,587	1,961,534	705,356	217,428	6,368,155
Operating expenses:						
Claims and settlements	—	61,149	1,321,428	2,963,656	212,424	6,986,180
Vehicle related	1,224,239	—	—	—	—	—
Benefit related	—	—	—	—	—	—
Depreciation	—	—	—	—	—	29,500
Total operating expenses	1,224,239	61,149	1,321,428	2,963,656	212,424	7,015,680
Operating income (loss)	636,906	53,438	640,106	(2,258,300)	5,004	(647,525)
Non operating revenues:						
Interest revenue	342,042	42,210	838,884	181,466	144,918	656,065
Other revenue	104,175	—	—	—	—	—
Total non operating revenues	446,217	42,210	838,884	181,466	144,918	656,065
Net income (loss) before transfers	1,083,123	95,648	1,478,990	(2,076,834)	149,922	8,540
Transfers out - Refuse	(315,722)	—	—	—	—	—
Change in net assets	767,401	95,648	1,478,990	(2,076,834)	149,922	8,540
Total net assets, July 1	5,886,504	754,034	1,738,003	(647,782)	2,502,470	(1,222,195)
Total net assets (deficit), June 30	\$ 6,653,905	849,682	3,216,993	(2,724,616)	2,652,392	(1,213,655)

Exhibit K-2, continued

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets
Internal Service Funds
Year ended June 30, 2002

	Dental Insurance Fund	Medical Insurance Fund	Employee Benefit Fund	Vision Insurance Fund	Total
Operating revenues -- charges for services					
Internal service charges	\$ 618,121	4,700,009	907,419	88,906	17,542,660
Operating expenses:					
Claims and settlements	634,270	4,930,948	—	85,733	17,195,788
Vehicle related	—	—	—	—	1,224,239
Benefit related	—	—	1,147,983	—	1,147,983
Depreciation	—	—	—	—	29,500
Total operating expenses	634,270	4,930,948	1,147,983	85,733	19,597,510
Operating income (loss)	(16,149)	(230,939)	(240,564)	3,173	(2,054,850)
Non operating revenues:					
Interest revenue	11,559	86,548	288,097	1,231	2,593,020
Other revenue	—	—	—	—	104,175
Total non operating revenues	11,559	86,548	288,097	1,231	2,697,195
Net income (loss) before transfers	(4,590)	(144,391)	47,533	4,404	642,345
Transfers out - Refuse	—	—	—	—	(315,722)
Change in net assets	(4,590)	(144,391)	47,533	4,404	326,623
Total net assets, July 1	149,724	801,922	(710,203)	20,950	9,273,427
Total net assets(deficit), June 30	\$ 145,134	657,531	(662,670)	25,354	9,600,050

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Year ended June 30, 2002

	<u>Equipment Reserve Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Uninsurable Litigation Fund</u>	<u>Liability Insurance Fund</u>	<u>Auto Insurance Fund</u>	<u>Compensation Insurance Fund</u>
Cash flows from operating activities:						
Cash from customers	\$ 1,861,145	114,587	1,961,534	705,356	217,428	6,367,727
Cash paid to employees	—	—	(6,396)	(160,476)	—	(1,072,830)
Cash paid to suppliers	<u>(1,260,008)</u>	<u>(61,149)</u>	<u>(1,512,252)</u>	<u>(1,185,572)</u>	<u>(175,744)</u>	<u>(6,201,054)</u>
Cash provided from operating activities	601,137	53,438	442,886	(640,692)	41,684	(906,157)
Cash flows from noncapital financing activities:						
Other non operating revenue	104,175	—	—	—	—	—
Operating transfers out to refuse	<u>(315,722)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash (used) in noncapital financing activities	<u>(211,547)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash flows from capital and related financing activities:						
Acquisition of property, plant, and equipment	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(10,382)</u>
Cash provided by investing activities - interest received	<u>344,294</u>	<u>42,799</u>	<u>833,112</u>	<u>190,094</u>	<u>148,650</u>	<u>678,114</u>
Net increase (decrease) in cash and cash equivalents	733,884	96,237	1,275,998	(450,598)	190,334	(238,425)
Cash and cash equivalents at beginning of year	<u>5,912,673</u>	<u>743,966</u>	<u>5,848,352</u>	<u>3,754,896</u>	<u>2,713,391</u>	<u>12,742,544</u>
Cash and cash equivalents at end of year	<u><u>6,646,557</u></u>	<u><u>840,203</u></u>	<u><u>7,124,350</u></u>	<u><u>3,304,298</u></u>	<u><u>2,903,725</u></u>	<u><u>12,504,119</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	636,906	53,438	640,106	741,700	5,004	(647,525)
Depreciation	—	—	—	—	—	29,500
(Increase) in accounts receivable	—	—	—	—	—	(428)
Increase (Decrease) in accrued salaries & withholding	—	—	—	7,828	—	(16,736)
Increase in comp absence payable	—	—	—	416	—	2,791
Increase (Decrease) in accounts payable	<u>(35,769)</u>	<u>—</u>	<u>(197,220)</u>	<u>(1,390,636)</u>	<u>36,680</u>	<u>(273,759)</u>
	<u><u>\$ 601,137</u></u>	<u><u>53,438</u></u>	<u><u>442,886</u></u>	<u><u>(640,692)</u></u>	<u><u>41,684</u></u>	<u><u>(906,157)</u></u>

Exhibit K-3, continued

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Year ended June 30, 2002

	Dental Insurance Fund	Medical Insurance Fund	Employee Benefit Fund	Vision Insurance Fund	Total
Cash flows from operating activities:					
Cash from customers	\$ 618,121	4,700,009	907,419	88,906	17,542,232
Cash paid to employees	—	—	(984,404)	—	(2,224,106)
Cash paid to suppliers	(634,270)	(4,930,948)	—	(85,733)	(16,046,730)
Cash provided from operating activities	(16,149)	(230,939)	(76,985)	3,173	(728,604)
Cash flows from noncapital financing activities:					
Other non operating revenue	—	—	—	—	104,175
Operating transfers out to refuse	—	—	—	—	(315,722)
Cash (used) in noncapital financing activities	—	—	—	—	(211,547)
Cash flows from capital and related financing activities:					
Acquisition of property, plant, and equipment	—	—	—	—	(10,382)
Cash provided by investing activities - interest received	11,212	91,845	291,385	1,213	2,632,718
Net increase (decrease) in cash and cash equivalents	(4,937)	(139,094)	214,400	4,386	1,682,185
Cash and cash equivalents at beginning of year	159,466	1,645,088	5,105,471	19,881	38,645,728
Cash and cash equivalents at end of year	154,529	1,505,994	5,319,871	24,267	40,327,913
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	(16,149)	(230,939)	(240,564)	3,173	945,150
Depreciation	—	—	—	—	29,500
(Increase) in accounts receivable	—	—	—	—	(428)
Increase (Decrease) in accrued salaries & withholding	—	—	163,579	—	154,671
Increase in comp absence payable	—	—	—	—	3,207
Increase (Decrease) in accounts payable	—	—	—	—	(1,860,704)
\$	(16,149)	(230,939)	(76,985)	3,173	(728,604)

Exhibit L-1

CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2002

	Land	Construction in progress	Infrastructure	Buildings and improvements	Machinery and equipment	Total
General government:						
Council	\$ —	—	—	—	275,661	275,661
City manager	—	8,536	—	—	613,103	621,639
City clerk	—	—	—	—	109,178	109,178
Finance	—	3,268,126	—	—	332,158	3,600,284
Information services	—	171,278	—	325,000	13,564,091	14,060,369
Graphics	—	—	—	—	659,219	659,219
Purchasing	—	—	—	—	61,364	61,364
Communication services	—	—	—	—	2,269,929	2,269,929
Legal	—	—	—	10,000	262,045	272,045
Parking ticket processing	—	—	—	—	10,508	10,508
Planning	—	—	—	—	144,497	144,497
Personnel	—	177,167	—	—	118,574	295,741
City treasurer	—	—	—	—	68,152	68,152
Civic center buildings	5,359,255	—	—	41,405,489	322,851	47,087,595
Total general government	5,359,255	3,625,107	—	41,740,489	18,811,330	69,536,181
Public safety:						
Police	5,226,855	34,922,936	—	4,110,607	9,698,886	53,959,284
Police helicopter	—	—	—	675,915	2,608,186	3,284,101
Civic center garage	—	—	—	10,592	538,216	548,808
Fire	5,924,956	—	—	17,476,376	9,658,388	33,059,720
Fire communications	—	234,331	—	—	1,257,744	1,492,075
Emergency services	—	—	—	—	279,506	279,506
Total public safety	11,151,811	35,157,267	—	22,273,490	24,040,926	92,623,494
Public works:						
Administration	—	—	—	752,844	1,043,009	1,795,853
Engineering	—	—	—	—	482,960	482,960
Permits services	—	—	—	—	371,264	371,264
Streets	269,148,435	12,156,711	188,938,006	385,681	3,666,049	474,294,882
Mechanical maintenance	—	—	—	—	520,265	520,265
Traffic engineering	—	2,190,693	—	—	17,119	2,207,812
Traffic safety control	—	144,328	12,924,946	—	161,731	13,231,005
Corporate yard	306,974	161,024	—	1,680,554	148,049	2,296,601
Building	—	122,615	—	422,736	417,866	963,217
Transit administration	15,440,916	—	—	2,199,793	7,791,489	25,432,198
Total public works	284,896,325	14,775,371	201,862,952	5,441,608	14,619,801	521,596,057
Parks and community services:						
Parks and community services	15,200,274	6,892,011	—	40,308,049	2,223,503	64,623,837
Scholl canyon	—	—	—	1,768,933	—	1,768,933
Scholl golf and tennis	—	—	—	873,759	7,802	881,561
Total parks and community services	15,200,274	6,892,011	—	42,950,741	2,231,305	67,274,331
Library						
Library	447,945	293,710	—	8,960,714	2,637,828	12,340,197
Housing, health and community development:						
Housing administration	—	—	—	—	302,346	302,346
Community development	424,866	8,086,682	—	—	265,921	8,777,469
Neighborhood services	—	—	—	—	272,249	272,249
Job training partnership act	—	—	—	—	473,730	473,730
Nutritional meals	—	—	—	—	76,960	76,960
Electric benefit	—	—	—	—	14,090	14,090
Agency	1,918,312	—	—	8,520,682	727,854	11,166,848
Total housing, health and community development	2,343,178	8,086,682	—	8,520,682	2,133,150	21,083,692
Total capital assets	\$ 319,398,788	68,830,148	201,862,952	129,887,724	64,474,340	784,453,952

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

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

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

CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes of Function and Activity

Year ended June 30, 2002

	<u>Balance at July 1</u>	<u>Additions/ Reclass</u>	<u>Retirements/ Reclass</u>	<u>Balance at June 30</u>
General government:				
Council	\$ 278,576	—	2,915	275,661
City manager	583,542	40,695	2,598	621,639
City clerk	110,107	—	929	109,178
Finance	3,600,638	—	354	3,600,284
Information services	10,753,523	3,306,846	—	14,060,369
Graphics	609,452	51,519	1,752	659,219
Purchasing	61,364	—	—	61,364
Communication services	2,272,146	—	2,217	2,269,929
Legal	262,891	10,000	846	272,045
Parking ticket processing	10,508	—	—	10,508
Planning	147,617	—	3,120	144,497
Personnel	284,689	12,661	1,609	295,741
City treasurer	68,152	—	—	68,152
Civic center buildings	47,087,595	—	—	47,087,595
Total general government	66,130,800	3,421,721	16,340	69,536,181
Public safety:				
Police	47,302,415	7,267,684	610,815	53,959,284
Police helicopter	3,113,410	170,691	—	3,284,101
Civic center garage	508,973	49,980	10,145	548,808
Fire	33,156,913	148,696	11,558	33,294,051
Fire communications	1,257,744	—	—	1,257,744
Emergency services	279,506	—	—	279,506
Total public safety	85,618,961	7,637,051	632,518	92,623,494
Public works:				
Administration	1,633,980	162,366	493	1,795,853
Engineering	484,499	—	1,539	482,960
Permit services	371,264	—	—	371,264
Streets	478,332,450	12,882,398	16,919,966	474,294,882
Mechanical maintenance	520,524	—	259	520,265
Traffic engineering	2,238,944	—	31,132	2,207,812
Traffic safety control	13,003,731	227,274	—	13,231,005
Corporate yard	2,297,598	—	997	2,296,601
Building	418,467	545,351	601	963,217
Transit administration	21,374,394	4,064,839	7,035	25,432,198
Total public works	520,675,851	17,882,228	16,962,022	521,596,057
Parks and community services:				
Parks and community services	63,077,733	1,649,008	102,904	64,623,837
Scholl canyon	1,768,933	—	—	1,768,933
Scholl golf and tennis	881,561	—	—	881,561
Total parks and community services	65,728,227	1,649,008	102,904	67,274,331
Library	12,225,461	125,353	10,617	12,340,197
Housing, health and community development:				
Housing administration	302,782	—	436	302,346
Community development	693,974	8,086,682	3,187	8,777,469
Neighborhood services	274,611	4,489	6,851	272,249
Job training partnership act	466,303	7,427	—	473,730
Nutritional meals	78,013	—	1,053	76,960
Electric benefit	14,090	—	—	14,090
Agency	11,175,833	—	8,985	11,166,848
Total housing, health and community development	13,005,606	8,098,598	20,512	21,083,692
Total capital assets	\$ 763,384,906	38,813,959	17,744,913	784,453,952

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

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

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

CAFR

Statistical Section

*(Not Covered by Independent
Auditor's Report)*

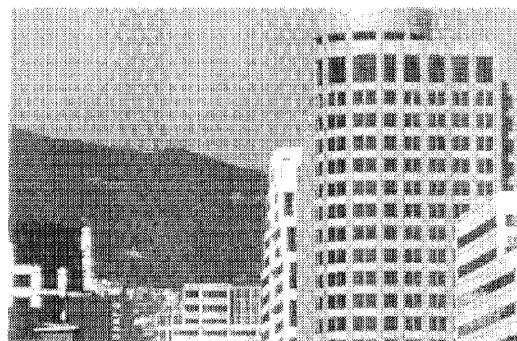


Table 1
CITY OF GLENDALE
 Government-wide Expenses by Function
 (in thousands)

Governmental activities:										
<u>Fiscal year</u>	<u>General government</u>	<u>Public safety</u>	<u>Public works</u>	<u>Housing health and community development</u>	<u>Employment programs</u>	<u>Public service</u>	<u>Parks, recreation and community services</u>	<u>Library</u>	<u>Interest</u>	<u>Total</u>
2000-2001	\$ 17,702	81,033	31,459	37,498	3,664	2,179	8,030	6,201	3,717	191,483
2001-2002	<u>17,312</u>	<u>73,554</u>	<u>33,003</u>	<u>29,566</u>	<u>5,479</u>	<u>3,357</u>	<u>9,516</u>	<u>6,968</u>	<u>4,753</u>	<u>183,508</u>
Business type activities:										
	<u>Recreation</u>	<u>Hazardous disposal</u>	<u>Fire paramedic</u>	<u>Parking</u>	<u>Sewer</u>	<u>Refuse disposal</u>	<u>Electric</u>	<u>Water</u>		<u>Total</u>
2000-2001	\$ 1,971	1,571	4,822	4,519	8,735	11,577	227,643	24,404		285,242
2001-2002	<u>1,946</u>	<u>1,430</u>	<u>3,719</u>	<u>5,502</u>	<u>6,480</u>	<u>11,976</u>	<u>168,389</u>	<u>23,816</u>		<u>223,258</u>

Note: The new schedule recommended as part of the implementation of GASB 34.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 2

CITY OF GLENDALE

Government-wide Revenues

Last Ten Fiscal Years

(In thousands)

Fiscal year	Program Revenues			General Revenues				Total
	Charges for services	Operating grants and contributions	Capital grants and contributions	Taxes	Grants and contributions not restricted to specific programs	Unrestricted investment earnings	Other	
2000-2001	\$ 346,023	30,755	18,704	90,068	—	31,456	21,780	538,786
2001-2002	<u>280,211</u>	<u>33,925</u>	<u>37,382</u>	<u>88,720</u>	<u>—</u>	<u>31,611</u>	<u>29,979</u>	<u>501,828</u>

Note: The new schedule recommended as part of the implementation of GASB 34.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 3

Table 1, cont.

CITY OF GLENDALE

General Governmental Expenditures and Transfers by Function
Last Ten Fiscal Years
(In thousands)

<u>Fiscal year</u>	<u>General government</u>	<u>Community promotion</u>	<u>Public safety</u>	<u>Public works</u>	<u>Parks, recreation and community services</u>	<u>Library</u>	<u>Housing, health and community development</u>	<u>Electric public benefit</u>	<u>Bond principal and interest</u>	<u>(2) Transfers to other funds</u>	<u>Total</u>
1992-1993	\$ 16,219	\$ 463	\$ 48,334	\$ 29,877	\$ 7,601	\$ 5,939	\$ 27,142	\$ -	\$ 6,859	\$ -	\$ 142,434
1993-1994	(1) 13,847	181	46,085	32,574	6,865	6,212	26,711	-	6,679	-	139,154
1994-1995	(1) 14,070	270	45,190	24,329	10,417	5,711	21,062	-	6,844	-	127,893
1995-1996	(1) 14,151	291	46,907	27,393	11,071	5,192	24,501	-	6,845	-	136,351
1996-1997	(1) 13,952	199	51,776	23,251	8,305	5,447	25,034	-	6,837	-	134,801
1997-1998	(1) 14,417	188	51,212	31,607	13,465	5,308	24,805	-	6,830	8,239	156,071
1998-1999	(1) 13,233	196	56,407	35,225	12,292	5,563	25,322	129	6,828	5,653	160,848
1999-2000	(1) 13,496	462	55,784	34,822	8,477	5,916	21,219	926	6,824	7,703	155,629
2000-2001	(1) 17,207	40	76,731	31,015	8,022	6,090	39,449	2,179	6,846	5,073	192,652
2001-2002	(1) <u>18,681</u>	<u>62</u>	<u>78,024</u>	<u>44,083</u>	<u>10,033</u>	<u>6,708</u>	<u>42,734</u>	<u>3,357</u>	<u>7,882</u>	<u>4,814</u>	<u>216,378</u>

Note: (1) Expenditures are allocated by function.

(2) Net of inter-governmental fund transfers.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 4

CITY OF GLENDALE

General Governmental Revenues and Transfers by Source

Last Ten Fiscal Years

(In thousands)

Table 2, cont.

Fiscal year	Property taxes	Other taxes	Licenses and permits	Fines and forfeitures	Use of money and property	Revenue from other agencies	Charges for services	Miscellaneous revenue	Interfund revenue	Bond proceed	(4) Transfers from other funds		Total
1992-1993	\$ 26,562	\$ 35,121	\$ 2,414	\$ 3,066	\$ 13,350	\$ 24,746	\$ 6,931	\$ 1,521	\$ 4,186	\$ —	\$ 12,490	\$	130,387
1993-1994	25,216	36,752	2,068	2,648	9,046	35,310	7,380	4,703	(1) 3,917	—	12,290		139,331
1994-1995	24,963	39,519	1,958	859	(2) 11,902	30,413	6,179	4,069	(3) 3,880	—	15,651		139,396
1995-1996	23,260	39,320	2,042	757	11,023	29,748	5,933	1,374	4,189	—	16,328		133,974
1996-1997	22,611	40,875	2,557	807	10,658	30,565	6,526	2,596	4,420	—	18,098		139,713
1997-1998	24,464	45,038	3,225	1,079	12,768	32,457	7,595	9,452	(5) 4,547	—	21,984		162,614
1998-1999	27,419	49,923	3,635	2,244	12,754	34,517	7,772	1,163	5,152	—	20,987		165,566
1999-2000	31,182	52,674	3,330	1,926	12,425	44,077	7,449	3,972	4,785	—	21,661		183,481
2000-2001	(6) 32,568	58,950	3,035	1,907	22,336	53,812	9,078	61,256	5,260	5,000	21,356		274,558
2001-2002	<u>32,515</u>	<u>57,389</u>	<u>3,045</u>	<u>1,571</u>	<u>19,792</u>	<u>65,308</u>	<u>10,956</u>	<u>8,671</u>	<u>5,917</u>	<u>—</u>	<u>19,772</u>		<u>224,936</u>

Note: (1) Includes net proceeds from the 1993 Tax Allocation Bonds

(2) Moved parking fine revenue to the Parking Fund.

(3) Includes one time revenue of Landfill Gas Royalty (\$1.1 million) and revenue resulted from elimination of Brand Landfill liability (\$1.3 million) to miscellaneous revenue

(4) Excludes inter-governmental transfers.

(5) Includes the Red Lion parking structure land note recorded in loans receivable.

(6) Includes revenue accruals per GASB 33 Statement

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 5

CITY OF GLENDALE

Excess (Deficiency) of Governmental Revenues over Governmental Expenditures

Last Ten Fiscal Years

(In thousands)

<u>Fiscal year</u>	<u>Total revenues and transfers</u>	<u>Total expenditures and transfers</u>	<u>Total</u>	<u>Excess of revenues over (under) expenditures</u>	
				<u>City</u>	<u>Agency</u>
1992-1993	\$ 130,387	\$ 142,434	\$ (12,047)	\$ (5,097)	\$ (6,950)
1993-1994	139,331	139,154	177	2,912	(2,735)
1994-1995	139,393	127,893	11,500	6,956	4,544
1995-1996	133,974	136,351	(2,377)	(241)	(2,136)
1996-1997	139,713	134,801	4,912	8,987	(4,075)
1997-1998	162,614	156,071	6,543	1,442	5,101
1998-1999	165,566	160,848	4,718	2,579	2,139
1999-2000	183,481	155,629	27,852	22,033	5,819
2000-2001	274,558 (1)	192,652	81,906	74,866	7,040
2001-2002	<u>224,936</u>	<u>216,378</u>	<u>8,558</u>	<u>2,092</u>	<u>6,466</u>

Note: (1) Includes \$64.2 million Police COP debt issuance

Source: City of Glendale, Finance Division

Not covered by independent auditors' report

Table 6
CITY OF GLENDALE
 Local Tax Revenue by Source
 Last Ten Fiscal Years
 (In thousands)

<u>Fiscal year</u>	<u>Property taxes</u>	<u>Utility users' tax</u>	<u>Sales tax</u>	<u>Franchise tax</u>	<u>Occupancy tax</u>	<u>Scholl assessment tax</u>	<u>Public benefit tax</u>	<u>Property tax penalty</u>	<u>Real property transfer tax</u>	<u>Total</u>
1992-1993	\$ 26,562	\$ 13,882	\$ 18,200	\$ 821	\$ 680	\$ 1,243	\$ —	\$ —	\$ 295	\$ 61,683
1993-1994	25,216	14,058	18,946	1,048	1,219	1,165	—	—	316	61,968
1994-1995	24,963	14,788	20,904	1,010	1,281	1,259	—	—	277	64,482
1995-1996	23,260	14,447	20,856	1,041	1,357	1,236	—	—	384	62,581
1996-1997	22,610	15,334	21,063	1,165	1,518	1,355	—	—	440	63,485
1997-1998	24,464	15,931	22,730	1,376	1,634	1,541	1,398	—	428	69,502
1998-1999	27,419	16,487	24,965	1,512	1,711	1,472	3,219	—	696	77,481
1999-2000	31,182	16,731	27,282	1,533	1,838	1,361	3,294	118	517	83,856
2000-2001	32,568	19,224	29,328	2,233	2,240	1,783	3,319	95	728	91,518
2001-2002	<u>32,515</u>	<u>18,700</u>	<u>28,732</u>	<u>1,885</u>	<u>2,329</u>	<u>1,814</u>	<u>3,168</u>	<u>53</u>	<u>709</u>	<u>89,905</u>

Note: Excludes Fiduciary and Propriety Fund Types.

Source: City of Glendale, Finance Division.

Table 7

CITY OF GLENDALE

Property Tax, Levies and Collections

Last Ten Fiscal Years

(In thousands)

<u>Fiscal year</u>	<u>Tax Levy</u>			<u>Tax Collection (2)</u>		
	<u>City (1)</u>	<u>Agency</u>	<u>Total</u>	<u>City</u>	<u>Agency</u>	<u>Total</u>
1992-1993	\$ 16,033	\$ 13,064	\$ 29,097	\$ 14,832	\$ 11,730	\$ 26,562
1993-1994	12,608	13,316	25,924	12,243	12,973 (3)	25,216
1994-1995	12,528	13,598	26,126	12,134	12,829 (3)	24,963
1995-1996	12,228	13,533	25,761	11,549	11,711	23,260
1996-1997	12,377	12,429	24,806	11,721	10,889	22,610
1997-1998	13,106	13,149	26,255	12,659	11,805	24,464
1998-1999	12,748	15,517	28,265	12,266	15,153	27,419
1999-2000	13,210	17,005	30,215	12,857	18,424	31,281
2000-2001	13,982	18,972	32,954	15,235	18,156	33,391
2001-2002	<u>15,106</u>	<u>20,012</u>	<u>35,118</u>	<u>14,510</u>	<u>18,005</u>	<u>32,515</u>

Notes:

- (1) Due to the passage of the Jarvis Initiative (Proposition 13), the City of Glendale levies no tax but receives a portion of the County's 1% rate apportioned on a complex formula, according to state law.
- (2) Includes state subventions.
- (3) The 1992 State of California Budget Act requires all redevelopment agencies to shift property tax revenue to the county Educational Revenue Augmentation Fund (ERAF). As a result, the Agency's property tax increment was reduced by \$1,515,303 in 1992-1993; \$544,638.00 in 1993-1994; \$544,638.00 in 1994-1995.

Not covered by independent auditors' report

Table 8

CITY OF GLENDALE

Market Values of Taxable Property

Last Ten Fiscal Years

(In thousands)

Fiscal year	City		Redevelopment Agency		Total	Percent of Increase
	Secured property	Unsecured property	Secured Property	Unsecured Property		
1992-1993	\$ 9,181,679	\$ 387,914	\$ 1,132,015	\$ 91,658	\$ 10,793,266	6%
1993-1994	9,285,106	375,490	1,181,316	99,033	10,940,945	1%
1994-1995	9,617,088	376,718	1,300,496	89,546	11,383,848	4%
1995-1996	9,377,271	377,890	1,180,345	103,491	11,038,997	(3%)
1996-1997	9,324,112	361,277	1,189,849	95,446	10,970,684	(1%)
1997-1998	9,350,364	363,767	1,169,324	82,212	10,965,667	0%
1998-1999	9,558,325	405,371	1,319,401	137,529	11,420,626	4%
1999-2000	10,095,444	415,480	1,480,680	168,129	12,159,733	6%
2000-2001	10,676,284	388,356	1,625,165	179,844	12,869,649	6%
2001-2002	<u>11,432,777</u>	<u>414,779</u>	<u>1,735,541</u>	<u>202,791</u>	<u>13,785,888</u>	<u>7%</u>

Source: County of Los Angeles, Auditor-Controller.

Not covered by independent auditors' report

Table 9

CITY OF GLENDALE

Property Tax Rates - All Overlapping Governments
Last Ten Fiscal Years

<u>Fiscal year</u>	<u>County</u>		<u>School districts</u>		<u>Miscellaneous special districts</u>		<u>Total</u>	
1992-1993	1.00	%	—	%	0.02	%	1.02	%
1993-1994	1.00		—		0.02		1.02	
1994-1995	1.00		—		0.02		1.02	
1995-1996	1.00		—		0.02		1.02	
1996-1997	1.00		—		0.02		1.02	
1997-1998	1.00		0.04		0.02		1.06	
1998-1999	1.00		0.06		0.02		1.08	
1999-2000	1.00		0.06		0.02		1.08	
2000-2001	1.00		0.06		0.02		1.08	
2001-2002	<u>1.00</u>		<u>0.06</u>		<u>0.02</u>		<u>1.08</u>	

Note:

Due to the passage of the Jarvis Initiative (Proposition 13), the City of Glendale levies no tax but receives a portion of the County's 1% rate apportioned on a complex formula, according to state law. The Jarvis Initiative (Proposition 13) allows jurisdictions to impose tax rates over the \$1 base rate sufficient to amortize voter-approved bonded debt.

Source: Taxpayer's Guide.

Not covered by independent auditors' report

Table 10

CITY OF GLENDALE

Ratio of Debt to Assessed Value and Debt per Capita

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Population(1)*</u>	<u>Total assessed value*</u>	<u>Long term debt(1)*</u>	<u>Percent of debt to assessed value</u>	<u>Long term debt per capita</u>
1992-1993	186	\$ 10,793,266	\$ 75,940	0.70%	\$ 408
1993-1994	190	10,940,945	83,975	0.77%	442
1994-1995	191	11,383,849	81,820	0.72%	428
1995-1996	193	11,038,997	79,535	0.72%	412
1996-1997	196	10,970,684	77,120	0.70%	393
1997-1998	198	10,965,667	74,565	0.68%	377
1998-1999	199	11,420,626	71,855	0.63%	361
1999-2000	199	12,159,733	68,980	0.57%	347
2000-2001	199	12,869,649	130,130	1.01%	654
2001-2002	<u>200</u>	<u>13,785,888</u>	<u>126,915</u>	<u>0.92%</u>	<u>635</u>

Notes: (1) * Amounts expressed in thousands.

Source: County of Los Angeles, Auditor-Controller.

Not covered by independent auditors' report

Table 11

CITY OF GLENDALE

Schedule of Direct and Overlapping Debt

June 30, 2002

(In thousands)

	<u>Gross debt</u>	<u>Percent applicable to Glendale</u>	<u>Amount applicable to Glendale</u>
City of Glendale Financing Authority	\$ 64,200	100.000%	\$ 64,200
Glendale Redevelopment Agency	62,715	100.000%	62,715
Glendale Unified SD 1997 Series D	40,000	88.172%	35,269
Glendale Unified SD 1997 Series C	28,000	88.172%	24,688
Glendale Unified SD 1997 Series B	20,845	88.172%	18,379
Glendale Unified SD 1997 Series A	19,675	88.172%	17,348
Metropolitan Water Distric Area 1103	503,075	1.693%	8,517
Foothill Municipal Water District Improvement 1113	503,075	0.015%	75
Foothill Municipal Water District Improvement	503,075	0.015%	75
LA CO Detention Facilities 1987	36,505	2.135%	779
LA CO Flood Control Storm Drain Bonds #4	13,720	2.167%	297
LA CO Flood Control Ref Bonds 1993	16,975	2.167%	368
La Canada Unified School District 1995	12,295	1.221%	150
La Canada Unified School District 1997	3,485	1.221%	43
Total direct and overlapping debt	\$ <u>1,827,640</u>		\$ <u>232,903</u>

Note: Excludes fiduciary and proprietary fund types

Sources: County of Los Angeles, Auditor-Controller.

City of Glendale, Finance Division.

HdL Coren & Cone

Not covered by independent auditors' report

Table 12

CITY OF GLENDALE

Ratio of General Bonded Debt Expenditures to Total General Expenditures

Last Ten Fiscal Years

(In thousands)

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>(1) Total debt service</u>	<u>General expenditures and transfers</u>	<u>Ratio of debt service to general expenditures</u>
1992-1993	\$ 1,610	\$ 5,249	\$ 6,859	\$ 142,434	4.82%
1993-1994	2,175	4,504	6,679	139,154	4.80%
1994-1995	2,155	4,689	6,844	127,893	5.35%
1995-1996	2,285	4,560	6,845	136,351	5.02%
1996-1997	2,415	4,422	6,837	134,801	5.07%
1997-1998	2,555	4,275	6,830	156,071	4.38%
1998-1999	2,710	4,118	6,828	160,848	4.25%
1999-2000	2,875	3,949	6,824	155,629	4.38%
2000-2001	3,050	3,780	6,830	192,652	3.55%
2001-2002	<u>3,215</u>	<u>4,648</u>	<u>7,863</u>	<u>216,378</u>	<u>3.63%</u>

Note: (1) Excludes fiduciary and proprietary fund types.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 13

CITY OF GLENDALE

Schedule of Revenue Bond Coverage - All Enterprise Funds

Last Ten Fiscal Years

(In thousands)

Entity and fiscal year	Operating revenue	Operating expenses (1)	Net operating revenue (deficiency) available for	Debt service requirement			Coverage (2)
			debt service	Principal	Interest	Total	
Recreation:							
1992-1993	\$ 864	\$ 786	\$ 78	—	—	—	—
1993-1994	928	862	66	—	—	—	—
1994-1995	1,003	923	80	—	—	—	—
1995-1996	1,050	979	71	—	—	—	—
1996-1997	1,123	1,114	9	—	—	—	—
1997-1998	1,011	1,341	(330)	—	—	—	—
1998-1999	1,423	1,588	(165)	—	—	—	—
1999-2000	1,405	1,881	(476)	—	—	—	—
2000-2001	1,640	1,958	(318)	—	—	—	—
2001-2002	<u>1,629</u>	<u>1,828</u>	<u>(199)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Parking:							
1992-1993	\$ 1,257	\$ 323	\$ 934	—	—	—	—
1993-1994	1,263	588	675	—	—	—	—
1994-1995	3,493	1,379	2,114	—	—	—	—
1995-1996	4,112	1,616	2,496	—	—	—	—
1996-1997	3,995	1,606	2,389	—	—	—	—
1997-1998	4,526	1,719	2,807	—	—	—	—
1998-1999	4,326	1,767	2,559	—	—	—	—
1999-2000	5,499	2,882	2,617	—	—	—	—
2000-2001	6,024	3,359	2,665	—	—	—	—
2001-2002	<u>5,465</u>	<u>3,682</u>	<u>1,783</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Hazardous disposal:							
1992-1993	\$ 1,090	\$ 1,101	\$ (11)	—	—	—	—
1993-1994	1,039	1,157	(118)	—	—	—	—
1994-1995	1,079	1,074	5	—	—	—	—
1995-1996	1,051	1,086	(35)	—	—	—	—
1996-1997	1,084	1,181	(97)	—	—	—	—
1997-1998	1,279	1,266	13	—	—	—	—
1998-1999	1,306	1,196	110	—	—	—	—
1999-2000	1,257	1,300	(43)	—	—	—	—
2000-2001	1,217	1,469	(252)	—	—	—	—
2001-2002	<u>1,304</u>	<u>1,312</u>	<u>(8)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Table 11, Continued

Table 13-2

CITY OF GLENDALE

Schedule of Revenue Bond Coverage - All Enterprise Funds

Last Ten Fiscal Years, continued

(In thousands)

Entity and fiscal year	Operating revenue	Operating expenses (1)	Net operating revenue (deficiency) available for	Debt service requirement			Coverage (2)
			debt service	Principal	Interest	Total	
Sewer:							
1992-1993	\$ 17,151	\$ 3,904	\$ 13,247	—	—	—	—
1993-1994	16,916	5,091	11,825	—	—	—	—
1994-1995	16,570	5,424	11,146	—	—	—	—
1995-1996	16,790	5,038	11,752	—	—	—	—
1996-1997	17,259	5,113	12,146	—	—	—	—
1997-1998	16,267	4,546	11,721	—	—	—	—
1998-1999	17,792	5,158	12,634	—	—	—	—
1999-2000	18,183	6,136	12,047	—	—	—	—
2000-2001	16,046	7,429	8,617	—	—	—	—
2001-2002	<u>18,252</u>	<u>5,021</u>	<u>13,231</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Refuse disposal:							
1992-1993	\$ 10,357	\$ 8,797	\$ 1,560	—	—	—	—
1993-1994	9,988	8,566	1,422	—	—	—	—
1994-1995	10,035	8,377	1,658	—	—	—	—
1995-1996	9,851	8,851	1,000	—	—	—	—
1996-1997	9,812	9,062	750	—	—	—	—
1997-1998	9,799	8,629	1,170	—	—	—	—
1998-1999	9,816	11,899	(2,083)	—	—	—	—
1999-2000	10,430	10,590	(160)	—	—	—	—
2000-2001	10,236	10,540	(304)	—	—	—	—
2001-2002	<u>11,432</u>	<u>10,667</u>	<u>765</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fire paramedic: (3)							
1999-2000	\$ 1,524	\$ 2,022	\$ (498)	—	—	—	—
2000-2001	5,660	4,783	877	—	—	—	—
2001-2002	<u>4,201</u>	<u>3,647</u>	<u>554</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Table 11, Continued

Table 13-3

CITY OF GLENDALE

Schedule of Revenue Bond Coverage - All Enterprise Funds

Last Ten Fiscal Years, continued

(In thousands)

Entity and fiscal year	Operating revenue	Operating expenses (1)	Net operating revenue (deficiency) available for	Debt service requirement			Coverage (2)
			debt service	Principal	Interest	Total	
Electric:							
1992-1993	\$ 93,041	\$ 70,996	\$ 22,045	\$ 1,465	\$ 1,571	\$ 3,036	\$ 7.26
1993-1994	95,682	74,847	20,835	2,685	1,285	3,970	5.25
1994-1995	96,192	73,871	22,321	2,920	1,044	3,964	5.63
1995-1996	98,020	75,613	22,407	3,180	823	4,003	5.60
1996-1997	122,098	87,398	34,700	3,430	560	3,990	8.70
1997-1998	125,399	101,068	24,331	3,710	279	3,989	6.10
1998-1999	135,166	110,198	24,968	1,800	85	1,885	13.25
1999-2000	128,998	102,301	26,697	—	1,267	1,267	21.07
2000-2001	274,551	233,814	40,737	—	2,171	2,171	18.76
2001-2002	<u>188,297</u>	<u>155,935</u>	<u>32,362</u>	<u>—</u>	<u>2,163</u>	<u>2,163</u>	<u>14.96</u>
Water:							
1992-1993	\$ 19,263	\$ 15,523	\$ 3,740	—	—	—	—
1993-1994	21,172	17,595	3,577	—	—	—	—
1994-1995	22,859	18,196	4,663	—	—	—	—
1995-1996	26,163	20,653	5,510	—	—	—	—
1996-1997	27,399	20,613	6,786	—	—	—	—
1997-1998	25,222	19,629	5,593	—	—	—	—
1998-1999	25,863	20,943	4,920	—	—	—	—
1999-2000	28,119	20,477	7,642	—	—	—	—
2000-2001	27,758	22,069	5,689	—	—	—	—
2001-2002	<u>28,468</u>	<u>21,254</u>	<u>7,214</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

(1) Exclusive of depreciation and nonoperating revenues and expense.

(2) Net operating revenue divided by total debt service.

(3) This fund did not exist as enterprise activity prior to fiscal year 1999-2000.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 14

CITY OF GLENDALE

Building Permits Value and Bank Deposits

Last Ten Fiscal Years

(In thousands)

<u>Fiscal year</u>	<u>Commercial</u>		<u>Residential</u>		<u>Total (1)</u>		<u>(2) Bank Deposits</u>
	<u>Number of permits</u>	<u>Value</u>	<u>Number of permits</u>	<u>Value</u>	<u>Number of permits</u>	<u>Value</u>	
1992-1993	826	\$ 67,534	1,757	\$ 50,378	2,583	\$ 117,912	\$ 7,620,576
1993-1994	884	39,268	1,852	36,725	2,736	75,993	3,788,170 (3)
1992-1993	927	51,730	1,873	30,018	2,800	81,748	4,592,952
1995-1996	970	76,119	1,622	27,192	2,592	103,311	3,457,000
1996-1997	774	100,265	1,518	27,192	2,292	127,457	3,339,000
1997-1998	1,130	121,662	1,305	53,532	2,435	175,194	4,048,154
1998-1999	1,194	125,830	1,185	28,589	2,379	154,419	3,467,728
1999-2000	1,090	70,671	1,211	23,667	2,301	94,338	2,833,795
2000-2001	951	63,048	1,748	57,886	2,699	120,934	2,997,680
2001-2002	<u>1,271</u>	<u>54,350</u>	<u>1,025</u>	<u>64,713</u>	<u>2,296</u>	<u>114,453</u>	<u>NA</u>

Source:

(1) City of Glendale, Public Works Division.

(2) Federal Deposit Insurance Corporation

(3) Sears Savings Bank moved, approximately 47% of deposits.

N/A = information not available at this time.

Not covered by independent auditors' report

Table 15
CITY OF GLENDALE
Insurance in Force
June 30, 2002

<u>Type of insurance</u>	<u>Policy number</u>	<u>Insurance carrier</u>	<u>Term of policy</u>	<u>Expiration date</u>	<u>Annual premium</u>	<u>Limits and deductible</u>
All Risk - Property	PEPPR0203	Westchester Insurance	1 Year	5/15/2003	\$ 372,024	\$472,295,861 / varies
Boiler and Machinery	BM1077609612	CNA Insurance Co.	1 Year	5/15/2003	87,054	375,000 / varies
General Liability	42023571	Ins. Co. of PA.	1 Year	5/26/2003	260,000	\$20,000,000 / 2,000,000
Physical Damage-helicopter	ACL670485	ACE USA	1 Year	6/30/2003	95,244	\$30,000,000 / varies
Surety Bond - blanket	3F6481113	Lumberman's Mutual	1 Year	3/1/2003	5,355	\$1,000,000 / 10,000
Surety Bond City Clerk	5714304	Safeco	1 Year	4/12/2003	850	\$500,000 / None
Surety Bond Treasurer	60001658	Safeco	2 Year	4/10/2003	2,195	\$1,000,000 / None
Art objects	MX198303466	Fireman's Fund	1 Year	9/25/2002	1,758	7,500
Medical	15A37A	Blue Cross - PPO	1 Year	8/1/2003	798,750	NA / NA
Medical	59P18A	Blue Cross - CA Care	1 Year	8/1/2003	2,271,600	NA / NA
Medical	3205080	CIGNA Health Plan	1 Year	8/1/2003	651,800	NA / NA
Medical	000-118461-0000	Kaiser Health Plan	1 Year	8/1/2003	1,388,900	NA / NA
Dental	1639-0000	Delta Dental - PPO	1 Year	8/1/2003	253,708	NA / NA
Dental	2928	Delta Dental - HMO	1 Year	8/1/2003	380,562	NA / NA
Life, accidental death and dismemberment, LTD	OGL 674115	Hartford Life Insurance	1 Year	8/1/2003	395,065	Equal to annual salary up to 100,000
Disability - GCEA	GLT 674116	Hartford Life Insurance	1 Year	8/1/2003	193,468	66.3% of salary to 100,000
Vision care	00-237068	Vision Service Plan	1 Year	8/1/2003	45,135	NA / NA
Excess workers compensation	3484-SO-CA	Midwest Employers	1 Year	7/1/2003	315,820	\$25,000,000 / 1,000,000

Source: City of Glendale, Finance Division

Not covered by independent auditor's report

Table 16

CITY OF GLENDALE

Demographic Statistics

Last Ten Fiscal Years

(In thousands)

<u>Fiscal year</u>	<u>Population (1)</u>	<u>School enrollment (2)</u>	<u>Unemployment rate (3)</u>
1992-1993	186	43	9.5%
1993-1994	190	43	9.1%
1994-1995	191	43	7.8%
1995-1996	193	43	7.6%
1996-1997	196	44	7.4%
1997-1998	198	43	7.6%
1998-1999	199	45	6.1%
1999-2000	199	45	5.3%
2000-2001	199	46	4.6%
2001-2002	<u>200</u>	<u>47</u>	<u>6.1%</u>

Source:

- (1) California State Department of Finance.
- (2) Glendale Unified School District and Glendale Community College District school attendance report.
- (3) Employment Development Department's Research Section.

Not covered by independent auditors' report

Table 17

CITY OF GLENDALE

Miscellaneous Statistical Data

June 30, 2001

Date of incorporation: February 16, 1906

Date of charter adoption: March 29, 1921

Form of government: Council/manager; five council members, elected at large

Area: 30.59 square miles

Employees (authorized, full time):

Government	1,168
Enterprise	539
Miscellaneous	<u>43</u>
Total	<u>1,750</u>

Fire protection:

Number of stations	9
Number of employees	<u>193</u>

Police protection

Number of sworn officers	231
Number of vehicular patrol units	153
Number of helicopters	2
Number of motorcycles	<u>24</u>

Parking:

Number of meters	2,626
Number of garages	4
Number of lots	<u>33</u>

Streets:

Miles of improved streets	350
Miles of unimproved streets	5
Miles of freeways	<u>9</u>

Recreation:

Number of open space acres	4,800
Number of parks and other facilities	32
Number of swimming pools	—
Golf course	1
Developed parkland (acres)	<u>262</u>

Sewer:

Number of miles	<u>345</u>
-----------------	------------

Water:

Number of water meters	33,341
Thousands of hundred cubic feet sold	<u>14,693</u>

Electric:

Number of electric meters	82,804
Millions of kilowatt hours sold	<u>1,073</u>

Library:

Number of libraries	6
Number of books checked out	<u>1,005,816</u>

Population:

1980 census	139,060
1990 census	156,072
2000 census	<u>200,157</u>

Retail sales:

1992 calendar year	1,833,132,100
1993 calendar year	1,820,209,000
1994 calendar year	1,979,706,300
1995 calendar year	2,003,371,800
1996 calendar year	2,038,108,700
1997 calendar year	2,134,985,000
1998 calendar year	2,331,011,700
1999 calendar year	2,540,705,300
2000 calendar year	2,744,827,700
2001 calendar year	<u>2,779,843,200</u>

Per capita income:

2000 Census	\$ <u>22,227</u>
-------------	------------------

Source: City of Glendale, Finance Division

Not covered by independent auditors' report