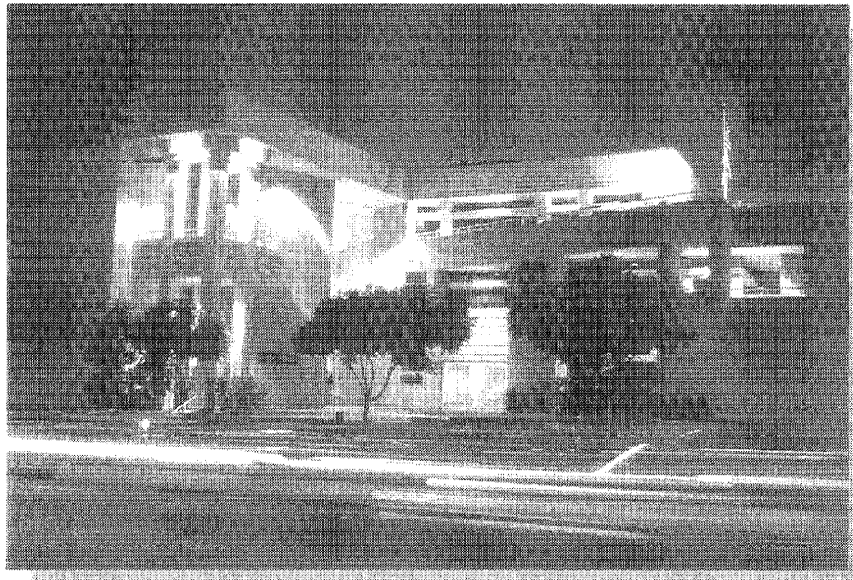
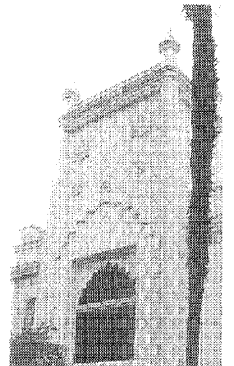


Comprehensive **A**nnual **F**inancial **R**eport



Year Ended
June 30, 2002



City of Glendale, California

CITY OF GLENDALE

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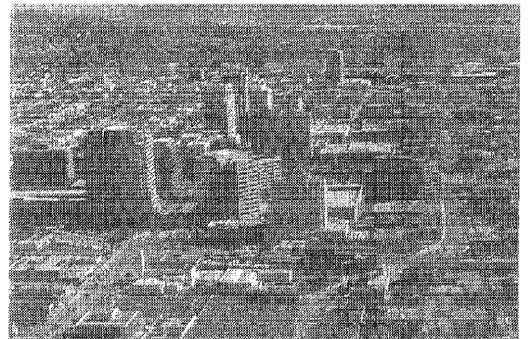
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C A F R

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, | |
|-----------------------------------|-----------------------------|----------------|
| | <u>2002</u> | <u>2001</u> |
| 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

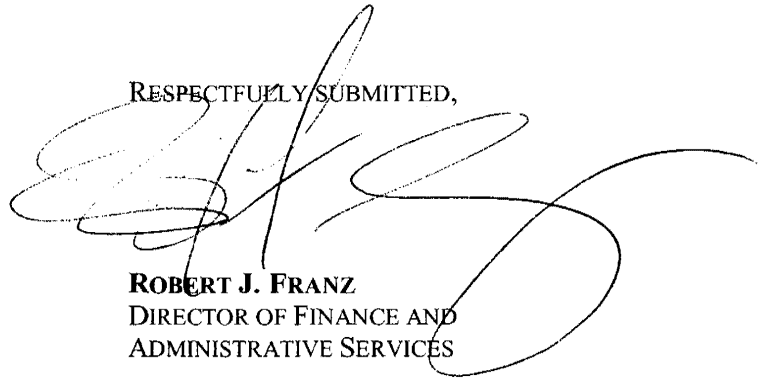
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the last seven fiscal years ended June 30, 1995 through June 30, 2001. The Certificate of Achievement is a prestigious 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 typed name and title.

ROBERT J. FRANZ
DIRECTOR OF FINANCE AND
ADMINISTRATIVE SERVICES

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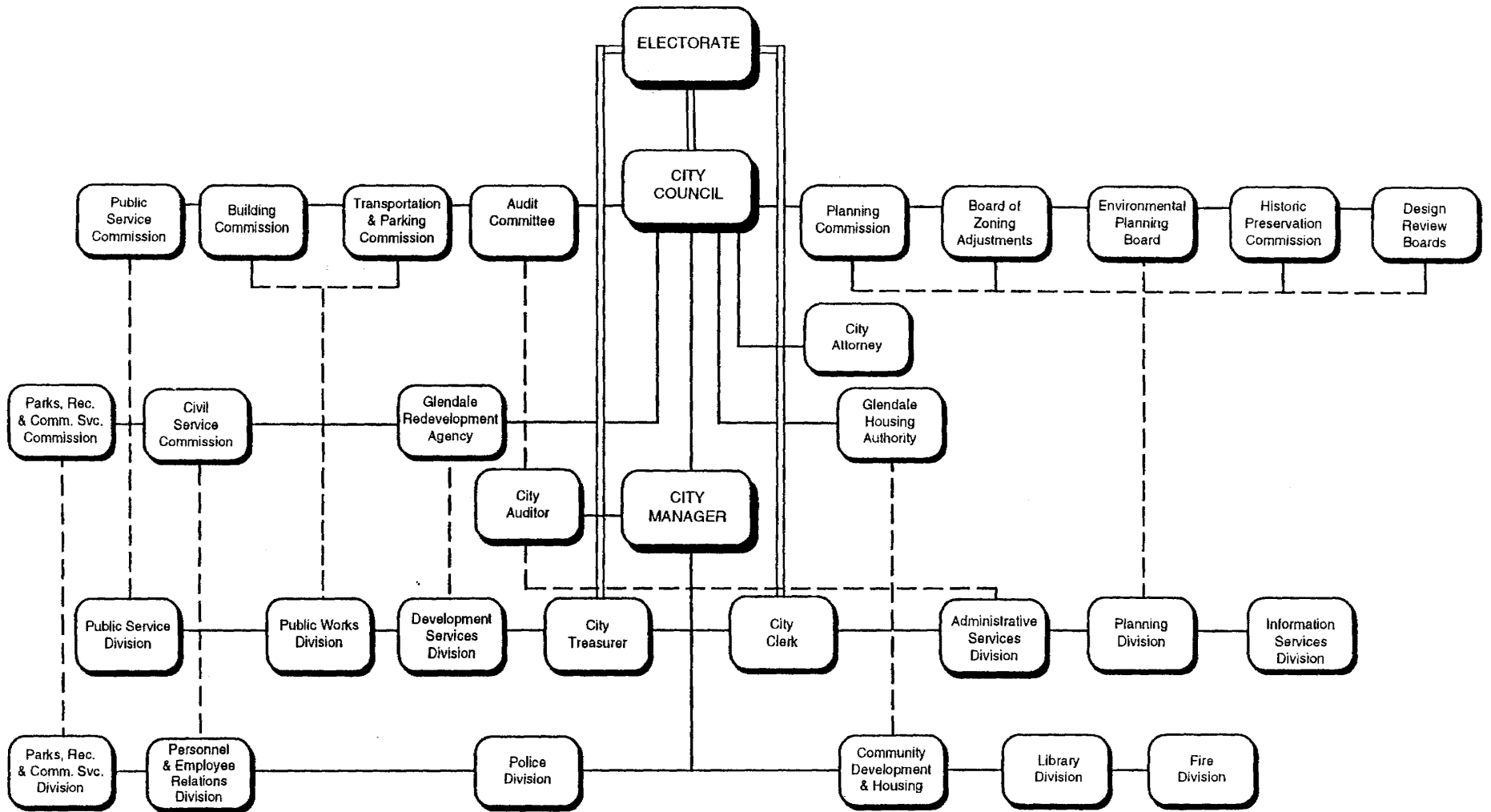
CITY OF GLENDALE
Officials of the City of Glendale
June 30, 2002

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 |



_____ Administrative Control
 ===== Electoral Control
 - - - - - Advisory Control

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 Patrick Korte
President

Jeffrey L. Essler
Executive Director

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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.

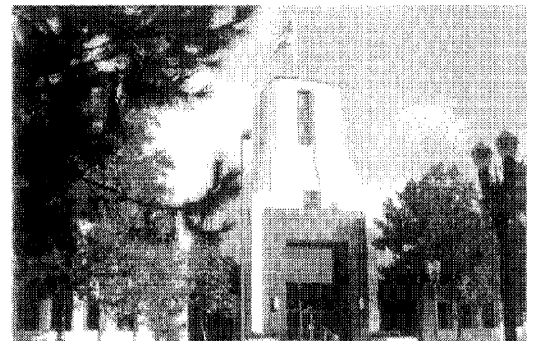
McGladrey & Pullen, LLP

Pasadena, California
November 15, 2002

CAF R

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

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2002

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

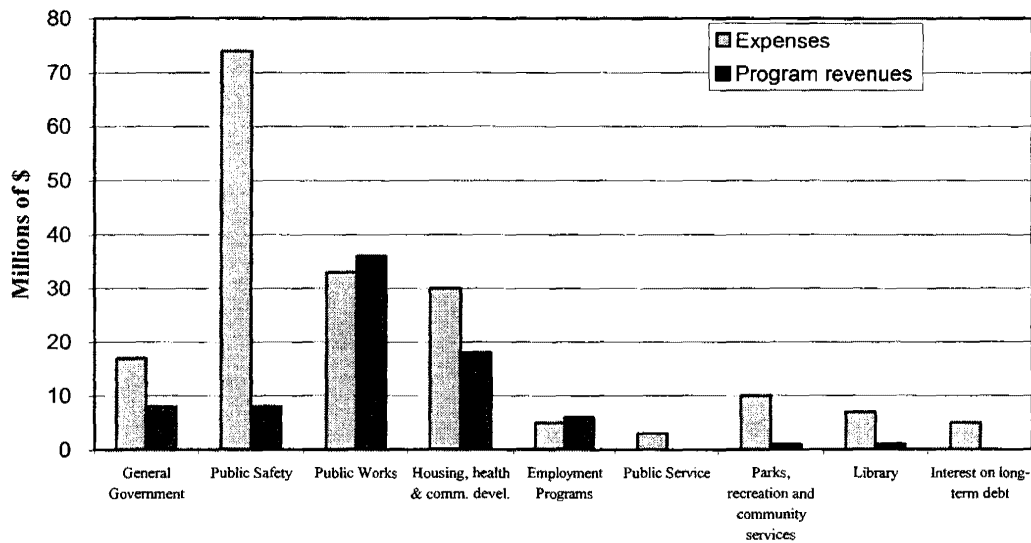
June 30, 2002

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

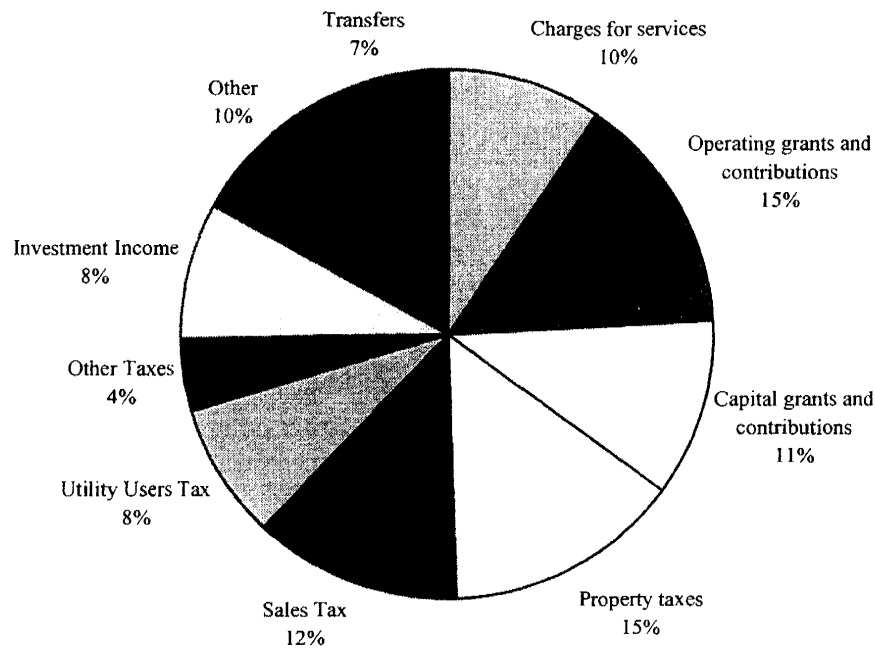


City of Glendale
Management's Discussion and Analysis, continued
June 30, 2002

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.

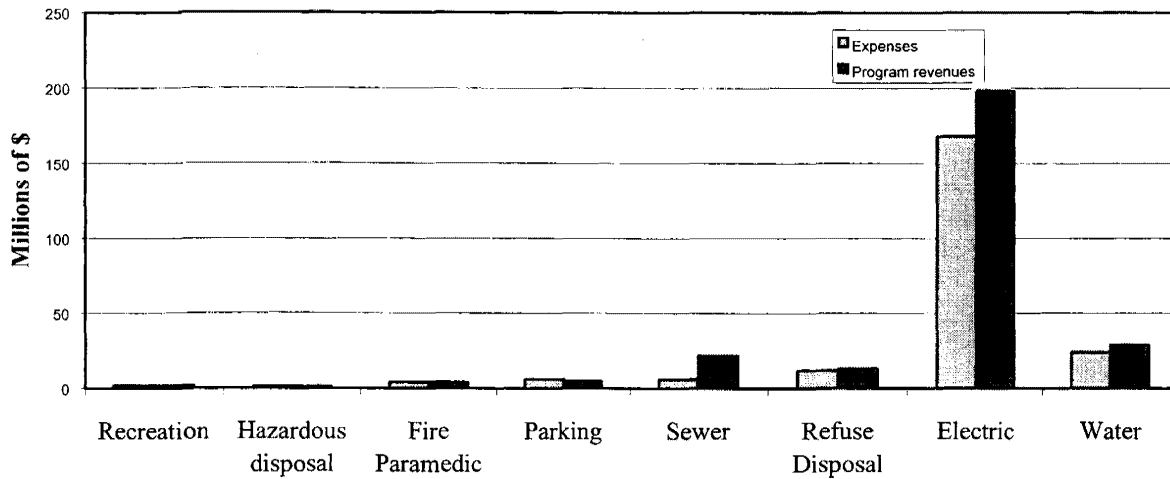
- Miscellaneous revenue sources increased by \$3,849,801 (126.8 percent) during the year.
- Expenses in Electric and Water were reduced by \$59,254,790 (26.0 percent) during the year.

Financial Analysis of the Government's Funds

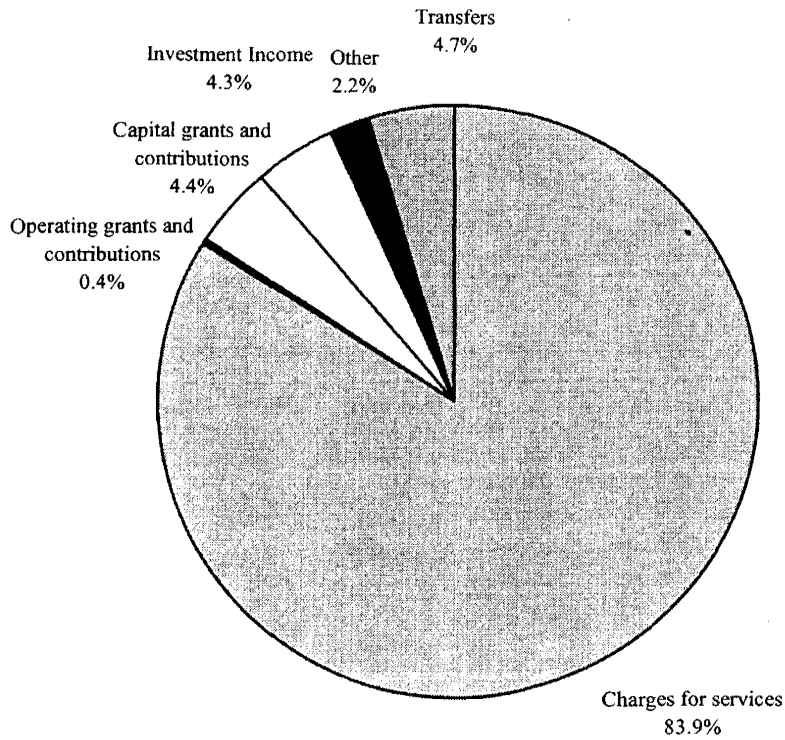
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

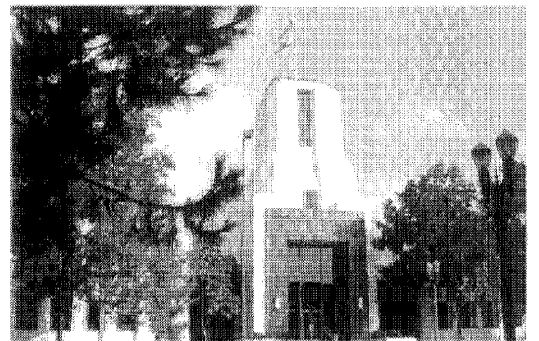
Requests for Information

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.

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Financial Section

Basic Financial Statements



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

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

| Assets | Governmental Activities Total | Business- Type Activities | Total |
|--|-------------------------------------|---------------------------------|----------------------|
| 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 |
| | <u>92,460,348</u> | <u>—</u> | <u>92,460,348</u> |
| 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 | <u>44,572,846</u> | <u>54,776,966</u> | <u>99,349,812</u> |
| 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 | <u>231,436,285</u> | <u>37,154,655</u> | <u>268,590,940</u> |
| Total liabilities | <u>276,009,131</u> | <u>91,931,621</u> | <u>367,940,752</u> |
| 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 | <u>70,119,629</u> | <u>146,757,261</u> | <u>216,876,890</u> |
| Total net assets | <u>\$ 730,983,277</u> | <u>591,258,235</u> | <u>1,322,241,512</u> |

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

| | Expenses | 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 |
| 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

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CITY OF GLENDALE
FUND FINANCIAL STATEMENTS
June 30, 2002

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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 \$ 730,983,277

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 | | | | | Total Governmental Funds |
|---|-----------------------|---|---|----------------------------|-----------------------------------|--------------------------------|
| | General Fund | Glendale Redevelopment Agency Fund | Debt Serv (Police Facility) Fund | Capital Project Fund | Nonmajor 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 | <u>37,775,000</u> | <u>37,775,000</u> | <u>38,634,079</u> | <u>859,079</u> |
| 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 | <u>3,245,000</u> | <u>3,245,000</u> | <u>3,045,465</u> | <u>(199,535)</u> |
| Fines and forfeitures-Traffic safety fines | <u>1,672,800</u> | <u>1,672,800</u> | <u>1,287,453</u> | <u>(385,347)</u> |
| 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 | <u>\$ 6,367,000</u> | <u>6,367,000</u> | <u>8,591,760</u> | <u>2,224,760</u> |

CITY OF GLENDALE

Schedule of Revenues - Budget and Actual
General Fund

| | 2002 | | | Variance Favorable (Unfavorable) |
|-----------------------------------|------------------|------------|------------|--|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| 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 Favorable (Unfavorable) |
|---|-------------------------|-------------------|-------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| 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 | <u>200,000</u> | <u>200,000</u> | <u>175,288</u> | <u>(24,712)</u> |
| Total | <u>263,000</u> | <u>263,000</u> | <u>223,830</u> | <u>(39,170)</u> |
| 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 | <u>245,000</u> | <u>245,000</u> | <u>336,666</u> | <u>91,666</u> |
| Total | <u>4,966,000</u> | <u>4,966,000</u> | <u>5,825,350</u> | <u>859,350</u> |
| Salary overhead – budgeted jobs | <u>250,000</u> | <u>250,000</u> | <u>47,681</u> | <u>(202,319)</u> |
| Total | <u>5,216,000</u> | <u>5,216,000</u> | <u>5,873,031</u> | <u>657,031</u> |
| Total revenues | <u>\$ 82,564,800</u> | <u>84,085,500</u> | <u>87,971,123</u> | <u>3,885,623</u> |

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 Favorable (Unfavorable) |
|--|-------------------------|--------------------|--------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| 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 | <u>16,093,568</u> | <u>17,509,117</u> | <u>15,130,417</u> | <u>2,378,700</u> |
| 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 | <u>1,081,976</u> | <u>1,218,625</u> | <u>1,064,728</u> | <u>153,897</u> |
| 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 | <u>8,046,928</u> | <u>8,698,733</u> | <u>7,744,507</u> | <u>954,226</u> |
| Library | 6,284,964 | 6,712,160 | 6,391,158 | 321,002 |
| Total expenditures | <u>\$ 100,475,148</u> | <u>107,625,168</u> | <u>100,356,928</u> | <u>7,268,240</u> |

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

| | <u>Capital Outlay</u> | | | | <u>Total</u> | | | |
|--|-------------------------|------------------|---------------------|----------------------|-------------------------|--------------------|---------------------|----------------------|
| | 2002 | | | Variance | 2002 | | | Variance |
| | <u>Budgeted Amounts</u> | | | <u>Favorable</u> | <u>Budgeted Amounts</u> | | | <u>Favorable</u> |
| | <u>Original</u> | <u>Final</u> | <u>Expenditures</u> | <u>(Unfavorable)</u> | <u>Original</u> | <u>Final</u> | <u>Expenditures</u> | <u>(Unfavorable)</u> |
| 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 | <u>129,625</u> | <u>710,317</u> | <u>484,730</u> | <u>225,587</u> | <u>16,093,568</u> | <u>17,509,117</u> | <u>15,130,417</u> | <u>2,378,700</u> |
| 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 | <u>4,000</u> | <u>35,675</u> | <u>29,016</u> | <u>6,659</u> | <u>939,416</u> | <u>1,075,474</u> | <u>1,016,130</u> | <u>59,344</u> |
| Total | <u>4,000</u> | <u>35,675</u> | <u>29,016</u> | <u>6,659</u> | <u>1,081,976</u> | <u>1,218,625</u> | <u>1,064,728</u> | <u>153,897</u> |
| 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 | <u>218,100</u> | <u>291,428</u> | <u>164,737</u> | <u>126,691</u> | <u>8,046,928</u> | <u>8,698,733</u> | <u>7,744,507</u> | <u>954,226</u> |
| 681 Library | <u>78,050</u> | <u>250,777</u> | <u>125,377</u> | <u>125,400</u> | <u>6,284,964</u> | <u>6,712,160</u> | <u>6,391,158</u> | <u>321,002</u> |
| Total expenditures | <u>\$ 1,172,615</u> | <u>2,232,645</u> | <u>1,493,586</u> | <u>739,059</u> | <u>100,475,148</u> | <u>107,625,168</u> | <u>100,356,928</u> | <u>7,268,240</u> |

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

Business-type Activities-Enterprise Funds

| Assets | Business-type Activities-Enterprise Funds | | | | | | Governmental |
|---|---|--------------------|-------------------|----------------------------------|---------------------------------|--------------------|---|
| | Sewer Fund | Electric Fund | Water Fund | All Major Enterprise Funds | Nonmajor Enterprise Funds | Total | Activities Internal Service Funds |
| 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 | Nonmajor | | |
| | | | | Enterprise Funds | 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 | 9,273,427 | 9,273,427 |
| Total net assets, June 30 | \$ 168,009,438 | 302,049,797 | 69,900,824 | 539,960,059 | 52,086,322 | 9,600,050 | 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 | 12,299,324 | 41,116,089 | 4,203,037 | 57,618,450 |
| 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:

CITY OF GLENDALE

Notes to the Financial Statements, continued

- 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.

CITY OF GLENDALE

Notes to the Financial Statements, continued

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:

| <u>Assets</u> | <u>Years</u> |
|---------------------------|--------------|
| 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 | <u>35,896</u> |
| | <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 | <u>56,120</u> |
| | <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- gorized | Fair Value |
|--|------------|-------------|---|--------------------|-------------|
| | 1 | 2 | 3 | | |
| <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 | <u>290,665</u> |
| Total governmental activities depreciation expense | <u><u>10,531,464</u></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 | <u>1,192,600</u> |
| 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 Refunding parking lease revenue | 6.30% | \$ 6,200,000 | 440,000 |
| bonds, Series 1976 | 6.10% | 13,725,000 | 1,025,000 |
| 1993 Tax allocation bonds | 5.00%-6.00% | <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:

| | General Obligation Bonds | | Revenue Bonds | | | | Total | | Total Debt Service |
|---------|--------------------------|------------|---------------|------------|---------------|------------|-------------|-------------|--------------------|
| | Governmental | | Governmental | | Business-type | | | | |
| | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | |
| 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:

| | Principal | Interest | Total |
|--------------------------|-----------|-----------|-----------|
| Governmental Activities | \$ - | 201,023 | 201,023 |
| Business-Type Activities | - | 904,706 | 904,706 |
| | \$ - | 1,105,729 | 1,105,729 |

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:

| Description of bonds | Interest Rates | Original issue | Outstanding at June 30, 2002 |
|---|----------------|----------------|------------------------------|
| 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 Organizations

Joint 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 | 315,722 |
| 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.

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Financial Section

Supplemental Information

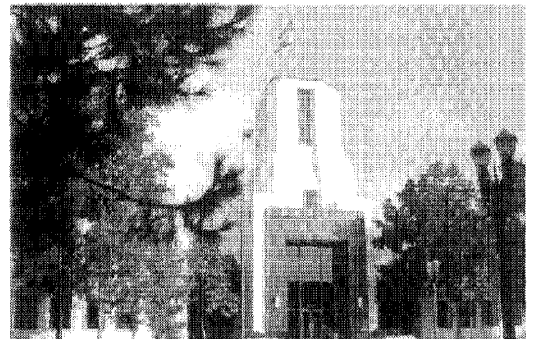


Exhibit F-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2002

| 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 | 53,135,583 | 10,044,085 | 52,330,153 | 115,509,821 |
| 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 | 10,735,926 | 201,023 | 14,959,249 | 25,896,198 |
| 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 | 36,849,150 | — | 34,532,655 | 71,381,805 |
| Total fund balances | 42,399,657 | 9,843,062 | 37,370,904 | 89,613,623 |
| Total liabilities and fund balances | \$ 53,135,583 | 10,044,085 | 52,330,153 | 115,509,821 |

CITY OF GLENDALE

Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For Fiscal Year Ended June 30, 2002

| | <u>Special Revenue Funds</u> | <u>Debt Service Funds</u> | <u>Capital Project Funds</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|--------------------------------------|-----------------------------------|--------------------------------------|--|
| 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 |
| | <u>45,009,381</u> | <u>7,908,367</u> | <u>10,337,729</u> | <u>63,255,477</u> |
| Total revenues | | | | |
| 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 | — | — | — | — |
| | <u>42,859,426</u> | <u>6,825,285</u> | <u>24,935,935</u> | <u>74,620,646</u> |
| Total expenditures | | | | |
| 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) |
| | <u>78,391</u> | <u>—</u> | <u>—</u> | <u>78,391</u> |
| Total financing sources (use) | | | | |
| 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

| Assets | Community Development Fund | Housing Assistance Fund | Home Grant Fund | Supportive Housing Grant Fund | Emergency Shelter Grant Fund | Workforce Investment Act Fund |
|--|----------------------------------|-------------------------------|-----------------------|--|---------------------------------------|--|
| 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 | 3,241,244 | 2,376,668 | 429,646 | 1,763,540 | 41,976 | 1,493,285 |
| 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 | 3,241,244 | 847,438 | 429,646 | 1,763,540 | 41,976 | 1,429,403 |
| Fund balances: | | | | | | |
| Reserved: | | | | | | |
| Encumbrances | — | 28,521 | — | — | — | — |
| Real property held for resale | — | — | — | — | — | — |
| Unreserved | — | 1,500,709 | — | — | — | 63,882 |
| Total fund balances | — | 1,529,230 | — | — | — | 63,882 |
| Total liabilities and fund balances | \$ 3,241,244 | 2,376,668 | 429,646 | 1,763,540 | 41,976 | 1,493,285 |

Exhibit G-1, continued

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

| Assets | State Training Program Fund | H-1B Technology Skills Training Fund | Code Enforcement Fund | Low & Moderate Housing Fund | Local Transit Assistance Fund |
|--|--------------------------------------|---|-----------------------------|--------------------------------------|-------------------------------------|
| 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 | 195,958 | 35,907 | 97,209 | 13,453,460 | 10,199,723 |
| 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 | 194,128 | 35,907 | 97,209 | 107,212 | 1,134,800 |
| Fund balances: | | | | | |
| Reserved: | | | | | |
| Encumbrances | — | — | — | 147,949 | 608,164 |
| Real property held for resale | — | — | — | 915,589 | — |
| Unreserved | 1,830 | — | — | 12,282,710 | 8,456,759 |
| Total fund balances | 1,830 | — | — | 13,346,248 | 9,064,923 |
| Total liabilities and fund balances | \$ 195,958 | 35,907 | 97,209 | 13,453,460 | 10,199,723 |

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 | — | — | — | — | — |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total assets | <u>448,605</u> | <u>1,512,829</u> | <u>795,569</u> | <u>255,258</u> | <u>87,010</u> |
| 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 | — | — | — | — | — |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities | <u>6,135</u> | <u>20,050</u> | <u>352,441</u> | <u>49,429</u> | <u>87,010</u> |
| Fund balances: | | | | | |
| Reserved: | | | | | |
| Encumbrances | — | 116,130 | 144,832 | — | — |
| Real property held for resale | — | — | — | — | — |
| Unreserved | <u>442,470</u> | <u>1,376,649</u> | <u>298,296</u> | <u>205,829</u> | <u>—</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total fund balances | <u>442,470</u> | <u>1,492,779</u> | <u>443,128</u> | <u>205,829</u> | <u>—</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities and fund balances | <u>\$ 448,605</u> | <u>1,512,829</u> | <u>795,569</u> | <u>255,258</u> | <u>87,010</u> |

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 | 2,300,080 | 145,378 | 11,399,099 | 46,800 | 2,816,339 | 53,135,583 |
| 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 | 30,672 | 13,877 | 678,483 | 37,909 | 137,417 | 10,735,926 |
| Fund balances: | | | | | | |
| Reserved: | | | | | | |
| Encumbrances | 55,479 | — | 3,533,843 | — | — | 4,634,918 |
| Real property held for resale | — | — | — | — | — | 915,589 |
| Unreserved | 2,213,929 | 131,501 | 7,186,773 | 8,891 | 2,678,922 | 36,849,150 |
| Total fund balances | 2,269,408 | 131,501 | 10,720,616 | 8,891 | 2,678,922 | 42,399,657 |
| Total liabilities and fund balances | \$ 2,300,080 | 145,378 | 11,399,099 | 46,800 | 2,816,339 | 53,135,583 |

Exhibit G-2
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

| | <u>Air Quality Improvement Fund</u> | <u>Narcotic Forfeiture Fund</u> | <u>Special Grant Fund</u> | <u>Supplemental Law Enforcement Fund</u> | <u>Nutritional Meals Grant Fund</u> |
|---|---|---|-----------------------------------|--|---|
| 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 | <u>334,082</u> | <u>361,353</u> | <u>1,165,112</u> | <u>421,005</u> | <u>381,627</u> |
| 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 | <u>277,296</u> | <u>292,593</u> | <u>1,353,637</u> | <u>465,343</u> | <u>519,668</u> |
| 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) | <u>---</u> | <u>---</u> | <u>---</u> | <u>---</u> | <u>136,911</u> |
| 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 | <u>\$ 442,470</u> | <u>1,492,779</u> | <u>443,128</u> | <u>205,829</u> | <u>---</u> |

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 Favorable (Unfavorable) |
|--|---------------------|------------------|------------------|--|
| | Original | Final | Actual | |
| Community Development Fund: | | | | |
| Revenue from other agencies | \$ 4,155,768 | 4,155,768 | 5,305,986 | 1,150,218 |
| Miscellaneous revenue | 40,516 | 40,516 | 316,331 | 275,815 |
| Total | 4,196,284 | 4,196,284 | 5,622,317 | 1,426,033 |
| Housing Assistance Fund: | | | | |
| Use of money and property | 100,000 | 100,000 | 56,256 | (43,744) |
| Revenue from other agencies | 7,248,821 | 8,297,592 | 9,033,200 | 735,608 |
| Miscellaneous revenue | 51,000 | 51,000 | 45,893 | (5,107) |
| Total | 7,399,821 | 8,448,592 | 9,135,349 | 686,757 |
| Home Grant Fund: | | | | |
| Revenue from other agencies | 1,933,000 | 1,933,000 | 508,085 | (1,424,915) |
| Miscellaneous revenue | 20,000 | 20,000 | 4,827 | (15,173) |
| Total | 1,953,000 | 1,953,000 | 512,912 | (1,440,088) |
| Supportive Housing Grant Fund: | | | | |
| Revenue from other agencies | 1,420,483 | 1,420,483 | 983,084 | (437,399) |
| Miscellaneous revenue | — | — | — | — |
| Total | 1,420,483 | 1,420,483 | 983,084 | (437,399) |
| Emergency Shelter Grant Fund: | | | | |
| Revenue from other agencies | 141,000 | 141,000 | 124,377 | (16,623) |
| Workforce Investment Act Fund: | | | | |
| Revenue from other agencies | 4,037,836 | 4,037,836 | 3,798,240 | (239,596) |
| Miscellaneous revenue | — | — | 43,882 | 43,882 |
| Total | 4,037,836 | 4,037,836 | 3,842,122 | (195,714) |
| State Training Program Fund: | | | | |
| Revenue from other agencies | 1,740,619 | 1,740,619 | 803,409 | (937,210) |
| H - 1B Technology Skills Training Fund: | | | | |
| Revenue from other agencies | 2,333,000 | 2,333,000 | 877,526 | (1,455,474) |
| Miscellaneous revenue | 1,000,000 | 1,000,000 | — | (1,000,000) |
| Total | 3,333,000 | 3,333,000 | 877,526 | (2,455,474) |
| Code Enforcement Fund: | | | | |
| Revenue from other agencies | 232,257 | 232,257 | 113,268 | (118,989) |
| Transfer from other funds | 129,786 | 129,786 | 57,809 | (71,977) |
| Total | 362,043 | 362,043 | 171,077 | (190,966) |
| Low & Moderate Housing Fund: | | | | |
| Property Taxes | 3,897,120 | 3,897,120 | 3,941,434 | 44,314 |
| Use of Money and Property | 403,000 | 403,000 | 566,819 | 163,819 |
| Miscellaneous revenue | 150,000 | 150,000 | 1,062,531 | 912,531 |
| Total | 4,450,120 | 4,450,120 | 5,570,784 | 1,120,664 |
| Local Transit Assistance Fund: | | | | |
| Use of money and property | 413,000 | 413,000 | 506,796 | 93,796 |
| Revenue from other agencies | 4,567,772 | 4,979,372 | 5,163,063 | 183,691 |
| Charges for services | 1,073,000 | 1,073,000 | 1,326,084 | 253,084 |
| Miscellaneous revenue | — | — | 25,101 | 25,101 |
| Total | \$ 6,053,772 | 6,465,372 | 7,021,044 | 555,672 |

CITY OF GLENDALE

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

Special Revenue Funds

Year ended June 30, 2002

| | 2002 | | Actual | Variance Favorable (Unfavorable) |
|---|------------------|------------------|------------------|--|
| | Original | Final | | |
| 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 Favorable (Unfavorable) |
|---------------------------|----------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| 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 | <u>2,048,000</u> | <u>2,048,000</u> | <u>2,100,183</u> | <u>52,183</u> |
| Total revenues | <u>\$ 44,199,847</u> | <u>46,713,373</u> | <u>45,204,101</u> | <u>(1,509,272)</u> |

CITY OF GLENDALE

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

Special Revenue Funds

Year ended June 30, 2002

| | 2002 | | | Variance Favorable (Unfavorable) |
|--|--------------|------------|-----------|--|
| | Original | Final | Actual | |
| 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 | | Actual | Variance Favorable (Unfavorable) |
|---|---------------|------------|------------|--|
| | Original | Final | | |
| 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.

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

| Assets | | Debt Service Parking Lease Revenue Fund | Debt Service 1993 Tax Allocation Fund | Total Debt Service |
|--|----|--|--|-----------------------------------|
| | | <u> </u> | <u> </u> | <u> </u> |
| 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 | | <u>3,881,809</u> | <u>6,162,276</u> | <u>10,044,085</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Matured bond principal and interest | | <u>201,023</u> | — | <u>201,023</u> |
| Fund balances: | | | | |
| Reserved: | | | | |
| Principal and Interest | | 3,294,786 | 6,162,276 | 9,457,062 |
| Insurance | | <u>386,000</u> | — | <u>386,000</u> |
| Total fund balances | | <u>3,680,786</u> | <u>6,162,276</u> | <u>9,843,062</u> |
| Total liabilities and fund balances | \$ | <u>3,881,809</u> | <u>6,162,276</u> | <u>10,044,085</u> |

Exhibit H-2

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 |
|--------------------------------------|----|---|--|-----------------------------------|
| | | <u> </u> | <u> </u> | <u> </u> |
| Revenues: | | | | |
| Property taxes | \$ | — | 5,640,244 | 5,640,244 |
| Use of money and property | | 1,793,786 | 474,337 | 2,268,123 |
| | | <u> </u> | <u> </u> | <u> </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> </u> | <u> </u> | <u> </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

| | <u>Original</u> | <u>2002 Final</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|-------------------------|-----------------------|----------------------|---|
| 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 | <u>1,779,575</u> | <u>1,779,575</u> | <u>1,793,786</u> | <u>14,211</u> |
| 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 | <u>5,286,790</u> | <u>5,286,790</u> | <u>6,114,581</u> | <u>827,791</u> |
| Total revenues | <u>\$ 7,066,365</u> | <u>7,066,365</u> | <u>7,908,367</u> | <u>842,002</u> |

Exhibit H-4

CITY OF GLENDALE

Schedule of Expenditures - Budget and Actual

Nonmajor Governmental Funds - Debt Service

Year ended June 30, 2002

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

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.

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Exhibit I-1
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 | 11,588,148 | 15,886,328 | 24,855,677 | 52,330,153 |
| 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 | 582,244 | 13,200,000 | 1,177,005 | 14,959,249 |
| Fund balances: | | | | |
| Reserved: | | | | |
| Encumbrances | 1,344,886 | — | 1,493,363 | 2,838,249 |
| Unreserved | 9,661,018 | 2,686,328 | 22,185,309 | 34,532,655 |
| Total fund balances | 11,005,904 | 2,686,328 | 23,678,672 | 37,370,904 |
| Total liabilities and fund balances | \$ 11,588,148 | 15,886,328 | 24,855,677 | 52,330,153 |

Exhibit I-2

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

| | <u>State Gas Tax Fund</u> | <u>Scholl Canyon Life Extension Fund</u> | <u>Police Facility Construction Fund</u> | <u>Total</u> |
|--|-------------------------------|--|--|-------------------|
| 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 | <u>6,720,327</u> | <u>—</u> | <u>—</u> | <u>6,720,327</u> |
| Total revenues | <u>7,294,053</u> | <u>1,896,797</u> | <u>1,146,879</u> | <u>10,337,729</u> |
| Capital Expenditures: | | | | |
| Public safety | — | — | 17,846,004 | 17,846,004 |
| Public works | <u>7,089,931</u> | <u>—</u> | <u>—</u> | <u>7,089,931</u> |
| Total capital expenditures | <u>7,089,931</u> | <u>—</u> | <u>17,846,004</u> | <u>24,935,935</u> |
| Excess of revenues over (under) expenditures | 204,122 | 1,896,797 | (16,699,125) | (14,598,206) |
| Fund balance, July 1 | <u>10,801,782</u> | <u>789,531</u> | <u>40,377,797</u> | <u>51,969,110</u> |
| Fund Balance, June 30 | <u>\$ 11,005,904</u> | <u>2,686,328</u> | <u>23,678,672</u> | <u>37,370,904</u> |

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.

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Exhibit J-1
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 |

Exhibit J-2

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 |

Exhibit J-3
CITY OF GLENDALE
 Combining Statement of Cash Flows
 Proprietary Fund Type - Nonmajor Enterprise Funds
 Year ended June 30, 2002

| | <u>Recreation Fund</u> | <u>Hazardous Disposal Fund</u> | <u>Fire Paramedic Fund</u> | <u>Parking Fund</u> | <u>Refuse Disposal Fund</u> | <u>Total</u> |
|--|----------------------------|------------------------------------|--------------------------------|---------------------|---------------------------------|------------------|
| 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 | <u>(207,979)</u> | <u>40,063</u> | <u>12,449</u> | <u>1,912,714</u> | <u>576,074</u> | <u>2,333,321</u> |
| 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 | <u>498,173</u> | <u>132,760</u> | <u>—</u> | <u>(788,606)</u> | <u>1,543,076</u> | <u>1,385,403</u> |
| 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 | <u>460,862</u> | <u>905,754</u> | <u>—</u> | <u>4,346,121</u> | <u>248,790</u> | <u>5,961,527</u> |
| 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) |
| | <u>(207,979)</u> | <u>40,063</u> | <u>12,449</u> | <u>1,912,714</u> | <u>576,074</u> | <u>2,333,321</u> |

Exhibit J-4

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 | \$ — | — | 216,816 | 216,816 |
| Hazardous Disposal Fund | — | 535,118 | 393,316 | 928,434 |
| Fire Paramedic Fund | — | — | 600,341 | 600,341 |
| Parking Fund | 5,651,021 | 40,832,535 | 1,688,721 | 48,172,277 |
| Total capital assets | \$ <u>6,478,101</u> | <u>45,483,829</u> | <u>14,503,322</u> | <u>66,465,252</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 | \$ 216,816 | - | - | 216,816 |
| Hazardous Disposal Fund | 990,928 | 19,960 | 82,454 | 928,434 |
| Fire Paramedic Fund | 587,892 | 12,449 | - | 600,341 |
| Parking Fund | 46,264,970 | 1,912,384 | 5,077 | 48,172,277 |
| Refuse Disposal Fund | 14,396,743 | 2,554,252 | 403,611 | 16,547,384 |
| Total capital assets | \$ <u>62,457,349</u> | <u>4,499,045</u> | <u>491,142</u> | <u>66,465,252</u> |

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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.

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

| Assets | Equipment Reserve Fund | Unemployment Insurance Fund | Uninsurable Litigation Fund | Liability Insurance Fund | Auto Insurance Fund | Compensation Insurance Fund |
|---|---------------------------|-----------------------------------|-----------------------------------|--------------------------------|---------------------------|-----------------------------------|
| 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 | 6,724,316 | 849,682 | 7,209,263 | 3,346,482 | 2,936,711 | 12,678,185 |
| Capital assets: | | | | | | |
| Machinery and equipment | — | — | — | — | — | 420,301 |
| Less allowance for accumulated depreciation | — | — | — | — | — | (236,544) |
| Net capital assets | — | — | — | — | — | 183,757 |
| Total assets | 6,724,316 | 849,682 | 7,209,263 | 3,346,482 | 2,936,711 | 12,861,942 |
| 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 | 70,411 | — | 3,992,270 | 6,071,098 | 284,319 | 14,075,597 |
| Net assets | | | | | | |
| Invested in capital assets | — | — | — | — | — | 183,757 |
| Unrestricted net assets (deficit) | 6,653,905 | 849,682 | 3,216,993 | (2,724,616) | 2,652,392 | (1,397,412) |
| Total net assets | \$ 6,653,905 | 849,682 | 3,216,993 | (2,724,616) | 2,652,392 | (1,213,655) |

Exhibit K, continued

Exhibit K-1-2
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

| | <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> |
|---|-----------------------------------|--|--|---|------------------------------------|--|
| 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 | <u>1,224,239</u> | <u>61,149</u> | <u>1,321,428</u> | <u>2,963,656</u> | <u>212,424</u> | <u>7,015,680</u> |
| Operating income (loss) | <u>636,906</u> | <u>53,438</u> | <u>640,106</u> | <u>(2,258,300)</u> | <u>5,004</u> | <u>(647,525)</u> |
| Non operating revenues: | | | | | | |
| Interest revenue | 342,042 | 42,210 | 838,884 | 181,466 | 144,918 | 656,065 |
| Other revenue | <u>104,175</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Total non operating revenues | <u>446,217</u> | <u>42,210</u> | <u>838,884</u> | <u>181,466</u> | <u>144,918</u> | <u>656,065</u> |
| Net income (loss) before transfers | 1,083,123 | 95,648 | 1,478,990 | (2,076,834) | 149,922 | 8,540 |
| Transfers out - Refuse | <u>(315,722)</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Change in net assets | 767,401 | 95,648 | 1,478,990 | (2,076,834) | 149,922 | 8,540 |
| Total net assets, July 1 | <u>5,886,504</u> | <u>754,034</u> | <u>1,738,003</u> | <u>(647,782)</u> | <u>2,502,470</u> | <u>(1,222,195)</u> |
| Total net assets (deficit), June 30 | \$ <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-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 | <u>634,270</u> | <u>4,930,948</u> | <u>1,147,983</u> | <u>85,733</u> | <u>19,597,510</u> |
| Operating income (loss) | <u>(16,149)</u> | <u>(230,939)</u> | <u>(240,564)</u> | <u>3,173</u> | <u>(2,054,850)</u> |
| Non operating revenues: | | | | | |
| Interest revenue | 11,559 | 86,548 | 288,097 | 1,231 | 2,593,020 |
| Other revenue | — | — | — | — | 104,175 |
| Total non operating revenues | <u>11,559</u> | <u>86,548</u> | <u>288,097</u> | <u>1,231</u> | <u>2,697,195</u> |
| Net income (loss) before transfers | <u>(4,590)</u> | <u>(144,391)</u> | <u>47,533</u> | <u>4,404</u> | <u>642,345</u> |
| Transfers out - Refuse | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>(315,722)</u> |
| Change in net assets | <u>(4,590)</u> | <u>(144,391)</u> | <u>47,533</u> | <u>4,404</u> | <u>326,623</u> |
| Total net assets, July 1 | <u>149,724</u> | <u>801,922</u> | <u>(710,203)</u> | <u>20,950</u> | <u>9,273,427</u> |
| Total net assets(deficit), June 30 | <u>\$ 145,134</u> | <u>657,531</u> | <u>(662,670)</u> | <u>25,354</u> | <u>9,600,050</u> |

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>\$ 601,137</u> | <u>53,438</u> | <u>442,886</u> | <u>(640,692)</u> | <u>41,684</u> | <u>(906,157)</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 | 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 | <u>66,130,800</u> | <u>3,421,721</u> | <u>16,340</u> | <u>69,536,181</u> |
| 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 | <u>85,618,961</u> | <u>7,637,051</u> | <u>632,518</u> | <u>92,623,494</u> |
| 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 | <u>520,675,851</u> | <u>17,882,228</u> | <u>16,962,022</u> | <u>521,596,057</u> |
| 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 | <u>65,728,227</u> | <u>1,649,008</u> | <u>102,904</u> | <u>67,274,331</u> |
| Library | <u>12,225,461</u> | <u>125,353</u> | <u>10,617</u> | <u>12,340,197</u> |
| 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 | <u>13,005,606</u> | <u>8,098,598</u> | <u>20,512</u> | <u>21,083,692</u> |
| Total capital assets | <u>\$ 763,384,906</u> | <u>38,813,959</u> | <u>17,744,913</u> | <u>784,453,952</u> |

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.

ICAFR

Statistical Section

(Not Covered by Independent Auditor's Report)

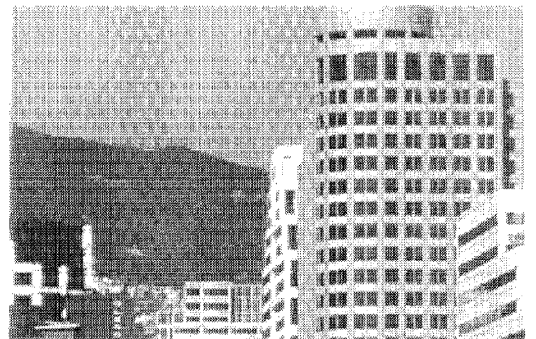


Table 1
CITY OF GLENDALE
 Government-wide Expenses by Function
 (in thousands)

| 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>Transfers to other funds</u> (2) | <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

Table 2, cont.

CITY OF GLENDALE

General Governmental Revenues and Transfers by Source

Last Ten Fiscal Years

(In thousands)

| 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) | Total |
|---------------|----------------|---------------|----------------------|-----------------------|---------------------------|-----------------------------|----------------------|-----------------------|-------------------|--------------|----------------------------|----------------|
| | | | | | | | | | | | Transfers from other funds | |
| 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)

| <u>Fiscal year</u> | <u>City</u> | | <u>Redevelopment Agency</u> | | <u>Total</u> | <u>Percent of Increase</u> |
|--------------------|-------------------------|---------------------------|-----------------------------|---------------------------|-------------------|----------------------------|
| | <u>Secured property</u> | <u>Unsecured property</u> | <u>Secured Property</u> | <u>Unsecured Property</u> | | |
| 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><u>1,827,640</u></u> | | \$ <u><u>232,903</u></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 | Debt service requirement | | | Coverage (2) |
|---------------------------|----------------------|---------------------------|---|--------------------------|----------|-------|--------------|
| | | | | 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 | 1,629 | 1,828 | (199) | — | — | — | — |
| 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 | 5,465 | 3,682 | 1,783 | — | — | — | — |
| 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 | 1,304 | 1,312 | (8) | — | — | — | — |

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 | Debt service requirement | | | Coverage (2) |
|---------------------------|----------------------|---------------------------|---|--------------------------|----------|----------|--------------|
| | | | | 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 | Debt service requirement | | | Coverage (2) |
|---------------------------|----------------------|---------------------------|---|--------------------------|--------------|--------------|--------------|
| | | | | 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): | | Sewer: | |
| Government | 1,168 | Number of miles | <u>345</u> |
| Enterprise | 539 | | |
| Miscellaneous | <u>43</u> | Water: | |
| Total | <u>1,750</u> | Number of water meters | 33,341 |
| | | Thousands of hundred cubic feet sold | <u>14,693</u> |
| Fire protection: | | Electric: | |
| Number of stations | 9 | Number of electric meters | 82,804 |
| Number of employees | <u>193</u> | Millions of kilowatt hours sold | <u>1,073</u> |
| Police protection | | Library: | |
| Number of sworn officers | 231 | Number of libraries | 6 |
| Number of vehicular patrol units | 153 | Number of books checked out | <u>1,005,816</u> |
| Number of helicopters | 2 | Population: | |
| Number of motorcycles | <u>24</u> | 1980 census | 139,060 |
| Parking: | | 1990 census | 156,072 |
| Number of meters | 2,626 | 2000 census | <u>200,157</u> |
| Number of garages | 4 | Retail sales: | |
| Number of lots | <u>33</u> | 1992 calendar year | 1,833,132,100 |
| Streets: | | 1993 calendar year | 1,820,209,000 |
| Miles of improved streets | 350 | 1994 calendar year | 1,979,706,300 |
| Miles of unimproved streets | 5 | 1995 calendar year | 2,003,371,800 |
| Miles of freeways | <u>9</u> | 1996 calendar year | 2,038,108,700 |
| Recreation: | | 1997 calendar year | 2,134,985,000 |
| Number of open space acres | 4,800 | 1998 calendar year | 2,331,011,700 |
| Number of parks and other facilities | 32 | 1999 calendar year | 2,540,705,300 |
| Number of swimming pools | — | 2000 calendar year | 2,744,827,700 |
| Golf course | 1 | 2001 calendar year | <u>2,779,843,200</u> |
| Developed parkland (acres) | <u>262</u> | Per capita income: | |
| | | 2000 Census | \$ <u>22,227</u> |

Source: City of Glendale, Finance Division

Not covered by independent auditors' report