

CAFR

Comprehensive Annual Financial Report



The City of Glendale

Year Ended
June 30, 2004

CITY OF GLENDALE

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2004

ADMINISTRATIVE SERVICES DIVISION
FINANCE SECTION

Robert J. Franz, Director of Administrative Services

Ron Ahlers, Assistant Finance Director

Tita Parker, Principal Accountant

CITY OF GLENDALE

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CITY OF GLENDALE, CALIFORNIA
Administrative Services Division
FINANCE

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March 31, 2005

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, 2004. 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 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 Management's Discussion and Analysis, 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 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 205,341 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 Long Range Financial Plan. This Plan has served to guide the City in allocation of economic resources. This year, the General Fund shows a decrease of \$9.0 million to fund balance. This decrease is most attributable to one-time transfers to the Capital Projects Fund totaling \$11.4 million. 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 of the early 2000's in the United States and California, in particular, continues to impact our expenses. The stock market decline indirectly affected the City, since the City participates in CalPERS for our retirement program. The rates that CalPERS charge have risen dramatically primarily due to the stock market losses by PERS. Fortunately, with the passage of California Proposition 1A on November 2, 2004, local governments no longer have to be concerned with the State taking their property tax or sales tax revenues. The legislation provides protections against the State taking local government revenue to balance the State budget. Unfortunately, Redevelopment agencies do not yet have the same revenue protections from State take-away.

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 a transfer from other accounts either by a resolution of City Council or an administrative transfer. Additional information on budgets and budgetary control is available on page 41-42, in Note IIA, including departments exceeding their authorized budgets.

Please refer to pages 21-29 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 2002, 2003, and 2004:

	Fiscal years ended June 30,		
	2004	2003	2002
Average portfolio balance	\$ 539,711,451	\$ 508,436,941	\$ 446,656,668
Total portfolio's interest income	\$ 15,819,828	\$ 19,166,686	\$ 22,593,925
Average return on invested cash	2.92%	3.77 %	5.06 %

The average return on invested cash has significantly decreased because of decreased interest earnings from our investments reflecting 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 has purchased excess insurance for general liability and workers' compensation (see page 129 for the list of policies). As of June 30, 2004, future losses in excess of claims payable of \$37.5 million were estimated, with cash available of \$7.8 million less than that amount. This means that as a whole the City's Internal Service Funds do not have funds available to fully meet losses in excess of claims payable as of June 30, 2004. Since these losses are normally paid out over a period of years the City will have time to make adjustments to ensure adequate funding. 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 \$194.9 million, a decrease of \$11.7 million from last year's \$206.6 million. Property Taxes increased by \$0.3 million due primarily to rising property values in Glendale. Other taxes increased by \$2.2 million primarily due to increased Utility Users Tax. Fines & Forfeitures decreased by \$1.2 million due to decreased narcotics forfeitures. Licenses & Permits increased by \$0.8 million due to increased building permit revenue. Use of Money & Property decreased \$11.1 million due to decreased returns from our investments (about \$4 million) while the Federal Reserve maintained the Fed Funds rate at 1% for the entire year, accounting "write-down" (mark to market) requirements (about \$4 million), and decreased rental income related to accounting requirements for the financing of the new Police Facility and Glendale Redevelopment Agency Central Project area projects. Revenue from other agencies reflects a decrease of \$6.3 million. This decrease is primarily from a \$3.6 million decrease in revenue from joint project partnerships and almost \$2 million in decreased FEMA and disaster relief funds. Charges for Services increased by \$0.5 million, which is the net of a variety of miscellaneous changes, including \$0.5 million in new revenue for hiring youth workers in Neighborhood Services. The \$1.4 million increase in miscellaneous revenue is primarily due to a \$0.6 million increase in administrative fees from the portable voucher program in the Housing Assistance Fund and a \$0.3 million increase from the repayment of First Time Home Buyer loans in the Low and

Moderate Housing Fund. The governmental operating expenditures increased \$18.8 million. The significant variances from the prior year include a \$1.5 million increase in General Government (\$1 million increase in Information Services expenditures due to the movement of maintenance and operating charges from the Capital Projects Fund to the General Fund, and \$0.5 million increase in Planning expenditures due to the shift of Permit Services from Public Works to Planning), and a \$0.5 million increase in Public Works expenditures (\$0.3 million in the Local Transit Assistance). The \$11.2 million increase in housing, health and community development is due primarily to increased expenditures in the Glendale Redevelopment Agency for the Town Center project (Americana). The \$5.7 million increase in Public Safety is due primarily to increased salaries and benefits costs, including increased overtime and PERS retirement costs. Capital expenditures decreased by \$31.5 million (\$16.2 million in the Capital Projects Fund, \$1 million in the Community Development Fund, \$1.2 million in the HOME Grant Fund, \$2.6 million in the Fire Communication Fund, \$11.2 million in the Police Facility Construction Fund).

Total governmental expenditures exceeded total governmental revenues before operating transfers in by \$30.3 million. During the decade of the 1990's the General Fund became increasingly dependent on operating transfers in to maintain service levels without adding new taxes. This fiscal year operating transfers accounted for 16.1% of the General Fund revenues, a decrease of 16% from the prior year because of the elimination of the transfer from the Capital Improvement Fund to the General Fund in fiscal year 2003/04.

General Fund Balance

The General Fund shows a decrease in fund balance of \$9.0 million, from \$132.3 million (reinstated) to \$123.3 million including \$64.7 million due from GRA. Of the total fund balance of \$123.3 million, \$43.1 million is unreserved. This is a decrease of \$5 million in unreserved fund balance from the prior year, due primarily to one-time purchase of open space land.

Proprietary Operations

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

The Recreation Fund has shown a decrease in the last year with a net loss of \$0.2 million. The Hazardous Disposal Fund posted a net loss of \$0.2 million. 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 loss of \$0.9 million after creating positive net assets for this fund for the first time two years ago. The fund recently began a new subscription program to hopefully turn the net income around after losses due to inability to recover costs from medicare reimbursements. The Parking Fund has a loss of over \$2 million. This fund cannot support the depreciation on four parking garages of \$2 million annually. Currently cash in this fund amounts to \$2.7 million. The Sewer Fund continues to generate significant net income, \$7.4 million this year versus \$19.7 million last year to fund major capital replacement in the City of Los Angeles Hyperion system as well as our own sewer infrastructure. The projected payments to the City of Los Angeles for the Hyperion system improvements may total as much as \$56.3 million in the next three years. This fund holds \$63.3 million in cash. The Refuse Disposal Fund shows a net loss of \$0.5 million this year after a positive net income last year. Prior to last year, this fund had a few years of net losses. The City Council approved increases in the refuse rates of 5% effective September 2003, and another 5% increase effective August 2004. This fund also holds \$2.4 million in cash. This year, the Electric Fund earned \$6.4 million in net income and the Water Fund earned \$5 million.

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, Helicopter 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 net assets in excess of claims payables, except for the Uninsurable Litigation Fund, 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 to meet current obligations.

INDEPENDENT AUDIT

The firm of Vavrinek, Trine, & Day, LLP has audited the financial statements of the City and its affiliated agencies. Their unqualified opinion on the City's basic 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 nine fiscal years ended June 30, 1995 through June 30, 2003. 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 Services 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. Tita Parker for the compilation of this CAFR.

RESPECTFULLY SUBMITTED,

ROBERT J. FRANZ
DIRECTOR OF ADMINISTRATIVE SERVICES

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CITY OF GLENDALE
Officials of the City of Glendale
June 30, 2004

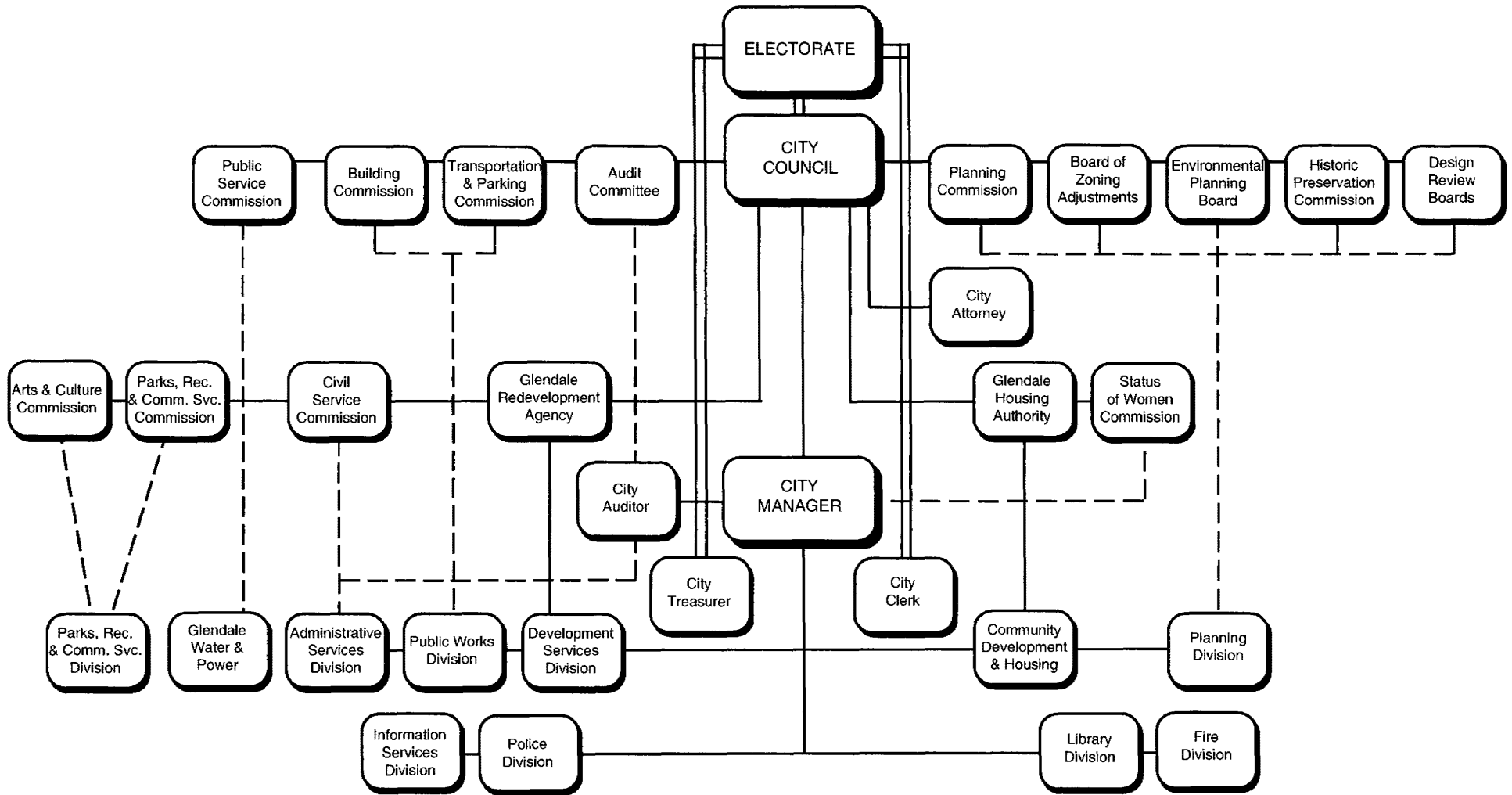
City Council

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

Administration and Division Heads

City Manager	James E. Starbird
Assistant City Manager	Robert K. McFall
Deputy City Manager	Yasmin Beers
Director of Glendale Water & Power	Ignacio Troncoso
City Attorney	Scott H. Howard
Police Chief	Randy Adams
Fire Chief	Christopher Gray
Director of Public Works	Steve Zurn
Director of Administrative Services	Robert J. Franz
Director of Development Services	Jeanne Armstrong
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	George Chapjian
Director of Library Services	Nancy Hunt-Coffey
City Auditor	William Fox
City Treasurer	Ronald T. Borucki
City Clerk	Doris Twedt

ORGANIZATIONAL CHART OF CITY OF GLENDALE



————— 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, 2003

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.



Nancy L. Ziehl

President

Jeffrey R. Enen

Executive Director

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INDEPENDENT AUDITORS' REPORT

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, business-types 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, 2004, 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'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-types activities, each major fund, and the aggregate remaining fund information of the City of Glendale, California, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof 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 10, 2004, (except for note (III-D), as to which the date is March 13, 2005) on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 13 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. 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 opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, and combining individual non-major fund statements and schedules, and statistical section as listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements. The combining, individual non-major fund statements and schedules have been subjected to the auditing procedures applied 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 the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Vavunike, Tume, Day & Co., LLP

Rancho Cucamonga, California

November 10, 2004

(except for note (III-D),

as to which the date is March 13, 2005)



CAFR

Comprehensive Annual Financial Report
City of Glendale, California

Management's Discussion and Analysis

June 30, 2004

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, 2004. 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 \$1.5 billion (*net assets*). Of this amount, \$432.5 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. Of the \$432.5 million, \$282.3 million is in business type activities such as our electric, water, and sewer utilities.
- The City's total net assets increased by \$ 15.4 million. Most of this increase is attributable to an increase in capital assets.
- As of the close of the current fiscal year, the City governmental funds reported combined ending fund balances of \$323.3 million a decrease of \$15.5 million in comparison with the prior year. About ten percent of this total amount, \$32.9 million, 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 \$43.1 million, or 38% percent of total general fund expenditures. City policy requires a minimum of 35% fund balance.
- The City's total debt increased by \$10.5 million (3.4 percent) during the current fiscal year. The factors in this increase were the combination of numerous increases such as the postclosure liability of Scholl Canyon, and decreases such as bond retirements through regular annual payments and refundings.

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 and fiscal charges on bonds. The business-type activities of the City include recreation, hazardous disposal, fire paramedic, parking, sewer, refuse disposal, electric, and water operations.

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

accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The redevelopment agency and the housing authority, although legally separate, function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 15-16 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 twenty-nine 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 fund, Glendale redevelopment agency fund, and capital projects fund, all of which are considered to be major funds. Data from the twenty-nine 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 17-29 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), helicopter depreciation, 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 30-32 of this report.

City of Glendale

Management's Discussion and Analysis, continued
June 30, 2004

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 33-62 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 63-112 of this report.

Government-wide Financial Analysis

The Government-wide financial analysis contained comparative information from the prior year.

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 \$1.5 billion at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (67 percent) reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's 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 to liquidate these liabilities.

City of Glendale's Net Assets

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	408.5	405.3	317.5	331.0	726.0	736.3
Capital assets	697.8	672.4	439.0	415.7	1,136.8	1,088.1
Total assets	1,106.3	1,077.7	756.5	746.7	1,862.8	1,824.4
Long-term liabilities	236.5	217.4	70.4	68.4	306.9	285.8
Other liabilities	32.0	25.9	19.8	24.1	51.8	50.0
Total liabilities	268.5	243.3	90.2	92.5	358.7	335.8
- Net assets:						
Invested in capital assets, net of related debt	635.8	607.3	371.9	347.1	1,007.7	954.4
Restricted	51.9	95.2	11.9	4.8	63.8	100.0
Unrestricted	150.1	131.8	282.3	302.3	432.4	434.1
Total net assets	837.8	834.3	666.1	654.2	1,503.9	1,488.5

- 4.2% of the City's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$432.5 million) may be used to meet the government's ongoing obligations to citizens and creditors. Of the total, \$282.3 million is in business type activities such as our electric, water, and sewer utilities.

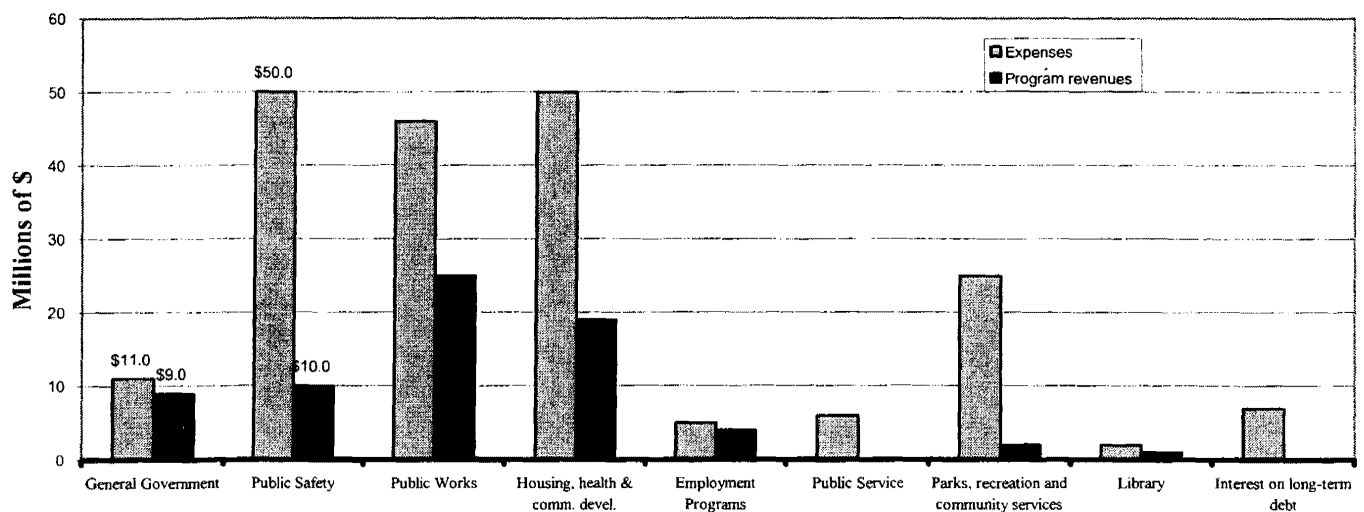
At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, for government as a whole, as well as for all its separate governmental and business-type activities.

There was a decrease of \$43.3 million in restricted net assets reported in connection with the City's governmental activities. Most of the decrease resulted from the decreased reserve for debt service payments.

Governmental activities. Governmental activities increased the City's net assets by \$3.5 million, thereby accounting for .42 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 \$1.7 million (7.3 percent) during the year.
- Operating grants and contributions decreased by \$8.4 million (18.9 percent) during the year.
- Capital grants and contributions decreased by \$4.3 million (31.2 percent) during the year.
- Sales tax decreased by \$2 million (6.6 percent) during the year.
- Utility users tax increased by \$3.2 million (16.4 percent) during the year.
- Investment income decreased by \$10.7 million (79.9 percent) during the year.
- Miscellaneous revenue decreased by \$5.3 million (27.2 percent) during the year.
- Transfer revenue increased by \$2.8 million (14.6 percent) during the year.
- General Government expenses decreased by \$9.4 million (45.9 percent) during the year.
- Public Works expenses increased by \$8.6 million (22.7 percent) during the year.
- Housing, health, and community development expenses increased by \$20.2 million (68 percent) during the year.
- Interest and fiscal charges on bonds increased by \$4.9 million (272.2 percent) during the year.

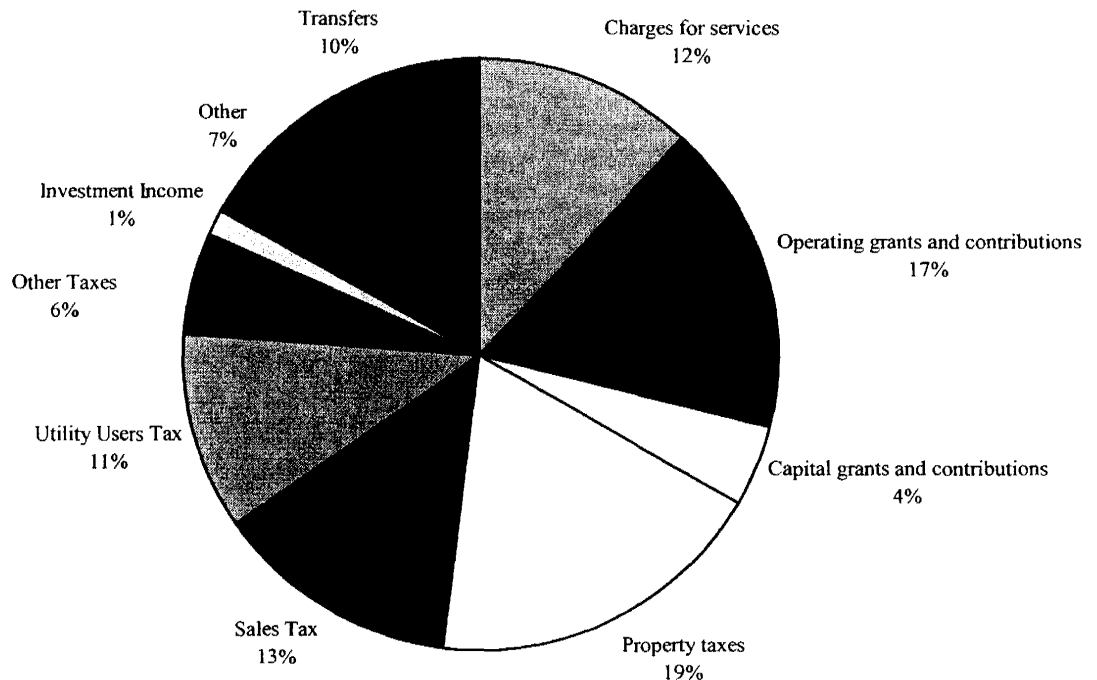
Expenses and Program Revenues – Governmental Activities



City of Glendale's Changes in Net Assets

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	25.1	23.4	228.5	257.6	253.6	281.0
Operating grants & contrib	36.0	44.4	0.7	1.5	36.7	45.9
Capital grants & contrib	9.5	13.8	3.3	1.5	12.8	15.3
General revenues:					-	-
Taxes:					-	-
Property taxes	39.5	39.2	-	-	39.5	39.2
Sales Tax	28.3	30.3	-	-	28.3	30.3
Utility Users Tax	22.7	19.5	-	-	22.7	19.5
Misc. Taxes	11.9	10.9	-	-	11.9	10.9
Investment Income	2.7	13.4	2.7	10.6	5.4	24.0
Miscellaneous	14.2	19.5	5.9	10.5	20.1	30.0
Transfers	22.0	19.2	(22.0)	(19.2)	-	-
Contributions	-	-	-	-	-	-
Proceeds of Bond Sale	-	-	-	-	-	-
Total revenues	211.9	233.6	219.1	262.5	431.0	496.1
Expenses:						
General Government	11.1	20.5	-	-	11.1	20.5
Public Safety	50.1	67.7	-	-	50.1	67.7
Public Works	46.4	37.8	-	-	46.4	37.8
Housing, health, and community devel.	49.9	29.7	-	-	49.9	29.7
Employment Programs	4.8	5.5	-	-	4.8	5.5
Public Service	5.7	5.2	-	-	5.7	5.2
Parks, recreation and comm. services	25.2	24.4	-	-	25.2	24.4
Library	1.5	7.0	-	-	1.5	7.0
Interest & fiscal charges on bonds	6.7	1.8	-	-	6.7	1.8
Recreation	-	-	2.3	2.0	2.3	2.0
Hazardous disposal	-	-	1.7	1.7	1.7	1.7
Fire Paramedic	-	-	7.5	6.6	7.5	6.6
Parking	-	-	5.7	7.2	5.7	7.2
Sewer	-	-	9.8	3.6	9.8	3.6
Refuse Disposal	-	-	14.6	13.0	14.6	13.0
Electric	-	-	142.0	141.8	142.0	141.8
Water	-	-	25.6	23.6	25.6	23.6
Total expenses	201.4	199.6	209.2	199.5	410.6	399.1
Increase in net assets	10.5	34.0	9.9	63.0	20.4	97.0
Net assets - Beg. of the year, as restated	827.4	800.4	656.2	591.3	1,483.6	1,391.7
Net assets - End of the year	837.9	834.4	666.1	654.3	1,504.0	1,488.7

Revenues By Source – Governmental Activities



Business-type activities. Business-type activities increased the City of Glendale's net assets by \$11.8 million accounting for 1.8 percent of the total growth in the government's net assets. Key elements of this increase are as follows.

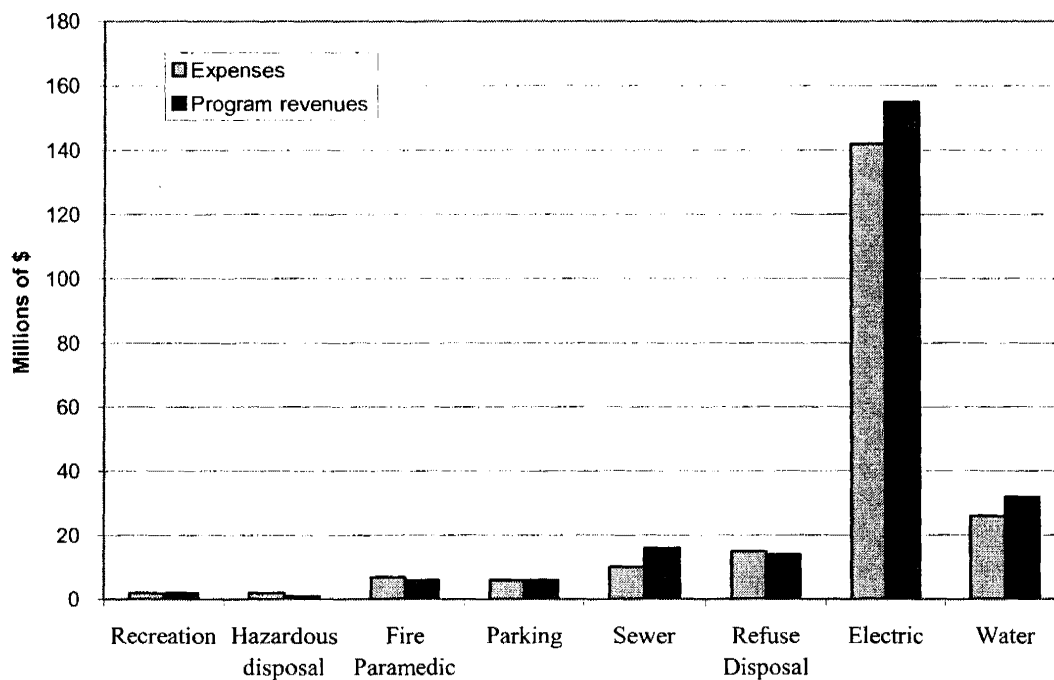
- Charges for services decreased by \$29.1 million (11.3 percent) during the year.
- Capital grants and contributions increased by \$1.8 million (120 percent) during the year.
- Investment income decreased by \$7.9 million (74.5 percent) during the year.
- Miscellaneous revenue sources decreased by \$4.6 million (43.8 percent) during the year.
- Transfer revenue declined by \$2.8 million (14.6 percent) during the year.
- Parking expenses were reduced by \$1.5 million (20.8 percent) during the year.
- Sewer expenses increased by \$6.2 million (172.2 percent) during the year.
- Refuse disposal expenses increased by \$1.6 million (12.3 percent) during the year.
- Expenses in Water increased by \$2 million (8.5 percent) during the year.

Financial Analysis of the Government's Funds

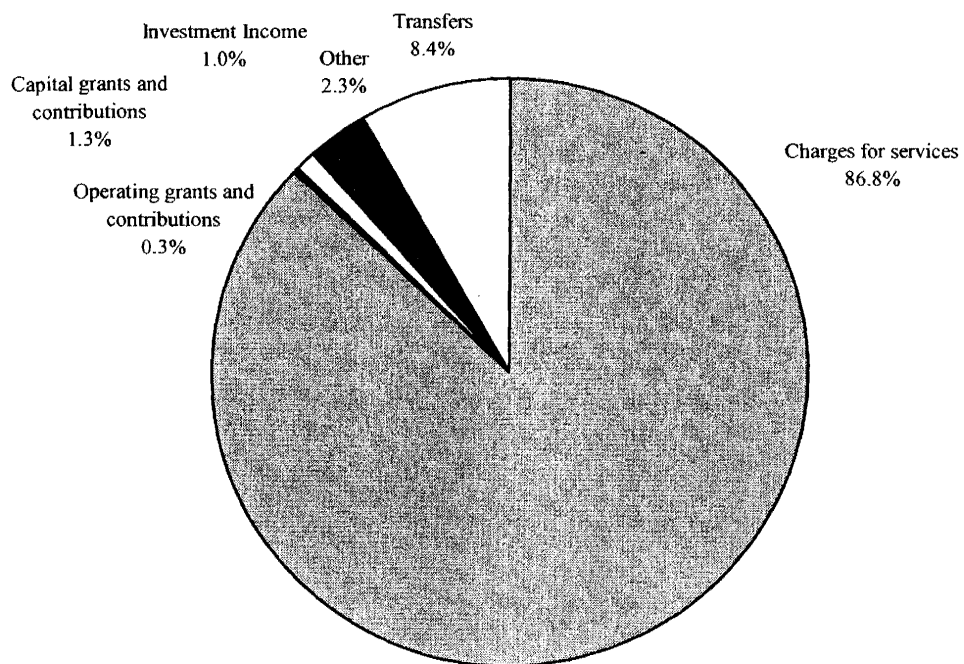
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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



City of Glendale

Management's Discussion and Analysis, continued June 30, 2004

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$323.3 million, a decrease of \$15.5 million in comparison with the prior year. About ten percent of this total amount (\$32.9 million) 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 (\$15.4 million), 2) to meet the charter reserve requirement (\$13.7 million), 3) to hold property for future development (\$59.1 million), 4) to pay debt service (\$13.7 million), 5) for loans receivable (\$6 million), 6) advance of City funds to the Glendale Redevelopment Agency (\$66.1 million), 7) for capital projects (\$99.8 million), 8) for prepaid items (\$1.8 million), 9) for the Scholl canyon landfill closure and post closure care (\$14.8 million) or 10) for the return of deposits (\$0.007 million).

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 \$43.1 million, while total fund balance was \$123.3 million. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 38.2 percent of total general fund expenditures.

The fund balance of the City's general fund decreased by \$9 million during the current fiscal year. Key factors in this decline are as follows:

- Transfer to the Capital Projects Fund increased by \$6.6 million this year.
- Transfer to the Internal Service Fund increased by \$6.5 million this year.

The debt service funds have a total fund balance of \$60.6 million, all of which is reserved for the payment of debt service, except \$46.9 million. The net decrease in fund balance during the current year in the debt service fund was \$5.7 million.

The Glendale Redevelopment Agency Fund has a total fund balance of \$29.7 million. The Agency has a deficit in unrestricted net assets of \$76.6 million due to the nature of redevelopment financing. Redevelopment agencies typically leverage current tax increment revenues by issuing long-term debt (including loans from the City) in order to raise capital to promote economic development within the project area. The new projects constructed, in turn, generate additional tax increment revenues, which again, may only be captured to the extent that the Agency incurs indebtedness. Indebtedness includes bonded indebtedness, notes, loans, advances, payments due under development agreements, and City loans. The Agency incurs debt based on future tax increments to fund infrastructure projects. Once the infrastructure projects are completed, the asset is transferred to the City, however, the debt remains with the Agency resulting in deficit net assets. Total fund balance in this fund decreased \$9.2 million during the current year mainly due to increased housing, health, community development, and Town Center project expenditures.

The Capital Project Fund has a total fund balance of \$44.6 million, all of which is reserved. The two largest commitments are for capital projects (\$25.7 million) and landfill post closure care (\$14.8 million).

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 \$67.6 million, those for the Electric Fund amounted to \$208 million, those for the Water Fund totaled \$12 million, and other proprietary funds had unrestricted net assets of \$4.4 million. The total growth in net assets for the Sewer Fund was \$7.4 million, for the Electric Fund was \$6.4 million, for the Water Fund was \$5 million, and was a negative \$3.7 million for the other proprietary funds. Other factors concerning the finance of these funds have 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:

- \$1.7 million in miscellaneous increases in general government activities
- \$1.7 million in increases allocated to the public works department
- \$0.2 million in increases allocated to public safety
- \$45,000 in increases allocated to the parks department
- \$35,000 in increases allocated to the library department

Of this increase, \$1.3 million was funded out of increased General Fund revenue, \$0.03 was funded from a State Forestry and Fire Protection grant, \$0.01 from a Historic Preservation Grant, \$0.04 from increased Rose Float donations, and \$0.02 from additional miscellaneous revenue. The remaining \$2.2 million was 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, 2004, amounts to \$1.1 billion (net of 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 4.5 percent (a 3.8 percent increase for governmental activities and a 5.6 percent increase for business-type activities).

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

- The purchase of open space properties, including \$7.1 million for the Murchison property and \$4.3 million for the Poulsen property.
- The construction costs of the new police building as of the close of the fiscal year reached a value of \$55.2 million.
- As of the close of the fiscal year, the Electric fund reflected a \$3.9 million increase in buildings and improvements, a \$29.3 million decrease in construction in progress, and a \$50.7 million increase in machinery and equipment compared to the prior year.
- As of the close of the fiscal year, the Water fund had a \$1.7 million increase in buildings and improvements, a \$1.4 million increase in machinery and equipment, and a \$2.7 million increase in construction in progress compared to the prior year.

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

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2004	2003	2004	2003	2004	2003
Land	333.3	321.9	13.3	11.7	346.6	333.6
Buildings and improvements	133.7	133.0	301.9	294.3	435.6	427.3
Machinery and equipment	67.1	74.6	378.0	326.4	445.1	401.0
Infrastructure	202.0	202.3	-	-	202.0	202.3
Construction in progress	117.1	100.2	26.2	53.6	143.3	153.8
Total capital assets	853.2	832.0	719.4	686.0	1,572.6	1,518.0
Less accumulated depreciation	(155.5)	(159.5)	(280.4)	(270.2)	(435.9)	(429.7)
Net of depreciation	697.7	672.5	439.0	415.8	1,136.7	1,088.3

Additional information on the City's capital assets can be found in note III D on pages 46-47 as well as pages 111-112 of this report.

City of Glendale

Management's Discussion and Analysis, continued
June 30, 2004

Long-term debt. At the end of the current fiscal year, the City has total debt outstanding of \$315.6 million. Of this amount, \$62 million is certificates of participation to fund the new police facility, \$105.1 million is tax allocation bonds backed by the property tax increment collected from the Central redevelopment area, \$17.1 million is owed for the postclosure and postclosure care of Scholl Canyon landfill, \$5 million for bond premiums, \$4.6 million for notes payable, a negative \$3.3 million for a deferred amount on the refunding of the 2003 Tax Allocation Bonds, \$37.5 million for claims payable, \$5 million for post employment benefits, \$1.6 million for capital lease, \$1.4 million for arbitrage rebate liability, \$1.7 million for section 108, and \$10.1 million for compensated absences. The remainder of the City's debt, \$67.8 million represents revenue bonds secured solely by Electric Utility revenue.

City of Glendale's Outstanding Debt

(Millions of \$)

Bonds payable:

Police Facility Certificates of Participation	62.0	63.1	-	-	62.0	63.1
Parking lease revenue bonds, Series A	-	-	-	-	-	-
Refunding parking lease revenue bonds, Series 1976	-	-	-	-	-	-
1993 Tax allocation bonds	-	59.3	-	-	-	59.3
2002 Tax allocation bonds	46.2	48.0	-	-	46.2	48.0
2003 Tax allocation bonds	58.9	-	-	-	58.9	-
Electric Revenue Bonds, 2000 Series	-	-	37.0	37.0	37.0	37.0
Electric Revenue Bonds, 2003 Series	-	-	30.8	31.7	30.8	31.7
Bond premium	4.4	2.0	0.6	0.6	5.0	2.6
Deferred Amount on Refunding - 2003 Tax Allocation Bond	(3.3)	-	-	-	(3.3)	-
Total Bonds Payable	168.2	172.4	68.4	69.3	236.6	241.7

Landfill postclosure and postclosure care liability

Capital lease

Arbitrage rebate liability

Compensated absences

Section 108

Notes Payable

Claims payable

Post employment benefits

Total general long term debt

Governmental activities		Business-type activities		Total	
2004	2003	2004	2003	2004	2003
62.0	63.1	-	-	62.0	63.1
-	-	-	-	-	-
-	-	-	-	-	-
-	59.3	-	-	-	59.3
46.2	48.0	-	-	46.2	48.0
58.9	-	-	-	58.9	-
-	-	37.0	37.0	37.0	37.0
-	-	30.8	31.7	30.8	31.7
4.4	2.0	0.6	0.6	5.0	2.6
(3.3)	-	-	-	(3.3)	-
168.2	172.4	68.4	69.3	236.6	241.7
17.1	15.8	-	-	17.1	15.8
1.6	2.0	-	-	1.6	2.0
1.4	1.3	-	-	1.4	1.3
7.3	7.2	2.8	-	10.1	7.2
1.7	1.8	-	-	1.7	1.8
4.6	-	-	-	4.6	-
37.5	30.2	-	-	37.5	30.2
5.0	5.1	-	-	5.0	5.1
244.4	235.8	71.2	69.3	315.6	305.1

The City's total debt increased by \$10.5 million (3.4 percent) during the current fiscal year. The factors in this increase were the retirement of \$61.1 million in GRA tax allocation bonds and \$0.8 million in Electric revenue bonds, the issue of \$58.9 million in GRA tax allocation bonds, the retirement of \$1.1 million of the Police Facility COPs, a net increase in bond premiums of \$2.4 million, a retirement of \$0.4 million of the capital lease with Motorola, a \$1.2 million increase in the postclosure and postclosure care liability for the Scholl Canyon landfill, a net addition of \$0.1 million for Section 108 and \$4.6 million for notes payable, a net deferred amount of (\$3.3 million) on the refunding of the 2003 tax allocation bonds, the retirement of \$1.1 million of Post employment benefits, an addition of compensated absences of \$2.8 million and \$7.3 million of claims payable.

The 2003 Electric revenue bond issue received a "Aaa" rating from Moody's, "AAA" rating from Standard & Poor's (S&P), and a "AAA" rating from Fitch based on insurance purchased related to the issues. The Agency's 2003 tax allocation bond issue received a "AAA" rating from Standard & Poor's and a "Aaa" rating from Moody's based on insurance purchased related to the issues. The Agency's 2002 tax allocation bond issue received a "Aaa" rating from

Moody's and a S&P rating of "AAA" 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 E on pages 48-53 of this report.

Economic Factors and Next Year's Budget and Rates

- Property tax revenue continues to stay strong due to the growth in real estate market values and sales.

All of these factors were considered in preparing the City's budget for the 2004-2005 fiscal year.

State Budget

Since 1992/93, the State legislature has passed legislation to reallocate funds from local government and 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 Fund (ERAF). With the recent passage of Proposition 1A, State Constitutional protections prevent the State from taking City revenues. Local government agreed to contribute toward the bail out of the State for the next two years. The City and Redevelopment Agency will lose a combined \$4,446,476 a year in FY 2004/05 and FY 2005/06 toward resolving the State Budget crisis. There are still no absolute constitutional protections in place that would prevent the State from taking additional redevelopment tax increment revenue. Even with Proposition 1A redevelopment agency property tax increment revenue continues to be at risk of being taken by the State.

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

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CAFR

Comprehensive Annual Financial Report
City of Glendale, California

Basic Financial Statements

June 30, 2004

CAFR

Comprehensive Annual Financial Report
City of Glendale, California

Government-Wide Financial Statements

June 30, 2004

Exhibit A-1
CITY OF GLENDALE
Statement of Net Assets
June 30, 2004

	Governmental Activities	Business Type Activities	Total
Assets			
Current assets:			
Cash and invested cash	\$ 288,001,128	122,328,495	410,329,623
Imprest cash	23,080	14,200	37,280
Cash with fiscal agent	14,378,439	808,339	15,186,778
Interest receivable	1,913,725	1,846,462	3,760,186
Investment-gas/elec commodity	-	3,882,979	3,882,979
Accounts receivable, net	3,856,213	19,344,768	23,200,981
Unbilled receivable	988,897	13,659,339	14,648,237
Due from other agencies	16,699,905	3,392,501	20,092,406
Internal balances	11,725,966	(11,725,966)	-
Deposits	7,000	17,000	24,000
Inventories	158,058	3,589,202	3,747,260
Prepaid items	2,056,845	969,974	3,026,819
Total current assets	339,809,257	158,127,292	497,936,549
Noncurrent assets:			
Designated & invested cash	-	158,200,000	158,200,000
Deferred charges	3,635,758	1,153,277	4,789,035
Loans receivable	5,982,647	-	5,982,647
Property held for resale	59,115,007	-	59,115,007
	68,733,412	159,353,277	228,086,689
Capital assets (net of accumulated depreciation)			
Land	333,284,954	13,340,243	346,625,197
Buildings and improvements	88,321,889	225,057,157	313,379,046
Machinery and equipment	38,377,021	174,435,485	212,812,506
Infrastructure	120,632,002	-	120,632,002
Construction in progress	117,138,525	26,151,289	143,289,814
Total capital assets	697,754,391	438,984,174	1,136,738,565
Total noncurrent assets	766,487,803	598,337,451	1,364,825,254
Total assets	1,106,297,060	756,464,744	1,862,761,803
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	13,372,786	11,456,451	24,829,238
Contracts-retained amount due	1,714,090	1,639,621	3,353,712
Accrued wages and withholding	4,329,709	1,641,947	5,971,656
Due to other agencies	752,008	-	752,008
Bond issuance costs	533,898	-	533,898
Accrued interest	433,373	135,561	568,935
Matured principal and interest	-	1,390,316	1,390,316
Long term debt, due in one year	7,879,500	819,647	8,699,147
Deposits	3,013,874	2,764,471	5,778,345
Total current liabilities	32,029,239	19,848,015	51,877,254
Noncurrent liabilities:			
Claims payable	37,531,331	25,000	37,556,331
Compensated absences	7,280,837	2,768,377	10,049,213
Post employment benefits	5,036,920	-	5,036,920
Long term debt	186,637,900	67,613,899	254,251,799
Total noncurrent liabilities	236,486,987	70,407,276	306,894,263
Total liabilities	268,516,226	90,255,291	358,771,517
Net assets:			
Invested in capital assets, net of related debt	635,754,391	371,934,174	1,007,688,565
Restricted			
Charter	13,727,107	-	13,727,107
Low and moderate housing	17,965,481	-	17,965,481
Debt service	20,207,152	1,603,339	21,810,490
Reserved fro Elec-SCAQMD	-	10,343,844	10,343,844
Unrestricted	150,126,704	282,328,096	432,454,800
Total net assets	\$ 837,780,834	666,209,453	1,503,990,287

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

Exhibit A-2
CITY OF GLENDALE
 Statement of Activities
 For Fiscal Year Ended June 30, 2004

		Program Revenues			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:	\$ Expenses						
General government	11,120,654	9,167,221	118,286	-	(1,835,148)	-	(1,835,148)
Public safety	50,085,239	3,949,372	6,016,246	303,239	(39,816,382)	-	(39,816,382)
Public works	46,434,742	10,833,546	7,234,037	7,339,723	(21,027,437)	-	(21,027,437)
Housing, health and community development	49,923,044	104,401	18,976,682	-	(30,841,960)	-	(30,841,960)
Employment programs	4,824,151	806,376	2,911,335	-	(1,106,440)	-	(1,106,440)
Public service	5,693,244	-	-	-	(5,693,244)	-	(5,693,244)
Parks, recreation and community services	25,219,090	94,477	312,638	1,861,000	(22,950,975)	-	(22,950,975)
Library	1,544,076	192,994	431,755	-	(919,327)	-	(919,327)
Interest and fiscal charges on bonds	6,728,374	-	-	-	(6,728,374)	-	(6,728,374)
Total governmental activities	201,572,616	25,148,387	36,000,980	9,503,962	(130,919,287)	-	(130,919,287)
Business-type activities:							
Recreation	2,267,888	1,617,037	260,000	810	-	(390,040)	(390,040)
Hazardous disposal	1,715,400	1,437,485	61,977	-	-	(215,938)	(215,938)
Fire paramedic	7,455,906	6,389,735	-	-	-	(1,066,171)	(1,066,171)
Parking	5,704,504	6,159,057	-	-	-	454,553	454,553
Sewer	9,790,039	16,036,332	-	-	-	6,246,292	6,246,292
Refuse disposal	14,638,968	13,758,613	-	-	-	(880,355)	(880,355)
Electric	141,988,922	151,718,142	-	3,056,639	-	12,785,859	12,785,859
Water	25,605,566	31,377,023	392,930	286,807	-	6,451,193	6,451,193
Total business-type activities	209,167,193	228,493,424	714,908	3,344,256	-	23,385,394	23,385,394
Total primary government	\$ 410,739,809	253,641,811	36,715,888	12,848,217	(130,919,287)	23,385,394	(107,533,893)
General revenues:							
Taxes:							
Property taxes				\$ 39,491,452	-		39,491,452
Sales taxes				28,327,671	-		28,327,671
Utility users tax				22,666,281	-		22,666,281
Other taxes				11,920,357	-		11,920,357
Investment income				2,695,593	2,696,808		5,392,401
Other				14,194,165	5,948,859		20,143,023
Transfers				21,986,833	(21,986,833)		-
Total general revenues, transfers and special items				141,282,352	(13,341,166)		127,941,186
Change in net assets				10,363,066	10,044,228		20,407,293
Net assets, July 1 as restated				827,417,768	656,165,226		1,483,582,994
Net assets, June 30				\$ 837,780,834	666,209,453		1,503,990,287

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

CAFR

Comprehensive Annual Financial Report
City of Glendale, California

Fund Financial Statements

June 30, 2004

Exhibit B-1
CITY OF GLENDALE
Balance Sheet
Governmental Funds
June 30,2004

	Major Funds				
	General Fund	Glendale Redevelopment Agency Fund	Capital Project Fund	Non Major Governmental Funds	Total Governmental Funds
Assets					
Cash and invested cash	\$ 53,029,056	40,104,202	43,803,594	109,057,625	245,994,477
Imprest cash	22,880	200	-	-	23,080
Cash with fiscal agent	-	-	-	14,378,439	14,378,439
Interest receivable	566,926	417,394	-	672,965	1,657,285
Accounts receivable, net	1,608,990	-	789,044	1,399,541	3,797,574
Intergovernmental receivable	66,129,183	-	-	-	66,129,183
Unbilled receivable	754,070	-	-	234,827	988,897
Due from other agencies	9,166,074	1,296,645	2,855,560	3,381,076	16,699,354
Due from other funds	5,024,035	-	-	41,079	5,065,114
Deposits	-	7,000	-	-	7,000
Inventories	158,058	-	-	-	158,058
Prepaid items	-	-	-	1,786,695	1,786,695
Loans receivable	-	5,982,647	-	-	5,982,647
Property held for resale	-	57,207,171	-	1,907,836	59,115,007
Total assets	136,459,271	105,015,259	47,448,198	132,860,083	421,782,811
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	919,909	8,705,553	544,656	2,744,852	12,914,971
Contracts-retained amount due	1,714,090	-	-	-	1,714,090
Due to other funds	22,608	-	1,331,140	1,603,251	2,956,999
Due to other agencies	-	367,623	-	384,385	752,008
Bond issuance costs	-	-	-	533,898	533,898
Accrued wages and withholding	3,626,951	82,711	67,100	451,379	4,228,142
Deferred revenues	4,013,055	-	909,044	1,278,759	6,200,858
Deposits	2,879,639	25,000	-	109,235	3,013,874
Intergovernmental payable	-	66,129,183	-	-	66,129,183
Total liabilities	13,176,253	75,310,071	2,851,940	7,105,759	98,444,023
Fund Balances:					
Reserved:					
Deposit	-	7,000	-	-	7,000
Prepaid	-	-	-	1,786,695	1,786,695
Charter	13,727,107	-	-	-	13,727,107
Debt service	-	-	-	13,724,988	13,724,988
Landfill post closure care	-	-	14,800,000	-	14,800,000
Capital projects	-	40,126,605	25,673,430	33,987,541	99,787,576
Encumbrances	288,345	2,958,031	4,122,828	7,995,815	15,365,019
Loans Receivable	-	5,982,647	-	-	5,982,647
City/Agency advances	66,129,183	-	-	-	66,129,183
Property Resale	-	57,207,171	-	1,907,836	59,115,007
Unreserved, reported in:					
General funds	43,138,383	-	-	-	43,138,383
Special revenue funds	-	(76,576,266)	-	19,177,683	(57,398,584)
Capital project funds	-	-	-	283,213	283,213
Debt service	-	-	-	46,890,553	46,890,553
Total fund balances	123,283,018	29,705,188	44,596,257	125,754,324	323,338,788
Total liabilities and fund balances	\$ 136,459,271	105,015,259	47,448,198	132,860,083	421,782,811

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

Exhibit B-2

CITY OF GLENDALE

Reconciliation of Balance Sheet of

Governmental Funds to the Statement of Net Assets
June 30, 2004

Fund balances of governmental funds	\$ 323,338,788
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Amounts reported for governmental activities in the statement
of net assets are different because:

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

Land	\$ 333,284,954	
Buildings and improvements	88,321,889	
Equipment	38,377,021	
Infrastructure	120,632,002	
Construction in progress	<u>117,138,525</u>	697,754,391

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	598,000	
2002 Tax allocation bonds	1,009,155	
2003 Tax allocation bonds	<u>2,028,603</u>	3,635,758

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

Due within one year:

Police building bonds	(1,200,000)	
2002 Tax allocation bonds	(1,970,619)	
2003 Tax allocation bonds	(1,945,117)	
Arbitrage rebate	(1,346,600)	
Capital lease	(384,164)	
Section 108	(110,000)	
Notes payable	<u>(923,000)</u>	(7,879,500)

Due more than one year:

Police building bonds	(60,800,000)	
2002 Tax allocation bonds	(46,082,707)	
2003 Tax allocation bonds	(56,183,719)	
Post closure and post closure care	(17,043,152)	
Capital lease	(1,246,322)	
Section 108	(1,590,000)	
Notes payable	<u>(3,692,000)</u>	(186,637,900)

Accrued interest payable for the current portion of interest due are
not included in the governmental fund activity:

Police building certificate of participation	(52,635)	
2002 Tax allocation bonds	(165,249)	
2003 Tax allocation bonds	<u>(215,489)</u>	(433,373)

Deferred revenue in the governmental funds is revenue in the
statement of activities.

6,200,857

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.

1,801,813

Net assets of governmental activities	\$ <u><u>837,780,834</u></u>
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Exhibit C-1
CITY OF GLENDALE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For Fiscal Year Ended June 30, 2004

	Major Funds			Non Major	Total
	Glendale	Capital		Governmental	Governmental
	General Fund	Agency Fund	Projects Fund	Funds	Funds
Revenues:					
Property taxes	\$ 17,495,470	11,563,753	-	10,432,229	39,491,452
Other taxes	54,386,206	-	6,615,613	3,275,412	64,277,231
Revenue from other agencies	9,925,507	1,158,262	5,523,727	37,393,613	54,001,109
Licenses and permits	4,698,326	-	-	-	4,698,326
Fines and forfeitures	1,467,607	-	-	(435,940)	1,031,667
Charges for services	3,668,014	50,091	4,088,227	4,198,198	12,004,530
Use of money and property	2,908,955	1,133,617	(274,364)	1,491,191	5,259,400
Intergovernmental revenue	1,000,000	-	-	-	1,000,000
Interfund revenue	7,120,531	-	1,325,000	-	8,445,531
Miscellaneous revenue	665,045	203,576	-	3,859,787	4,728,408
Total Revenues	103,335,663	14,109,300	17,278,202	60,214,489	194,937,654
Expenditures:					
Operating expenditures					
General government	16,018,412	-	-	412,339	16,430,751
Community promotion	55,789	-	-	-	55,789
Public safety	64,346,519	-	-	4,106,230	68,452,749
Public works	15,307,166	-	-	7,521,749	22,828,915
Housing, health, and community development	1,647,173	23,314,932	-	20,081,541	45,043,645
Employment programs	-	-	-	4,869,807	4,869,807
Public service	-	-	-	5,474,212	5,474,212
Parks, recreation and community services	8,838,595	-	-	490,816	9,329,411
Library	6,117,436	-	-	291,743	6,409,179
Capital	465,654	-	24,701,597	9,216,303	34,383,554
Debt service					
Principal retirement	-	-	-	2,910,000	2,910,000
Interest	-	-	-	6,967,915	6,967,915
Cost of issuance	-	-	-	2,119,724	2,119,724
Total expenditures	112,796,743	23,314,932	24,701,597	64,462,378	225,275,650
Excess of revenues over (under) expenditures	(9,461,081)	(9,205,632)	(7,423,395)	(4,247,889)	(30,337,996)
Other financing sources (use):					
Issuance of debt	-	-	-	58,880,000	58,880,000
Bond premium	-	-	-	2,614,516	2,614,516
Payment to refunded bonds	-	-	-	(62,110,058)	(62,110,058)
Transfer from:					
Transfer-General Fund	-	-	11,425,000	1,353,911	12,778,911
Transfer-Special Revenue	-	-	2,000	1,392,376	1,394,376
Transfer-Capital Funds	800,000	-	18,890,377	-	19,690,377
Transfer-Sewer Fund	-	-	5,000	-	5,000
Transfer-Electric	13,935,000	-	15,000	2,000,000	15,950,000
Transfer-Water	3,231,833	-	-	-	3,231,833
Transfer-Parking	1,800,000	-	-	1,000,000	2,800,000
Transfer-Internal Service Fund	-	-	10,000	-	10,000
Transfer to:					
Transfer-General Fund	-	-	(800,000)	-	(800,000)
Transfer-Special Revenue	(1,353,911)	-	-	(1,392,376)	(2,746,287)
Transfer-Capital Funds	(11,425,000)	-	-	(18,892,377)	(30,317,377)
Transfer-Int Service	(6,540,000)	-	-	-	(6,540,000)
Total other financing sources (use)	447,922	-	29,547,377	(15,154,008)	14,841,291
Net change in fund balances	(9,013,158)	(9,205,632)	22,123,982	(19,401,897)	(15,496,705)
Fund balance, July 1 as restated	132,296,177	38,910,820	22,472,275	145,156,220	338,835,493
Fund Balance, June 30	\$ 123,283,018	29,705,188	44,596,257	125,754,324	323,338,788

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

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, 2004

Net change in fund balances - total governmental funds		\$	(15,496,705)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital assets as expenditures			21,312,532
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.			4,082,125
In the statement of activities, the cost of issuance of bonds is reclassified as an asset from expenditures in governmental funds.			
2003 Tax allocation bonds			2,119,724
In the statement of activities, bond issuance costs are deferred and allocated to expense over the life of bonds:			
Police building bonds	\$	(23,000)	
1993 Tax allocation bonds		(619,831)	
2002 Tax allocation bonds		(57,666)	
2003 Tax allocation bonds		(90,671)	(791,168)
In the statement of activities, the deferred amounts on refunding are allocated over the life of the bonds as a component of expense.			(133,422)
In the statement of activities, the bond premium is allocated over the life of bonds as revenue			
2002 Tax allocation bonds		105,619	
2003 Tax allocation bonds		96,834	202,453
In the statement of activities, bond proceeds, bond premium, and other long term debts which are other financing sources in governmental funds are classified as liabilities.			
2003 Tax Allocation Bonds - bonds issued, net of deferred amount		(55,477,730)	
2003 Tax Allocation Bonds - bond premium		(2,614,515)	
Notes payable		(4,615,000)	(62,707,245)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:			
Police building bonds		1,100,000	
1993 Tax Allocation bonds		59,315,000	
2002 Tax allocation bonds		1,810,000	
Capital lease		369,512	
Section 108		100,000	62,694,512
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:			
Accrued interest, June 30, 2004			
Police building bonds		(52,635)	
2002 Tax Allocation Bonds		(165,249)	
2003 Tax Allocation Bonds		(215,489)	(433,373)
Accrued interest, June 30, 2003			
Police building bonds		51,888	
2002 Tax Allocation Bonds		169,774	
1993 Tax Allocation Bonds		274,910	496,572
Landfill postclosure care liability increased from prior year			(1,271,668)
Deferred revenue in the governmental funds is a revenue in the statement of activities.			(1,968,519)
Change in net assets of Internal Service funds allocated to governmental activities			2,257,248
Change in net assets for governmental activities	\$		<u>10,363,066</u>

Exhibit D-1
CITY OF GLENDALE
Statement of Revenues - Budget to Actual
General Fund
Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance Over/(Under)
	Original	Final		
Property taxes	\$ 16,574,000	16,574,000	17,495,470	921,470
Other taxes				
Sales tax	13,800,000	13,800,000	24,361,797	10,561,797
State 1/2% sales tax	1,300,000	1,300,000	1,362,922	62,922
Utility users tax	19,000,000	20,300,000	22,666,281	2,366,281
Franchise tax	2,195,000	2,195,000	2,905,353	710,353
Occupancy tax	2,200,000	2,200,000	2,019,909	(180,091)
Property transfer tax	750,000	750,000	1,069,944	319,944
Total	39,245,000	40,545,000	54,386,206	13,841,206
Licenses and permits:				
Dog licenses	160,000	160,000	164,946	4,946
Cat licenses	-	-	15	15
Building permits	2,751,000	2,751,000	3,045,591	294,591
Plan check fees	-	-	131,695	131,695
Variance permits	356,000	356,000	752,960	396,960
Grading permits	36,000	36,000	34,539	(1,461)
Street permits	140,000	140,000	149,159	9,159
Business license permits	450,000	450,000	419,421	(30,579)
Total	3,893,000	3,893,000	4,698,326	805,326
Fines and forfeitures - traffic safety fines	1,600,000	1,600,000	1,467,607	(132,393)
Use of money and property:				
Interest & inv. revenue	3,000,000	3,000,000	3,007,834	7,834
Interest & inv GASB 31	-	-	(1,821,609)	(1,821,609)
Landfill gas royalties	1,000,000	1,000,000	1,622,673	622,673
Rental income	118,000	118,000	100,058	(17,942)
Total	\$ 4,118,000	4,118,000	2,908,955	(1,209,045)

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

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues - Budget to Actual

General Fund

Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance Over/(Under)
	Original	Final		
Revenue from other agencies:				
Mutual aid reimbursement	\$ -	-	176,562	176,562
Historic preserve grant	-	12,000	-	(12,000)
State arts in education grant	-	-	549	549
State AB 1662 booking fee	-	-	23,763	23,763
Motor vehicle in lieu	11,900,000	11,900,000	9,372,120	(2,527,880)
State library grant	-	-	111,801	111,801
State police grants	60,000	60,000	19,288	(40,712)
State H/O exemptions	215,000	215,000	211,423	(3,577)
St forestry & fire protection	-	25,465	-	(25,465)
County grants	10,000	10,000	10,000	-
Total	12,185,000	12,222,465	9,925,507	(2,296,958)
Charges for services:				
Zoning-subdivision fees	43,000	43,000	48,555	5,555
Map and publication fees	25,000	25,000	23,275	(1,725)
Filing-certification fee	10,000	10,000	10,164	164
Finger print fees	200,000	200,000	170,051	(29,949)
Special police fees	750,000	750,000	761,786	11,786
Police presence post 9-11-2001	1,000,000	1,000,000	461,931	(538,070)
Fire inspection fees	300,000	300,000	349,226	49,226
Fire communication fees	175,000	175,000	186,133	11,133
Hydrant flow test fees	4,000	4,000	4,680	680
Hazardous vegetation fee	2,000	2,000	3,895	1,895
Code enforcement fees	60,000	60,000	104,401	44,401
Youth employment fees	618,434	618,434	806,376	187,942
Express plan check fees	150,000	150,000	206,903	56,903
Excavation fees	36,000	36,000	24,372	(11,628)
Resurfacing fees	4,000	4,000	-	(4,000)
Collectible jobs O/H	360,000	360,000	(17,374)	(377,374)
Collectible jobs vehicle	115,000	115,000	83,494	(31,506)
Collectible jobs - A & G	16,000	16,000	104,373	88,373
Library fines and fees	137,000	137,000	142,918	5,918
Library misc fees	-	-	100	100
Rental bldgs/facilities	-	-	23,487	23,487
Registrations fees	120,000	120,000	31,102	(88,898)
Aquatics	30,000	30,000	29,943	(57)
Parks misc fees	-	-	9,945	9,945
Special program fees	7,124	7,124	-	(7,124)
Local assessment fees	100,000	100,000	98,278	(1,722)
Total	\$ 4,262,558	4,262,558	3,668,014	(594,544)

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

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues - Budget to Actual

General Fund

Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance Over/(Under)
	Original	Final		
Miscellaneous revenue:				
Donations & contribution	\$ 40,000	40,000	87,029	47,029
Designated donation - M&O	-	-	13,059	13,059
Designated donation-GHRC dues	-	-	110	110
Celebrate community donations	-	-	4,978	4,978
Rose float donations	-	40,000	75,000	35,000
Sponsorships	200,000	200,000	-	(200,000)
Unclaimed money & prop	-	-	111,125	111,125
Miscellaneous revenue	200,000	215,000	370,327	155,327
Budgetary job O/H	103,000	103,000	-	(103,000)
Sales of property	5,000	5,000	3,418	(1,583)
Total	548,000	603,000	665,045	62,045
Interfund revenue				
Charges to enterprise funds for:				
Charges to ent-council	129,000	129,000	142,628	13,628
Charges to ent-manager	673,000	673,000	700,451	27,451
Charges to ent-auditor	148,000	148,000	173,706	25,706
Charges to ent-clerk	393,000	393,000	363,433	(29,567)
Charges to ent-finance	1,066,000	1,066,000	1,038,190	(27,810)
Charges to ent-EDP	1,656,000	1,656,000	2,589,726	933,726
Charges to ent-treasurer	207,000	207,000	180,129	(26,871)
Charges to ent-purchasng	181,000	181,000	144,465	(36,535)
Charges to ent-legal	755,000	755,000	616,782	(138,218)
Charges to ent-personnel	404,000	404,000	362,799	(41,201)
Charges to ent-training	72,000	72,000	46,086	(25,914)
Charges to ent-parks-rec	55,000	55,000	57,081	2,081
Charges to ent-G.G. bldg	48,000	48,000	45,840	(2,160)
Charges to ent-mem & due	21,000	21,000	19,777	(1,223)
Charges to ent-PW admin	326,000	326,000	325,256	(744)
Salary O/H budget job	-	-	314,183	314,183
Total	6,134,000	6,134,000	7,120,531	986,531
Intergovernmental revenue	1,000,000	1,000,000	1,000,000	-
Total revenues	\$ 89,559,558	90,952,023	103,335,663	12,383,640

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

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures - Budget to Actual
General Fund
Year Ended June 30, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
General government:				
City council	\$ 286,248	286,248	316,543	(30,295)
City clerk	790,754	783,754	800,840	(17,086)
Elections	13,547	13,547	8,856	4,691
City treasurer	420,837	420,837	399,702	21,135
City manager	1,400,660	1,727,723	1,553,619	174,104
City auditor	337,551	433,751	381,604	52,147
Legal	1,514,018	1,514,018	1,366,876	147,142
Finance	2,204,768	2,246,149	2,265,612	(19,463)
Purchasing	357,289	357,289	320,211	37,078
Graphics	499,416	499,416	438,261	61,155
Information services	3,269,460	4,401,084	4,145,999	255,085
Communications services	377,025	377,025	599,882	(222,857)
Planning	2,236,537	2,322,386	2,241,031	81,355
Personnel	1,245,218	1,246,270	1,125,720	120,550
Training	236,709	236,709	54,480	182,229
Total	<u>15,190,037</u>	<u>16,866,206</u>	<u>16,019,237</u>	<u>846,969</u>
Community promotion:				
Membership and dues	<u>55,789</u>	<u>55,789</u>	<u>55,789</u>	<u>-</u>
Public safety:				
Police	35,729,438	35,736,029	35,440,438	295,591
Police helicopter	1,681,875	1,693,085	1,532,411	160,674
Civic center garage	437,556	416,956	458,640	(41,684)
Comm. family counseling	97,366	97,366	89,259	8,107
Animal control	807,492	807,492	740,201	67,291
Fire	23,201,917	23,370,037	24,158,532	(788,495)
Fire prevention	1,525,239	1,525,239	1,423,074	102,165
Fire communications	729,958	729,958	724,093	5,865
Emergency services	177,517	170,517	173,958	(3,441)
Total	<u>\$ 64,388,358</u>	<u>64,546,679</u>	<u>64,740,607</u>	<u>(193,928)</u>

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

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures - Budget to Actual
General Fund
Year Ended June 30, 2004

	Original	Final	Actual	Variance (Over)/Under
Public works:				
Public works	\$ 561,378	597,378	570,883	26,495
Project management	71,385	71,385	174,323	(102,938)
Engineering	2,144,316	2,154,316	2,502,614	(348,298)
Building inspection	2,880,919	2,880,919	2,591,723	289,196
Corporation yard	104,535	104,535	100,405	4,130
Custodial services	809,006	809,006	654,157	154,849
Building services	1,890,998	2,140,998	1,705,603	435,395
Street administration	360,760	388,897	352,054	36,843
Street maintenance	1,242,964	1,337,964	1,081,337	256,627
Sidewalk maintenance	1,227,069	2,132,069	1,028,204	1,103,865
Street trees maintenance	1,041,968	1,267,433	1,110,815	156,618
Mechanical maintenance	1,274,208	1,274,208	1,172,846	101,362
Warehouse	154,769	154,769	133,382	21,387
Traffic engineering	921,471	986,471	906,303	80,168
Traffic signals	996,412	1,046,412	871,800	174,612
Traffic safety controls	414,293	414,293	365,164	49,129
Total	16,096,451	17,761,053	15,321,613	2,439,440
Housing, health and community development:				
Economic development	31,807	31,807	7,255	24,552
Neighborhood services	1,489,966	1,489,966	1,639,918	(149,952)
Total	1,521,773	1,521,773	1,647,173	(125,400)
Parks, recreation and community services:				
Parks administration	853,776	858,776	847,674	11,102
Parks	5,021,562	5,021,562	5,181,288	(159,726)
Facility & events services	325,535	365,535	372,420	(6,885)
Recreation & community services	1,051,966	1,051,966	927,370	124,596
Senior programs	398,561	398,561	335,165	63,396
Youth services	704,522	704,522	601,060	103,462
Pacific community center	713,976	713,976	611,270	102,706
Total	9,069,898	9,114,898	8,876,247	238,651
Library	6,368,268	6,403,138	6,136,078	267,060
Total expenditures	\$ 112,690,574	116,269,536	112,796,743	3,472,793

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

Exhibit D-3

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2004

	Salaries and Benefits				Maintenance and Operation			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
General government:								
City council	207,522	207,522	235,657	(28,135)	73,726	77,726	80,886	(3,160)
City clerk	659,883	659,883	710,951	(51,068)	130,871	123,871	89,889	33,982
Elections	13,072	13,072	-	13,072	475	475	8,856	(8,381)
City treasurer	357,485	357,485	358,072	(587)	63,352	63,352	41,630	21,722
City manager	1,098,050	1,185,072	1,167,944	17,129	302,610	542,651	384,850	157,801
City auditor	320,303	361,503	371,194	(9,691)	17,248	72,248	10,410	61,838
Legal	1,398,019	1,398,019	1,269,564	128,455	115,999	115,999	97,312	18,687
Finance	1,540,150	1,566,531	1,587,234	(20,703)	664,618	679,618	678,378	1,240
Purchasing	331,441	331,441	309,170	22,271	25,848	25,848	11,041	14,807
Graphics	370,263	370,263	352,527	17,736	129,153	129,153	85,734	43,419
Information services	2,794,133	3,075,757	3,368,779	(293,022)	475,327	1,325,327	777,220	548,107
Communications services	338,754	338,754	550,609	(211,855)	38,271	38,271	49,273	(11,002)
Planning	2,151,400	2,136,400	2,111,763	24,637	85,137	185,986	129,268	56,718
Personnel	962,083	927,485	809,589	117,896	283,135	318,785	316,131	2,654
Training	-	-	-	-	236,709	236,709	54,480	182,229
Total	12,542,558	12,929,187	13,203,053	(273,866)	2,642,479	3,936,019	2,815,359	1,120,660
Community promotion:								
Membership and dues	-	-	-	-	55,789	55,789	55,789	-
Public safety:								
Police	31,434,339	31,434,339	31,636,889	(202,550)	4,295,099	4,301,690	3,803,549	498,141
Police helicopter	757,725	757,725	744,020	13,705	598,527	598,527	536,706	61,821
Civic center garage	396,922	396,922	405,305	(8,383)	40,634	15,634	48,935	(33,301)
Comm. family counseling	92,450	92,450	85,628	6,822	4,916	4,916	3,631	1,285
Animal control	-	-	-	-	807,492	807,492	740,201	67,291
Fire	21,183,081	21,183,081	22,220,452	(1,037,371)	2,008,836	2,033,953	1,800,077	233,876
Fire prevention	1,409,666	1,409,666	1,360,368	49,298	115,573	115,573	62,706	52,867
Fire communications	-	-	-	-	729,958	729,958	724,093	5,865
Emergency services	145,800	144,700	145,440	(740)	31,717	25,817	28,518	(2,701)
Total	55,419,983	55,418,883	56,598,103	(1,179,220)	8,632,752	8,633,560	7,748,417	885,143

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

Exhibit D-3

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2004

	Salaries and Benefits				Maintenance and Operation			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
Public works:								
Public works	514,634	514,634	536,858	(22,224)	46,744	82,744	34,025	48,719
Project Management	51,385	51,385	161,853	(110,468)	20,000	20,000	12,470	7,530
Engineering	1,993,503	1,993,503	2,396,131	(402,628)	150,813	160,813	106,483	54,330
Building Inspection	2,488,348	2,488,348	2,460,189	28,159	392,571	392,571	131,534	261,037
Corporation yard	-	-	-	-	104,535	104,535	100,405	4,130
Custodial services	714,573	714,573	572,708	141,865	94,433	94,433	81,449	12,984
Building services	1,056,586	1,056,586	749,599	306,987	834,412	1,084,412	956,005	128,407
Street administration	317,852	317,852	280,718	37,134	42,908	71,045	71,336	(291)
Street maintenance	1,146,636	1,121,636	882,804	238,832	96,328	216,328	198,532	17,796
Sidewalk maintenance	894,905	894,905	740,636	154,269	332,164	1,228,164	279,532	948,632
Street trees maintenance	740,484	745,424	624,265	121,159	301,484	522,009	486,549	35,460
Mechanical maintenance	449,213	449,213	236,856	212,357	824,995	817,995	929,579	(111,584)
Warehouse	149,104	149,104	129,941	19,163	5,665	5,665	3,441	2,224
Traffic engineering	565,129	565,129	673,571	(108,442)	356,342	421,342	232,732	188,610
Traffic signals	84,129	84,129	62,631	21,498	912,283	962,283	809,169	153,114
Traffic safety controls	308,355	308,355	275,002	33,353	105,938	105,938	90,162	15,776
Total	11,474,836	11,454,776	10,783,764	671,012	4,621,615	6,290,277	4,523,402	1,766,875
Housing, health and community development:								
Economic development	-	-	-	-	31,807	31,807	7,255	24,552
Neighborhood services	1,174,075	1,174,075	1,447,357	(273,282)	315,891	315,891	192,561	123,330
Total	1,174,075	1,174,075	1,447,357	(273,282)	347,698	347,698	199,816	147,882
Parks, recreation and community services:								
Parks administration	751,034	751,034	749,163	1,871	102,742	107,742	98,510	9,232
Parks	3,558,255	3,558,255	3,700,681	(142,426)	1,423,027	1,423,027	1,450,526	(27,499)
Facility & events services	124,024	124,024	117,895	6,129	201,511	241,511	254,525	(13,014)
Rec & community services	910,661	895,661	803,897	91,764	141,305	141,305	122,868	18,437
Senior programs	310,208	310,208	250,605	59,603	88,353	88,353	84,560	3,793
Youth services	626,268	601,268	502,492	98,776	78,254	96,254	91,602	4,652
Pacific Community Ctr	546,596	546,596	474,315	72,281	167,380	167,380	136,954	30,426
Total	6,827,046	6,787,046	6,599,049	187,997	2,202,572	2,265,572	2,239,546	26,026
Library	4,784,623	4,760,123	4,614,831	145,292	1,567,645	1,607,145	1,502,605	104,540
Total expenditures	92,223,121	92,524,090	93,246,156	(722,066)	20,070,550	23,136,060	19,084,933	4,051,127

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

Exhibit D-3-2
CITY OF GLENDALE
Statement of Expenditures - Budget to Actual
General Fund
Year Ended June 30, 2004

	Capital Outlay				Total			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
General government:								
City council	\$ 5,000	1,000	-	1,000	286,248	286,248	316,543	(30,295)
City clerk	-	-	-	-	790,754	783,754	800,840	(17,086)
Elections	-	-	-	-	13,547	13,547	8,856	4,691
City treasurer	-	-	-	-	420,837	420,837	399,702	21,135
City manager	-	-	825	(825)	1,400,660	1,727,723	1,553,619	174,104
City auditor	-	-	-	-	337,551	433,751	381,604	52,147
Legal	-	-	-	-	1,514,018	1,514,018	1,366,876	147,142
Finance	-	-	-	-	2,204,768	2,246,149	2,265,612	(19,463)
Purchasing	-	-	-	-	357,289	357,289	320,211	37,078
Graphics	-	-	-	-	499,416	499,416	438,261	61,155
Information services	-	-	-	-	3,269,460	4,401,084	4,145,999	255,085
Communications services	-	-	-	-	377,025	377,025	599,882	(222,857)
Planning	-	-	-	-	2,236,537	2,322,386	2,241,031	81,355
Personnel	-	-	-	-	1,245,218	1,246,270	1,125,720	120,550
Training	-	-	-	-	236,709	236,709	54,480	182,229
Total	5,000	1,000	825	175	15,190,037	16,866,206	16,019,237	846,969
Community promotion:								
Membership and dues	-	-	-	-	55,789	55,789	55,789	-
Public safety:								
Police	-	-	-	-	35,729,438	35,736,029	35,440,438	295,591
Police helicopter	325,623	336,833	251,684	85,149	1,681,875	1,693,085	1,532,411	160,674
Civic center garage	-	4,400	4,400	-	437,556	416,956	458,640	(41,684)
Community family counseling	-	-	-	-	97,366	97,366	89,259	8,107
Animal control	-	-	-	-	807,492	807,492	740,201	67,291
Fire	10,000	153,003	138,003	15,000	23,201,917	23,370,037	24,158,532	(788,495)
Fire prevention	-	-	-	-	1,525,239	1,525,239	1,423,074	102,165
Fire communications	-	-	-	-	729,958	729,958	724,093	5,865
Emergency services	-	-	-	-	177,517	170,517	173,958	(3,441)
Total	\$ 335,623	494,236	394,088	100,148	64,388,358	64,546,679	64,740,607	(193,928)

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

Exhibit D-3-2
CITY OF GLENDALE
 Statement of Expenditures - Budget to Actual
 General Fund
 Year Ended June 30, 2004

	Capital Outlay				Total			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
Public works:								
Public works	\$ -	-	-	-	561,378	597,378	570,883	26,495
Project management	-	-	-	-	71,385	71,385	174,323	(102,938)
Engineering	-	-	-	-	2,144,316	2,154,316	2,502,614	(348,298)
Building inspection	-	-	-	-	2,880,919	2,880,919	2,591,723	289,196
Corporation yard	-	-	-	-	104,535	104,535	100,405	4,130
Custodial services	-	-	-	-	809,006	809,006	654,157	154,849
Building services	-	-	-	-	1,890,998	2,140,998	1,705,603	435,395
Street administration	-	-	-	-	360,760	388,897	352,054	36,843
Street maintenance	-	-	-	-	1,242,964	1,337,964	1,081,337	256,627
Sidewalk maintenance	-	9,000	8,036	964	1,227,069	2,132,069	1,028,204	1,103,865
Street trees maintenance	-	-	-	-	1,041,968	1,267,433	1,110,815	156,618
Mechanical maintenance	-	7,000	6,411	589	1,274,208	1,274,208	1,172,846	101,362
Warehouse	-	-	-	-	154,769	154,769	133,382	21,387
Traffic engineering	-	-	-	-	921,471	986,471	906,303	80,168
Traffic signals	-	-	-	-	996,412	1,046,412	871,800	174,612
Traffic safety controls	-	-	-	-	414,293	414,293	365,164	49,129
Total	-	16,000	14,447	1,553	16,096,451	17,761,053	15,321,613	2,439,440
Housing, health and community development:								
Economic development	-	-	-	-	31,807	31,807	7,255	24,552
Neighborhood services	-	-	-	-	1,489,966	1,489,966	1,639,918	(149,952)
Total	-	-	-	-	1,521,773	1,521,773	1,647,173	(125,400)
Parks, recreation and community services:								
Parks administration	-	-	-	-	853,776	858,776	847,674	11,102
Parks	40,280	40,280	30,080	10,200	5,021,562	5,021,562	5,181,288	(159,726)
Facility & events services	-	-	-	-	325,535	365,535	372,420	(6,885)
Recreation & community services	-	15,000	606	14,394	1,051,966	1,051,966	927,370	124,596
Senior programs	-	-	-	-	398,561	398,561	335,165	63,396
Youth services	-	7,000	6,966	34	704,522	704,522	601,060	103,462
Pacific community center	-	-	-	-	713,976	713,976	611,270	102,706
Total	40,280	62,280	37,652	24,628	9,069,898	9,114,898	8,876,247	238,651
Library	16,000	35,870	18,642	17,228	6,368,268	6,403,138	6,136,078	267,060
Total expenditures	\$ 396,903	609,386	465,654	143,732	112,690,574	116,269,536	112,796,743	3,472,793

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

Exhibit E-1
CITY OF GLENDALE
Statement of Net Assets
Proprietary Funds
June 30, 2004

Business-type Activities - Enterprise Fund							
	Sewer Fund	Electric Fund	Water Fund	All Major Enterprise Funds	Non Major Enterprise Funds	Total	Governmental Activities Internal Service Funds
Assets							
Current assets:							
Cash and invested cash	\$ 63,271,165	49,324,737	3,321,634	115,917,535	6,410,960	122,328,495	42,006,651
Imprest cash	-	3,200	1,000	4,200	10,000	14,200	-
Cash with fiscal agent	-	808,339	-	808,339	-	808,339	-
Interest receivable	406,500	1,336,042	63,960	1,806,502	39,960	1,846,462	256,440
Investment-gas/elec commodity	-	3,882,979	-	3,882,979	-	3,882,979	-
Accounts receivable, net	1,261,760	13,372,894	2,267,676	16,902,329	2,442,438	19,344,768	58,639
Unbilled receivable	1,155,815	9,440,426	2,235,385	12,831,626	827,713	13,659,339	-
Due from other agencies	2,000,000	1,253,716	-	3,253,716	138,785	3,392,501	551
Due from other funds	-	1,331,140	-	1,331,140	-	1,331,140	-
Deposits	-	17,000	-	17,000	-	17,000	-
Inventories	-	3,301,647	287,555	3,589,202	-	3,589,202	-
Prepaid items	-	967,741	-	967,741	2,233	969,974	270,150
Total current assets	68,095,239	85,039,860	8,177,211	161,312,310	9,872,089	171,184,399	42,592,431
Noncurrent assets:							
Designated & invested cash	-	151,300,000	6,900,000	158,200,000	-	158,200,000	-
Deferred charges	-	1,153,277	-	1,153,277	-	1,153,277	-
Total noncurrent assets	-	152,453,277	6,900,000	159,353,277	-	159,353,277	-
Capital assets:							
Land	578,447	4,849,380	622,568	6,050,395	7,289,848	13,340,243	-
Buildings and improvements	138,238,427	51,791,171	65,176,218	255,205,816	46,684,360	301,890,176	-
Machinery and equipment	1,498,775	321,842,797	39,116,575	362,458,147	15,573,657	378,031,804	420,301
Accumulated depreciation	(20,210,204)	(192,803,810)	(43,340,356)	(256,354,370)	(24,074,968)	(280,429,338)	(395,768)
Construction in progress	-	17,710,003	8,441,286	26,151,289	-	26,151,289	-
Total capital assets	120,105,446	203,389,541	70,016,290	393,511,277	45,472,897	438,984,174	24,533
Total assets	188,200,685	440,882,678	85,093,501	714,176,865	55,344,986	769,521,851	42,616,964
Liabilities and Net Assets							
Current liabilities:							
Accounts payable	154,606	8,784,349	1,774,708	10,713,663	742,788	11,456,451	457,815
Contracts-retained amount due	-	1,402,491	237,130	1,639,621	-	1,639,621	-
Accrued wages and withholding	59,597	1,008,384	135,380	1,203,361	438,586	1,641,947	101,567
Due to other funds	-	-	-	-	3,439,256	3,439,256	-
Accrued interest on bonds	-	1,525,878	-	1,525,878	-	1,525,878	-
Long term debt, due in one year	-	819,647	-	819,647	-	819,647	-
Deposits	255,666	1,802,125	510,423	2,568,214	196,258	2,764,471	-
Total current liabilities	469,869	15,342,873	2,657,642	18,470,384	4,816,887	23,287,271	559,382
Noncurrent liabilities:							
Claims payable	-	25,000	-	25,000	-	25,000	37,531,331
Compensated absences	67,147	1,608,013	402,004	2,077,164	691,213	2,768,378	7,287,362
Post employment benefits	-	-	-	-	-	-	5,036,920
Long term debt	-	67,613,899	-	67,613,899	-	67,613,899	-
Total noncurrent liabilities	67,147	69,246,912	402,004	69,716,063	691,213	70,407,276	49,855,613
Total liabilities	537,016	84,589,785	3,059,646	88,186,447	5,508,100	93,694,547	50,414,995
Net assets:							
Invested in capital assets, net of related debt	120,105,446	136,339,541	70,016,290	326,461,277	45,472,897	371,934,174	24,533
Restricted	-	1,603,339	-	1,603,339	-	1,603,339	-
Reserved for Elec-SCAQMD	-	10,343,844	-	10,343,844	-	10,343,844	-
Unrestricted	67,558,223	208,006,170	12,017,565	287,581,958	4,363,989	291,945,947	(7,822,564)
Total net assets	\$ 187,663,669	356,292,893	82,033,855	625,990,418	49,836,886	675,827,304	(7,798,031)

Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.

(9,617,850)
\$ 666,209,453

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

Exhibit E-2
CITY OF GLENDALE
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
Year ended June 30, 2004

Business-type Activities - Enterprise Fund						
	Sewer Fund	Electric Fund	Water Fund	All Major Enterprise Funds	Non Major Enterprise Funds	Total
						Governmental Activities Internal Service Funds
Operating revenues						
Charges for services:						
Recreation service	\$ -	-	-	-	1,617,037	1,617,037
Fire paramedic service	-	-	-	-	6,389,735	6,389,735
Parking service	-	-	-	-	6,159,057	6,159,057
Hazardous disposal service	-	-	-	-	1,437,485	1,437,485
Refuse disposal service	-	-	-	-	13,758,613	13,758,613
Sewer service	16,036,332	-	-	16,036,332	-	16,036,332
Electric service	-	151,718,142	-	151,718,142	-	151,718,142
Water service	-	-	31,377,023	31,377,023	-	31,377,023
Internal service charges	-	-	-	-	-	-
Miscellaneous revenue	42,876	4,351,832	1,105,021	5,499,729	329,096	5,828,825
Total operating revenues	16,079,208	156,069,974	32,482,044	204,631,226	29,691,023	234,322,249
Operating expenses						
Recreation service	-	-	-	-	2,200,977	2,200,977
Fire paramedic service	-	-	-	-	7,195,708	7,195,708
Parking service	-	-	-	-	3,605,325	3,605,325
Hazardous disposal service	-	-	-	-	1,577,691	1,577,691
Refuse disposal service	-	-	-	-	12,870,330	12,870,330
Sewer service	7,764,467	-	-	7,764,467	-	7,764,467
Electric service and water service	-	-	-	-	-	-
Production	-	103,897,157	17,688,757	121,585,914	-	121,585,914
Transmission and distribution	-	14,316,793	2,700,185	17,016,978	-	17,016,978
Customer accounting and sales	-	5,468,788	2,041,492	7,510,280	-	7,510,280
Claims and settlement	-	-	-	-	-	-
Vehicle related	-	-	-	-	-	-
Benefit related	-	-	-	-	-	-
Depreciation	1,595,727	11,290,210	2,590,462	15,476,399	3,583,893	19,060,292
Total operating expenses	9,360,194	134,972,948	25,020,896	169,354,038	31,033,924	200,387,962
Operating income (loss)	6,719,014	21,097,026	7,461,148	35,277,188	(1,342,901)	33,934,287
Non operating revenues (expenses):						
Interest revenue	717,297	1,916,219	110,966	2,744,482	72,359	2,816,841
Grant revenue	-	1,253,716	392,930	1,646,646	321,977	1,968,623
Interest expense	-	(3,716,436)	-	(3,716,436)	-	(3,716,436)
Contribution in aid	-	1,802,923	286,807	2,089,730	810	2,090,540
Total non operating revenues, net	717,297	1,256,422	790,703	2,764,422	395,146	3,159,568
Income before transfers	7,436,311	22,353,448	8,251,851	38,041,610	(947,755)	37,093,855
Transfer in:						
Transfer-General Fund	-	-	-	-	-	-
Transfer-Internal Service Fund	-	-	-	-	-	-
Transfer out						
Transfer-General Fund	-	(13,935,000)	(3,231,833)	(17,166,833)	(1,800,000)	(18,966,833)
Transfer-Special Revenue	-	(2,000,000)	-	(2,000,000)	(1,000,000)	(3,000,000)
Transfer-Capital Funds	(5,000)	(15,000)	-	(20,000)	-	(20,000)
Transfer-Int Service	-	-	-	-	-	-
Total transfers	(5,000)	(15,950,000)	(3,231,833)	(19,186,833)	(2,800,000)	(21,986,833)
Change in net assets	7,431,311	6,403,448	5,020,018	18,854,776	(3,747,756)	15,107,021
Total net assets, July 1 as restated	180,232,358	349,889,445	77,013,837	607,135,641	53,584,642	660,720,283
Total net assets, June 30	\$ 187,663,669	356,292,893	82,033,855	625,990,418	49,836,886	675,827,304
Some amounts reported for business-type activities in the statements of activities are different because the net revenue (expense) of certain internal service funds are reported with business-type activities.						(9,617,850)
Total net assets of business-type activities						\$ 666,209,453

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

Exhibit E-3
CITY OF GLENDALE
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds						Governmental Activities
				Total All Major Enterprise Funds	Non Major Funds - Proprietary	Total	Internal Service Funds
	Sewer Fund	Electric Fund	Water Fund				
Cash flows from operating activities:							
Cash from customers	\$ 24,710,157	149,197,439	30,971,255	204,878,851	29,752,835	234,631,686	21,035,320
Cash paid to employees	(1,659,502)	(27,416,849)	(2,721,300)	(31,797,651)	(12,902,254)	(44,699,906)	(4,001,980)
Cash paid to suppliers	(5,939,051)	(97,334,606)	(19,500,750)	(122,774,407)	(13,527,109)	(136,301,516)	(19,559,743)
Miscellaneous revenue	42,876	4,351,832	1,105,021	5,499,729	329,096	5,828,824	195
Net cash provided by operating activities	17,154,480	28,797,816	9,854,225	55,806,521	3,652,568	59,459,088	(2,526,208)
Cash flows from noncapital financing activities:							
Operating transfers out to general fund	(5,000)	(15,950,000)	(3,231,833)	(19,186,833)	(2,800,000)	(21,986,833)	-
Operating transfers out to internal service fund	-	-	-	-	-	-	(2,500,000)
Operating transfers out to capital improvement fund	-	-	-	-	-	-	(10,000)
Operating transfers in from general fund	-	-	-	-	-	-	6,540,000
Operating transfers in from internal service fund	-	-	-	-	-	-	2,500,000
Operating grant received	-	1,253,716	392,930	1,646,646	321,977	1,968,623	-
Net cash flow provided by (used in) noncapital financing activities	(5,000)	(14,696,284)	(2,838,903)	(17,540,187)	(2,478,023)	(20,018,210)	6,530,000
Cash flows from capital and related financing activities:							
Interest on long term debt	-	(3,716,436)	-	(3,716,436)	-	(3,716,436)	-
Principal paid on long-term debt	-	(882,242)	-	(882,242)	-	(882,242)	-
Cost of issuance of bonds	-	54,557	-	54,557	-	54,557	-
Contribution in aid	-	1,802,923	286,807	2,089,730	810	2,090,540	-
Acquisition of property, plant, and equipment	(8,612,868)	(30,122,145)	(6,202,152)	(44,937,165)	(1,008,612)	(45,945,777)	93,728
Investment - gas/electric commodity	-	(552,300)	-	(552,300)	-	(552,300)	-
Net cash (used in) capital and related financing activities	(8,612,868)	(33,415,643)	(5,915,345)	(47,943,855)	(1,007,802)	(48,951,657)	93,728
Cash provided by investing activities - interest received	614,246	1,664,464	92,561	2,371,271	67,690	2,438,961	347,649
Net increase (decrease) in cash and cash equivalents	9,150,859	(17,649,647)	1,192,538	(7,306,251)	234,433	(7,071,818)	4,445,169
Cash and cash equivalents at beginning of year	54,120,306	219,085,923	9,030,096	282,236,325	6,186,527	288,422,852	37,561,483
Cash and cash equivalents at end of year	\$ 63,271,165	201,436,276	10,222,634	274,930,075	6,420,960	281,351,034	42,006,651
Reconciliation of operating income to net cash provided by operating activities:							
Operating income	\$ 6,719,014	21,097,026	7,461,148	35,277,188	(1,342,901)	33,934,287	(10,884,823)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	1,595,727	11,290,210	2,590,462	15,476,399	3,583,893	19,060,292	32,748
(Increase) decrease in Accounts receivable net	1,827,175	(4,572,791)	(694,448)	(3,440,063)	(195,827)	(3,635,889)	(44,411)
(Increase) decrease in Unbilled receivable	388,313	3,322,802	288,679	3,999,794	209,675	4,209,469	-
(Increase) decrease in Due from other agencies	6,458,337	(1,253,716)	-	5,204,621	377,060	5,581,681	26,950
(Increase) decrease in Deposits	-	(17,000)	-	(17,000)	-	(17,000)	-
(Increase) decrease in Inventories	-	210,662	31,643	242,305	-	242,305	-
(Increase) decrease in Prepaid expenses	-	336,161	-	336,161	8,244	344,405	(31,000)
Increase (decrease) in Accrued salaries and withholding	13,619	84,689	22,739	121,047	(31,154)	89,893	(9,301)
Increase (decrease) in Compensated absences	27,132	293,691	71,622	392,444	149,819	542,263	949,770
Increase (decrease) in Accounts payable	154,117	(2,872,896)	38,911	(2,679,869)	(75,821)	(2,755,689)	115,389
Increase (decrease) in Contracts - retention	-	488,075	139,418	627,493	-	627,493	-
Increase (decrease) in Due to other funds	-	-	-	-	1,111,592	1,111,592	-
Increase (decrease) in Deposits	(28,954)	365,902	(95,948)	241,000	(142,014)	98,986	-
Increase (decrease) in Claims payable	-	25,000	-	25,000	-	25,000	7,318,469
Total reconciliation	\$ 17,154,480	28,797,816	9,854,225	55,806,521	3,652,568	59,459,088	(2,526,208)
Noncash investing, capital, and financing activities:							
Increase in fair value of investments	(672,511)	(2,106,658)	(105,814)	(2,884,983)	(66,109)	(2,951,092)	(424,252)

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

CAFR

Comprehensive Annual Financial Report
City of Glendale, California

Notes to the Financial Statements

June 30, 2004

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

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, Capital Projects and Debt Service Funds. 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

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the City. The effect of inter-fund 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 City is not involved in any other fiduciary activities.

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Fund accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues, and expenditures or expenses, as appropriate. The City reports a total of 51 funds comprising of 1 General Fund, 24 Special Revenue Funds, 3 Debt Service Funds, 4 Capital Project Funds, 8 Enterprise Funds and 11 Internal Service Funds.

The following funds are the City funds by type:

1) Governmental Fund Types

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the City's major governmental funds:

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

Glendale Redevelopment Agency Special Revenue Funds – 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. The Agency currently has three project areas as follows:

- i. Central Glendale Redevelopment Project
- ii. San Fernando Corridor Redevelopment Project
- iii. Town Center

- Capital Project Fund – Used to account for financial resources used for major capital projects of the general government operations.

The other governmental funds of the City are considered nonmajor and are as follows:

Special Revenue Funds are used to account for revenues derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds.

The following nonmajor funds are included in this fund type:

- 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.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

- 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
- 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 Income 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).
- Police Staff Augmentation Fund- To account for monies set aside to increase staff level of City's police force.
- Fire Grant Fund-To account for grant monies received and expended for fire prevention programs.
- Nutritional Meals Grant Fund-To account for monies received from Federal assistance programs for senior citizen services.
- Library Grant Fund-To account for grant monies received and expended from State and local agencies.
- 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.
- 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.
- State Training Program Fund-To account for monies received and expended, as trustee, as participant in the federally funded Welfare to Work.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

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 long-term debt of the City of Glendale. The specific debt service funds used include:

- Police Facility COPs 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.
- 2002 Tax Allocation Bonds Fund-To accumulate monies for the payment of interest and principal of the 2002 Tax Allocation bonds. Debt Service is financed via the incremental property tax from the Glendale Redevelopment Agency.
- 2003 Tax Allocation Refunding Bonds -To accumulate monies for the payment of interest and principal of the 2003 Tax Allocation Bonds. Debt Service is financed via the incremental property tax from the Glendale Redevelopment Agency.

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.
- Police Facility Construction Fund- To account for monies from the 2000 Police Building Project Variable Rate Demand Certificates of Participation proceeds.

2) Proprietary Fund Types

Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position, and cash flows. In accordance with GASB Statement No. 20, *Accounting and financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the City has elected to apply all applicable FASB pronouncements, including those issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

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

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.

The other enterprise funds of the City are considered nonmajor and are as follows:

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

- 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.

Internal Service Funds are used to finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City.

The following funds are included in this fund type:

- Equipment Reserve Fund-To account for equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of equipment.
- Helicopter Depreciation Fund- To account for set-aside funds to perform major maintenance or replacement of the helicopters.
- 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.

D. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *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. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure, and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility), and miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The current tax receivable represents the 2003-04 property tax levy that was based on the assessed value of secured and unsecured property as of the lien date of January 1, 2003. Property taxes are levied on July 1. Unsecured taxes are delinquent if not paid by August 31. Secured taxes are payable in two installments that are deemed delinquent after December 10 and April 10. The County Treasurer/Tax Collector bills and collects property taxes for the City and the County Auditor-Controller then allocates these taxes to the City. Property taxes are considered available if received within 60 days of year-end.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

E. Encumbrances

Appropriations in the governmental funds are charged for encumbrances when commitments are made. Fund balances are reserved for outstanding encumbrances, which serve as authorizations for expenditures in the subsequent year.

F. Assets, Liabilities and Net Assets or 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 prior month end cash balance of the fund as a percent of the month end total pooled cash balance. The City normally holds the investment to term; therefore no realized gain/loss is recorded.

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

2. Derivative Products

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

- a. The City has negotiated fixed-for-float swap transactions based on the commodity price of natural gas at the San Juan and Permian basins to mitigate the market risk of its long-term take-or-pay landfill gas purchase contract.
- 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, 2004, carrying value and market value of the options are \$429,800 and \$709,450, respectively.

3. Receivables and Payables

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

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.

Unbilled receivable - The City records utility and other services delivered to customers but not billed as of June 30, 2004.

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

4. Inter-fund Transactions

Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved. These transactions are recorded on a cash basis.

Due to/from Other Funds are used when a fund has a temporary cash overdraft. Noncurrent portions of long-term inter-fund loan receivables are reported as advances within the governmental funds, and are offset equally by a fund balance reserve account which indicated that they do not constitute expendable available financial resources, and therefore, are not available for appropriations.

5. *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.

6. *Capital Assets*

Capital assets including land, buildings, improvements, 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.

Buildings improvements, infrastructure and equipment assets are depreciated using the straight-line depreciation at the beginning of the following fiscal year over the following estimated useful lives:

Assets	Years
Building and improvements	10-75
Machinery and equipment	6-10
Sewer improvements (infrastructure)	100
Infrastructure (non-sewer)	20-60

7. *Compensated Absences*

The City records and funds a liability for its employees' earned but unused accumulated vacation and overtime that has matured and is expected to be paid with currently available resources. The unused accumulated vacation and overtime are expensed in the fund, which incurs the liability. The amount that has not matured is reported as a long-term liability.

8. *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). This RHSP account is controlled by the retiree and money deposited into the account is non-taxable. Money withdrawn from this account, when used for eligible medical expenses as specified in IRS Publication 502, are non-taxable to the retiree. As of June 30, 2004, \$3,979,429 had been set-aside in the Internal Service Fund-Employee Benefits Fund related to such benefits.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

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 106 retirees currently receiving this old City paid benefit.

9. *Deferred Revenue*

Deferred revenues in the governmental funds represent amounts due, which are measurable, but not available. Interest earned from City/Agency debt as well as Grants and shared revenues received that are not available or eligible to finance current expenditures are reported as deferred revenues.

10. *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.

11. *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.

12. *Fund Equity*

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

13. *Net Assets*

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriation.

The City first applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

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 for items in excess of \$25,000: 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 following operating units over expended their appropriations by \$25,000 or more as of June 30, 2004:

	Amount <u>Over Expended</u>
General Fund:	
City Council	\$ 30,295
Communication Services	222,857
Civic Center Garage	41,684
Fire	788,495
Public Works Project Management	102,938
Public Works Engineering	348,298
Neighborhood Services	149,952
Parks	159,726
	<u>\$ 1,844,245</u>

III. Detailed Notes on All Funds

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.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

The carrying amount of the City's cash and invested cash at June 30, 2004, and reconciliation to amounts shown on the Balance Sheet are as follows:

Cash and Investments:

Historical cost of net investments	\$ 583,453,409
Net increase in fair value	<u>(6,231,168)</u>
Sub-total	577,222,241
Cash on hand	6,494,160
Imprest cash	<u>37,280</u>
Total	<u><u>583,753,681</u></u>

Statement of net assets:

Cash and invested cash	410,366,903
Designated cash and invested cash	158,200,000
Cash with fiscal agent	<u>15,186,778</u>
Total	<u><u>\$ 583,753,681</u></u>

At June 30, 2004, the carrying amount of the City's cash deposits totaled \$6,494,160 and the bank balance of the City's cash deposits maintained in financial institution is \$19,081,116. The City's agent in the City's name holds the cash deposits. The first \$100,000 of cash deposits is insured by the Federal Depository Insurance Corporation and the remainder \$18,981,116 are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name. (Category 3) 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.

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

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:

<u>Category 1</u>	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.
<u>Category 2</u>	includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2004

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, 2004:

	Category				Total Reported Amount at Fair Value
	1	2	3	Uncategorized	
<u>City Held Investments</u>					
U.S. Government Securities	-	-	\$ 479,712,172	-	479,712,172
Corporate Notes	-	-	36,259,244	-	36,259,244
Federal Agency Discount Notes	-	-	6,999,038	-	6,999,038
Total	-	-	522,970,454	-	522,970,454
<u>Trustee held investments</u>					
U.S. Government Securities	-	-	10,277,644	-	10,277,644
Guaranteed Investment Contract	-	-	-	4,909,098	4,909,098
-	-	-	-	-	-
Total	-	-	10,277,644	4,909,098	15,186,742
<u>Investment in pool</u>					
Investment (LAIF)	-	-	-	39,065,045	39,065,045
Total investments	-	-	\$ 533,248,098	43,974,143	577,222,241

Fair Value of Investments: Accounting pronouncement GASB Statement No. 31 generally applies to investments in external investment pools, investments purchased with maturities greater than one year, mutual funds, and certain investment agreements. Generally, governmental entities need to report the fair value changes for these investments at year-end and record these gains or losses on their income statement.

Methods and assumptions used to estimate fair value: The City maintains investment accounting records on amortized cost and adjusts those records to fair value on an annual basis.

The City's investment custodian provides market values on each investment instrument on a monthly basis. The investments held by the City are widely traded in the financial markets, and trading values are readily available from numerous published sources.

Unrealized gains and losses are recorded on an annual basis, and the carrying value of its investments is considered fair value. A separate line item on the statement of activities indicates the amount of investment income.

State of California State Treasurer's Local Agency Investment Fund (LAIF): The City holds an investment in LAIF that is subject to being adjusted to fair value. The City is required to disclose its methods and assumptions used to estimate the fair value of its holdings in LAIF. The City relied upon information provided by the State Treasurer in estimating the City's fair value position of its holdings in LAIF. The City had a contractual withdrawal value of \$39,128,270 whose pro-rata share of fair value was estimated by the State Treasurer to be \$39,065,045. The fair value change in the City's investment of \$30,701, the GRA's investment of \$30,701 and the GRA 2002 Bond's investment of \$1,823 for the year ended June 30, 2004 is included in investment income in the statement of activities.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

The State Treasurer's Local Agency Investment Fund (LAIF) is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee, comprised of California State officials and various participants, provides oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The City is a voluntary participant in the investment pool. The management of the State of California Pooled Investment Account (generally referred to as LAIF) has indicated to the City that as of June 30, 2004, the carrying amount of the pool was \$57,630,116,554 and the estimated market value for the pool (including accrued interest) was \$57,637,500,817. Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of asset backed securities totaling \$923,459,000. LAIF's (and the City's) exposure to risk (credit, market or legal) is not currently available.

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. Designated Cash and Invested Cash

Cash Reserve Policy for Electric Fund was first established in 2003. Its provision calls for annual review of the reserves to determine if the recommended levels are sufficient. The annual review of the Cash Reserve Policy for fiscal year ending June 30, 2004, established a target of \$192,055,700 of designated cash in the following categories: \$36,700,000 for contingency reserve; \$15,355,700 for rate stabilization reserve; and \$140,000,000 for capital reserve. As of June 30, 2004, \$151,300,000 is designated with the goal of meeting the remaining \$40,755,700 with future available cash.

In December of 2003, GWP management received approval from the City Council to implement a cash reserve policy for the Water Fund to ensure a long term sustainable financial health of the water operation. The policy calls for annual review of the reserves to determine if the recommended levels are sufficient. The annual review of the Cash Reserve Policy for fiscal year ending June 30, 2004, established a target of \$13,300,000 of designated cash in the following categories: \$5,900,000 for contingency reserve; \$2,400,000 for rate stabilization reserve; and \$5,000,000 for capital reserve. As of June 30, 2004, \$6,900,000 is designated with the goal of meeting the remaining \$6,400,000 with future available cash.

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2004

D. Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases/ Reclass	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 321,884,243	11,400,711	-	333,284,954
Construction in progress	100,155,415	17,563,174	(580,064)	117,138,525
Total assets not being depreciated	422,039,658	28,963,885	(580,064)	450,423,479
Other capital assets:				
Buildings and improvements	133,030,916	1,619,525	(948,576)	133,701,865
Machinery & equipment	74,558,214	11,602,943	(19,061,280)	67,099,877
Infrastructure	202,274,594	10,578	(294,480)	201,990,692
Total other capital assets at cost	409,863,724	13,233,046	(20,304,336)	402,792,434
Less accumulated depreciation:				
Buildings and improvements	41,553,361	3,834,709	(8,094)	45,379,976
Machinery & equipment	40,979,323	8,528,395	(20,784,862)	28,722,856
Infrastructure	77,010,967	4,347,723	-	81,358,690
Total accumulated depreciation	159,543,651	16,710,827	(20,792,956)	155,461,522
Total assets being depreciated	250,320,073	(3,477,781)	488,620	247,330,912
Governmental activities capital assets, net	672,359,731	25,486,104	(91,444)	697,754,391
	Beginning Balance, as restated	Increases	Decreases/ Reclass	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	13,338,788	1,455	-	13,340,243
Construction in progress	52,705,129	36,310,595	(62,864,435)	26,151,289
Total assets not being depreciated	66,043,917	36,312,050	(62,864,435)	39,491,532
Other capital assets:				
Buildings and improvements	287,337,448	11,040,842	3,511,886	301,890,176
Equipment	326,334,849	57,480,796	(5,783,841)	378,031,804
Total other capital assets at cost	613,672,297	68,521,638	(2,271,955)	679,921,980
Less accumulated depreciation:	267,617,530	19,060,287	(6,248,479)	280,429,338
Total assets being depreciated	346,054,767	49,461,351	3,976,524	399,492,642
Business-type activities capital assets, net	\$ 412,098,684	85,773,401	(58,887,911)	438,984,174

*\$420,301 of Machinery & equipment from Internal Service Funds is included in the Governmental Activities.

**\$395,768 of depreciation from Internal Service Funds is included in the Governmental Activities.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

Depreciation expense was charged to functions of the City for the year ended June 30, 2004 as follows:

Governmental activities:

General Government	\$	5,610,692
Public Safety		2,438,722
Public Works		6,182,350
Parks		1,869,500
Library		284,588
Housing & Com Dev		324,975
Total governmental activities depreciation expense		<u>16,710,827</u>

Business-type activities:

Sewer		1,595,728
Electric		11,290,210
Water		2,590,456
Recreation		12,216
Hazardous Disposal		95,494
Fire Paramedic		68,112
Parking		1,977,464
Refuse		1,430,607
Total business-type activities depreciation expense	\$	<u>19,060,287</u>

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2004

E. Long-Term Debt

The City's long-term debt as of June 30, 2004 consists of the following:

	Outstanding at June 30, 2003 , as restated	Additions	Retirements	Amount outstanding at June 30, 2004	Due within one year
Governmental Activities					
Bonds Payable:					
Police Facility Certificates of Participation	\$ 63,100,000	-	1,100,000	62,000,000	1,200,000
1993 Tax Allocation Bond	59,315,000	-	59,315,000	-	-
2002 Tax Allocation Bond	48,015,000	-	1,810,000	46,205,000	1,865,000
2003 Tax Allocation Bond	-	58,880,000	-	58,880,000	2,000,000
Bond premium	1,953,945	2,614,516	202,453	4,366,008	250,870
Deferred amount on refunding -2003 Tax Allocation Bond	-	(3,402,270)	(133,422)	(3,268,848)	(200,134)
Total bonds payable	172,383,945	58,092,246	62,294,031	168,182,160	5,115,736
Landfill closure and postclosure care liability	15,771,484	1,271,669	-	17,043,153	-
Capital lease	2,000,000	-	369,513	1,630,487	384,164
Arbitrage rebate liability	1,346,600	-	-	1,346,600	1,346,600
Compensated absences	7,155,376	125,461	-	7,280,837	-
Section 108	1,800,000	-	100,000	1,700,000	110,000
Notes payable	-	4,615,000	-	4,615,000	923,000
Claims payable	30,212,862	7,318,469	-	37,531,331	-
Post employment benefits	5,158,938	-	122,018	5,036,920	-
Total governmental long term liabilities	235,829,205	71,422,845	62,885,562	244,366,488	7,879,500
Business Type Activities					
Bonds Payable:					
Electric Revenue Bonds, 2000 Series	37,000,000	-	-	37,000,000	-
Electric Revenue Bonds, 2003 Series	31,640,000	-	795,000	30,845,000	795,000
Bond premium	613,195	-	24,649	588,546	24,647
Total bonds payable	69,253,195	-	819,649	68,433,546	819,647
Compensated absences	-	2,768,377	-	2,768,377	-
Total business type long term liabilities	\$ 69,253,195	2,768,377	819,649	71,201,923	819,647

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

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 2004-2030. 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 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.

GLENDALE REDEVELOPMENT AGENCY BONDS

2002 Tax Allocation Bonds

The Agency issued \$48,015,000 in tax allocation bonds with an average rate of 4.5% to fund economic development activities of the Agency primarily relating to the Town Center development, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The 2002 Bonds mature in regularly increasing principal amounts ranging from \$1,810,000 to \$3,655,000 from 2004 to 2022. The bond indebtedness are secured by a pledge of 80% of all incremental property taxes, on parity with Agency's outstanding 1993 Tax Allocation Bonds, allocated to and received by the Agency for the Central Project Area. The bonds maturing on or before December 1, 2012, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2013, are subject to redemption at the option of the Agency on any interest payment date at a price ranging from 101% to 100% of the principal value. The City Treasurer shall invest the bond proceeds in government securities.

2003 Tax Allocation Refunding Bonds

The bonds issued in 1993 were fully defeased by December 31, 2003 by refunding with 2003 Tax Allocation Bond.

- The Agency issued \$58,880,000 in 2003 tax allocation refunding bonds with an average rate of 4.18% to pay Agency's outstanding Central Glendale Redevelopment Project 1993 Tax Allocation Bonds (the "Prior Bonds") with an average interest rate of 5.5%, to and to pay the cost of issuance of the 2003 Bonds. The 2003 Bonds mature in regularly increasing principal amounts ranging from \$2,000,000 to \$4,520,000 from 2004 to 2021. The bond indebtedness is secured by a pledge of 80% of all incremental property taxes allocated to and received by the Agency for the Central Project Area on a parity with the Agency's previously issued 2002 Tax Allocation Bonds. The bonds maturing on or before December 1, 2013, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2014 are subject to redemption prior to maturity at the option of the Agency and by lot within a maturity, from any source of available funds at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. Per the trust indenture, the trustee shall invest the bond proceeds in government securities.

Current Year Defeasance of Debt

The current refunding of the 1993 Tax Allocation Bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,402,270. This difference, reported in the accompanying financial statements as a deduction from bonds payable is being charged to governmental activities through the year 2021 using the effective interest method. The Agency completed the current refunding to reduce its total debt service payments by approximately \$4,315,867 and obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$5,541,494.

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2004

On October 2, 2003, the City issued \$58,880,000 of Tax Allocation Refunding Bonds. Original issue premium totaled \$2,614,515, while issuance costs totaled \$2,119,724. The proceeds from the sale of the Bonds plus an additional amount of \$6,966,542 of cash on hand, were used to purchase U.S Government Securities to refund all (\$59,315,000) of the 1993 Tax Allocation Bonds. These U.S Government Securities were deposited in an irrevocable trust with an escrow agent to provide for the redemption of the 1993 Tax Allocation Bonds on December 1, 2003. As a result, at June 30, 2004, the 1993 Bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net assets.

CAPITAL IMPROVEMENT PROJECTS

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 Scholl Canyon Life Extension 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, 2004 was 7.29 million tons. The total permitted capacity remains 14.75 million tons. Therefore, the City has 7.46 million tons unfilled capacity remaining. Using an inflation factor from the U.S. Department of Commerce, Bureau of Economic Analysis of 1.017, the revised postclosure cost was \$34,486,346. 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 \$17,043,153, which is recorded as a long-term liability on the Statement of Net Assets. The City has designated \$14,800,000 of this in the Capital Projects Fund. Based on an estimated average annual filled capacity of 460,000 tons the Scholl Canyon Landfill has a remaining life of approximately 16.22 years.

Capital Lease Obligations

Motorola will provide a state-of-the-art Analog Conventional simulcast communication system to satisfy Verdugo Fire's communication needs. The lease agreement by Motorola includes a six position Elite Console. The 5-channel Simulcast system is composed of six Transmitter/Receiver sites, one Receive only site, one Prime/Voting site, and a dispatch center. The simulcast cell will provide Portable on the street coverage for the Verdugo fire system's member cities: Burbank, Glendale, Pasadena, San Marino, Arcadia, Monrovia, Sierra Madre and San Gabriel. Also included in the lease agreement is a new six-position Elite console Dispatch center. The term for the lease agreement is from September 1, 2002 to September 1, 2007. As of June 30, 2004, the City of Glendale has paid a total of \$ 948,813 to Motorola Corp., which includes a down payment of \$500,000 and the first payment of \$ 448,813. The annual payments, due on September 1 of each year, will include an additional 3.965% of interest for the duration of the lease agreement. Please refer to the Amortization Schedule on page 52 for all the scheduled payments:

Section 108 Loan

Section 108 Loan of \$1,800,000 is used as part of the City's overall Edison School/Pacific Park Revitalization Project funding plan. HUD administers the Section 108 Loan Guarantee program and the program's purpose is to fill funding gaps on major community / economic development projects throughout the country. The Section 108 Loan Guarantee program was created as part of the original Housing and Community Development Act of 1974. Section 108 obligations are permanently financed through underwritten public offerings. This is the City's first time receiving a Section 108 loan. City received \$1,791,360 in August 2002, after HUD's deduction of loan and underwriter fees of \$8,640. The term of the loan is

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

ten years, and the total interest is \$493,143. City has pledged current and future CDBG funds as principal security for the loan. From fiscal year 2002-03 to 2011-12, Section 108 loan payment is budgeted as a CDBG project each year based on the payment schedule.

Notes Payable

The City of Glendale, as a public agency acquired of the "Murchison Property" for open space preservation and recreation and to serve as a buffer between the Scholl Canyon Landfill and nearby residential uses through the exercise of eminent domain. The Property consists of approximately 148.59 acres of vacant land. The full purchase price for the Property is \$7,100,000. The City of Glendale paid a down payment of \$2,485,000 representing thirty five percent (35%) of the purchase price. After the close of escrow, the City of Glendale will make four equal annual payments of \$923,000 commencing on May 1, 2005 and continuing on the same date each year through and including May 1, 2008 with a final, 5th payment of \$923,000 on November 1, 2008. There shall be no interest on any of the payments to be made.

ENTERPRISE FUND

Electric Revenue Bonds, 2000 Series

The Electric utility of Glendale Water and Power issued \$37,000,000 revenue bonds with an average rate of 5.9% 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 MBLA 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%.

Electric Revenue Bonds, 2003 Series

The Electric utility of Glendale Water and Power issued \$31,640,000 in revenue bonds in February 2003 to finance the costs of acquisition, construction and installation of a nominally rated 49 MW gas-fired simple cycle combustion turbine for the Electric System of the City. The terms of the 2003 Electric Revenue Bonds' (2003 Bonds) indenture require the trustee to establish and maintain a reserve equal to the Reserve Fund Requirement. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$1,070,000. As of June 30, 2004, the City's cash reserve balance with the bond's fiscal agent was \$808,339. The bonds mature in regularly increasing amounts ranging from \$795,000 to \$1,865,000 annually from 2004 to 2032. The 2003 Bonds maturing on or prior to February 1, 2013 are not subject to redemption prior to maturity. The 2003 bonds maturing on and after February 1, 2014 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2013, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2003 Bonds to be redeemed, together with accrued interest to the redemption date.

Rate Covenants

The City has covenanted in the Indenture of Trust that Net Income of the Electric System for each fiscal year will be at least equal to 1.10 times the amount necessary to pay principal and interest as the same become due on all Bonds and Parity Obligations for such fiscal year. At June 30, 2004, the City's actual debt service ratio for the Electric Fund was 7.9**.

**(Calculated using net income add depreciation, add transfer, add interest expense, minus contributions in aid divided by FY 2003-04 debt service requirement)

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Notes to the Financial Statements
Fiscal Year Ended June 30, 2004

The annual debt service requirements to amortize long-term bonded debt at June 30, 2004 are as follows:

Fiscal year	Certificates of Participation		Tax Allocation Bonds		Revenue Bonds	
	Governmental		Governmental		Business-type	
	Interest	Principal	Interest	Principal	Interest	Principal
2005	\$ 2,380,800	1,200,000	4,510,878	3,865,000	3,628,125	795,000
2006	2,334,720	1,200,000	4,366,228	4,235,000	3,580,425	1,485,000
2007	2,288,640	1,300,000	4,188,978	4,415,000	3,493,050	1,520,000
2008	2,238,720	1,400,000	4,004,003	4,590,000	3,403,662	1,560,000
2009	2,184,960	1,400,000	3,808,478	4,780,000	3,333,838	1,600,000
2010-2014	10,041,600	8,500,000	15,817,125	27,055,000	15,449,226	8,850,000
2015-2019	8,229,120	10,900,000	9,430,549	32,715,000	13,049,500	10,910,000
2020-2024	5,921,280	13,900,000	1,728,963	23,430,000	9,841,605	14,240,000
2025-2029	2,956,800	18,000,000	-	-	5,444,715	18,800,000
2030-2032	161,280	4,200,000	-	-	707,050	8,085,000
	<u>\$ 38,737,920</u>	<u>62,000,000</u>	<u>47,855,202</u>	<u>105,085,000</u>	<u>61,931,196</u>	<u>67,845,000</u>

Fiscal year	Capital Lease		Section 108		Notes Payable	
	Governmental		Governmental		Governmental	
	Interest	Principal	Interest	Principal	Interest	Principal
2005	\$ 64,649	384,164	69,227	110,000	-	923,000
2006	49,417	399,396	65,826	140,000	-	923,000
2007	33,581	415,232	60,801	170,000	-	923,000
2008	17,116	431,695	54,448	180,000	-	923,000
2009	-	-	46,868	200,000	-	923,000
2010-2014	-	-	89,866	900,000	-	-
	<u>\$ 164,763</u>	<u>1,630,487</u>	<u>387,036</u>	<u>1,700,000</u>	<u>-</u>	<u>4,615,000</u>

Fiscal year	Total		Total
	Interest	Principal	Debt Service
2005	\$ 10,653,679	7,277,164	17,930,843
2006	10,396,616	8,382,396	18,779,012
2007	10,065,050	8,743,232	18,808,282
2008	9,717,949	9,084,695	18,802,644
2009	9,374,144	8,903,000	18,277,144
2010-2014	41,397,817	45,305,000	86,702,817
2015-2019	30,709,169	54,525,000	85,234,169
2020-2024	17,491,848	51,570,000	69,061,848
2025-2029	8,401,515	36,800,000	45,201,515
2030-2032	868,330	12,285,000	13,153,330
	<u>\$ 149,076,117</u>	<u>242,875,487</u>	<u>391,951,604</u>

There are a number of limitations and restrictions contained in the bond indentures. The City is in compliance with all significant limitations and restrictions except for meeting the reserve requirement of \$1,070,000 for 2003 Bonds. As of June 30, 2004, the City's cash reserve balance with fiscal agent was \$808,339.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

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, 2004
City of Glendale Insured Hospital Refunding Bonds, Series 1991A (Adventist Health System/West)	6.00% - 6.75%	\$50,000,000	\$30,190,000
City of Glendale Insured Hospital Revenue Bonds Verdugo Hills Hospital, 1994 Series	6.375% - 8%	27,140,000	17,650,000
City of Glendale Mountain Road Assessment District Limited Obligation Refunding Bonds, Series 2003	2% - 4.5%	8,850,000	8,850,000

F. Restricted Net Assets

The City has restricted its ordinarily available net assets for such purposes as required future debt service and bond indenture requirements and for certain commitments and contingencies. \$21,810,490 is restricted for debt service and bond indenture requirements. The City Charter requires \$13,727,107 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 \$10,343,844 for excess capital surcharge revenue to retrofit the City's Grayson Power Plant as mandated by the Air Quality Management District.

As of June 30, 2004, the following internal service funds have deficit net assets:

Uninsurable Litigation Fund	\$3,798,049
Compensation Insurance Fund	8,182,838
Employee Benefit	8,237,057

The City is currently undergoing an actuarial study to extrapolate the City's liabilities and to come up with a funding strategy for fiscal year 2005.

G. Net Deficits of Individual Funds

Fire Paramedic Fund- The City is considering General Fund support to reduce the net deficit in the Fire Paramedic Fund in fiscal year 2005/06. In fiscal year 2006/07, the City plans to move Fire Paramedic Fund from the Non-major Enterprise Funds to the Special Revenue Funds.

Employee Benefit Fund- The City is considering General Fund support to reduce the net deficit in the Employee Benefit Fund.

Supplemental Law Enforcement Fund - The City has moved Police staff to General Fund in an effort to reduce the expenditures in the Supplemental Law Enforcement Fund.

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'

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Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

compensation insurance (up to \$2,000,000 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. Currently there is sufficient cash to meet all the claims payable at June 30, 2004.

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, 2004 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 nine prior fiscal years are as follows:

Fiscal Year	Beginning Balance	Claims and Changes	Claim Payments	Ending Balance
2002-03	22,058,000	23,514,000	15,359,000	30,213,000
2003-04	30,213,000	27,308,000	19,990,000	37,531,000

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 involved in a dispute over a public works contract in which the contractor is claiming it is owed a substantial amount. We believe the contractor's claim is wholly without merit and the City will vigorously contest said claim.

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 2003-04 was approximately 1,011,460 MMBtu and the average purchase price was \$8.72 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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

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.

In August 2003, the City entered into a 25-year contract, cancelable after 20 years, with PPM Energy, Inc. for the purchase of 9 megawatts of capacity from wind-powered resources. On September 1, 2003, the City began taking delivery of the energy under the contract, which totals 26,280 megawatt hours annually at \$53.50 per megawatt hour with no cost escalation through the contract term.

In March 2004, the City entered into a 20-year Power Sales Agreement with the Southern California Public Power Authority for up to a 4.5-MW share of Chiquita Landfill Gas to Energy Project. The price of energy is fixed at \$54/MWh with no cost escalation during the term. The anticipated commercial operation of the project will be in January 2006.

As of June 30, 2004, the City's electric operation had major commitments of approximately \$20 million with respect to Gas Insulated Switchgear (GIS) Project. The source of funding for the project is from the unrestricted net assets of the Electric Fund. The project is expected to be completed in May 2006.

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 \$4,000,000 in bonds - Glendale Parking Facilities Joint Powers Authority Parking Revenue Bonds, 2003 Refunding 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 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 seven "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 43% of its total energy requirements during fiscal year 2003-04. 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.

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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 obligation. 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 0.501% beginning March 24, 2027. 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, and the Imperial Irrigation District, was formed for the purpose of financing future power resources. The City has entered into six 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 of June 30, 2004, Glendale's share is 4.400% (PV).

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 \$128,100,000 at June 30, 2004. Based on the most recent (2002) estimate of decommissioning costs, SCPPA estimates that its share of the amount required for decommissioning of PVNGS is now fully funded. 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. As of June 30, 2004, Glendale's share is 2.2740% (IPP).

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 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 9.8046% of SCPPA's entitlement. As of June 30, 2004, Glendale's share is 9.8046% (SJ).

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. As of June 30, 2004, Glendale's share is 11.0430% (MA).

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. As of June 30, 2004, Glendale's share is 14.5193% (MP).

A sixth project financed through SCCPPA is the Magnolia Power Project located on four (4) acres of Burbank Water & Power's generation station complex adjacent to Magnolia Boulevard in Burbank California. Members of SCPPA in this project are the cities of Anaheim, Burbank, Glendale, Pasadena, Cerritos and Colton. Glendale is obligated for 40 megawatts or 16.53% of the project's output. As of June 30, 2004, Glendale's share is 16.5289% (MPP).

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Fiscal Year Ended June 30, 2004

Currently, construction of the Magnolia Power Project is underway to provide a clean, reliable, and lower-cost electricity resource for the cities by mid-2005. The natural gas fired 310 megawatt power plant will help maintain lower electric rates for municipal utility customers. In April, 2003, SCPA successfully financed \$299 million of Project A bonds with a maturity of 30 year bonds, at an average cost of 4.91% to fund power plant's construction, interest during construction, insurance costs, and contingency needs.

Take-or-Pay commitments expire upon final maturity of outstanding bonds for each project. Final fiscal year maturities are as follows:

<u>Project</u>	<u>Final Maturity Date</u>	<u>Glendale's Share</u>
Intermountain Power Project (IPA)	2027	2.2740%
Palo Verde Project (PV)	2030	4.4000%
Southern Transmission System (STS)	2027	2.2740%
San Juan Project (SJ)	2030	9.8047%
Mead-Phoenix Project (MP)	2030	14.5193%
Mead-Adelanto Project (MA)	2030	11.0430%
Magnolia Power Project (MPP)	2036	16.5289%

A summary of the City's "Take or Pay" contracts and related projects and its contingent liability at June 30, 2004 is as follows: (in thousands)

<u>Fiscal year</u>	<u>IPA</u>	<u>SJ</u>	<u>PV</u>	<u>STS</u>	<u>MA</u>	<u>MP</u>	<u>MPP</u>	<u>Total</u>
2005	\$ 6,588	\$ 1,845	\$ 3,535	\$ 1,499	\$ 1,135	\$ 480	\$ 2,617	\$ 17,699
2006	6,681	1,842	1,256	1,553	1,135	480	2,617	15,564
2007	6,666	1,839	1,256	1,603	2,303	940	3,249	17,856
2008	6,865	1,838	1,256	1,492	2,306	942	3,369	18,068
2009	6,431	1,835	2,510	1,466	2,302	940	3,365	18,849
2010-2014	34,851	10,217	10,904	7,667	11,450	5,102	16,738	96,929
2015-2019	28,147	6,631	26,596	7,860	11,420	4,461	16,636	101,751
2020-2024	-	1,188	-	8,309	4,584	1,799	16,566	32,446
2025-2029	-	-	-	-	-	-	16,468	16,468
2030-2034	-	-	-	-	-	-	16,343	16,343
2035-2037	-	-	-	-	-	-	15,406	15,406
Total	\$ 96,229	27,234	47,312	31,450	36,635	15,144	113,374	367,379

In addition to debt service, the City's entitlement requires the payment for fuel costs, operating and maintenance (O&M), administrative and general (A&G), and other miscellaneous costs associated with the generation and transmission facilities discussed above. These costs do not have a similar structured payment schedule as debt service and vary each year. The costs incurred for fiscal year 2003-04 and budgets for fiscal year 2004-05 are as follows: (in thousands)

<u>Fiscal Year</u>	<u>IPA</u>	<u>SJ</u>	<u>PV</u>	<u>STS</u>	<u>MA</u>	<u>MP</u>	<u>MPP</u>	<u>Total</u>
2004	\$ 4,650	\$ 4,027	\$ 1,635	\$ 459	\$ 230	\$ 138	\$ -	\$ 11,139
2005	6,188	4,379	1,500	315	(25)	69	-	12,426

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.

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2004

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.

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; the current public safety rate and the current general employee rates are 5.812% and 0% respectively of annual covered payroll, as the City's retirement is fully funded. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. The City's rate for safety members that CALPERS charges have dramatically increased in fiscal year 2004-05 from 5.812% to 24.99%, the rate for general employees remained at zero percent.

Annual Pension Cost

Contributions to CalPERS totaling \$11,054,452 were made during the fiscal year ended June 30, 2004 in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2002. 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 4.27% to 11.59%, (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 three 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. In addition, 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. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20 year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization.

Three year Trend Information

Fiscal year ending	Annual Pension Cost (APC)	Percentage of APC	
		Contributed	Net Pension Obligation
6/30/02	\$ 8,291,590	100%	0
6/30/03	\$ 9,457,653	100%	0
6/30/04	\$ 11,054,452	100%	0

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

REQUIRED SUPPLEMENTARY INFORMATION – (Unaudited) 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)/ Overfunded AAL as a Percentage of Covered Payroll <(a-b)/c>
06/30/2000	\$ 794,954,969	639,884,600	155,070,369	124.2 %	95,697,086	162.0 %
06/30/2001	\$ 815,521,178	687,539,962	127,981,216	118.6 %	101,369,092	126.3 %
06/30/2002	\$ 766,978,940	732,667,128	34,311,812	104.7 %	109,853,251	31.2 %

E. Interfund Transactions

The composition of interfund balances consists of due to/from other funds, operating transfers and advances to/from other funds.

Due to/from other funds are temporary cash overdrafts within a fund. Due to/from other funds for fiscal year 2003-04 consisted of the following:

Due to general fund from:		
-	Nonmajor governmental funds	\$ 1,584,780
	Nonmajor proprietary funds	<u>3,439,256</u>
		<u>\$ 5,024,036</u>
Due to nonmajor governmental funds from:		
	General fund	\$ 22,608
	Nonmajor governmental funds	<u>18,471</u>
		<u>\$ 41,079</u>
Due to electric fund from:		
	Capital projects fund	<u>\$ 1,331,140</u>

The City reports operating transfers between many of its funds. The sum of all transfers presented in the following table agrees with the sum of Interfund transfers presented in the governmental and proprietary fund financial statements. 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.

Transfers to general fund from:		
	Electric fund	\$ 13,935,000
	Water fund	3,231,833
	Capital projects fund	800,000
	Nonmajor proprietary fund	<u>1,800,000</u>
		<u>\$ 19,766,833</u>

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

Transfers to capital project fund from:

General fund	\$ 11,425,000
Internal service fund	10,000
Electric fund	15,000
GRA Low & Mod fund	2,000
Sewer fund	5,000
Nonmajor capital projects fund	<u>18,890,377</u>
	<u>\$ 30,347,377</u>

Transfers to nonmajor governmental funds from:

General fund	\$ 1,353,911
Nonmajor governmental fund	1,392,376
Nonmajor proprietary fund	1,000,000
Electric fund	<u>2,000,000</u>
	<u>\$ 5,746,287</u>

Transfers to internal service funds from:

General fund	\$ 6,540,000
Internal service fund	<u>2,500,000</u>
	<u>\$ 9,040,000</u>

F. Subsequent EventState Budget

Proposition 1A was passed by California voters in November 2004. The proposition establishes State Constitutional protections that prevent the State from taking City revenues. In exchange for Governor Schwarzenegger's support of Proposition 1A, local governments agreed to contribute toward the bail out of the State for the next two years. The City and Redevelopment Agency will lose a combined \$4,446,476 a year in FY 2004/05 and FY 2005/06 toward resolving the State Budget crisis. There are still no protections in place that would prevent the State from taking additional tax increment revenue. Even with Proposition 1A redevelopment agency property tax increment revenue continues to be at risk of being taken by the State.

Property Tax In Lieu of Sales Tax

- On top of the lost revenue mentioned above, local governments are experiencing swapping among their other revenue sources beginning in fiscal year 2004/05. In March 2004, California voters approved the California Economic Recovery Bond Act, allowing the state to purchase bonds to reduce the state budget deficit. The California Legislature also enacted provisions changing the distribution of Sales and Use Tax to local government beginning in fiscal year 2004/05. These changes reduce the local government portion of the statewide Sales and Use Tax by 0.25% (from 1% to 0.75%) and increase the State portion by the same 0.25% (from 6.00% to 6.25%). The State will use the additional Sales Tax to pay the debt service on the bonds issued to reduce the state budget deficit. Local governments will be given additional Property tax revenue from County ERAF (Educational Revenue Augmentation Fund) funds to offset the reduction in the local government portion of Sales Tax revenue. This swap of Sales Tax revenue for Property Tax revenue will continue at least until the State bond obligation is satisfied.

Property Tax In Lieu of Vehicle License Fees

Vehicle License Fees (VLF) are also impacted by the State Budget. The Budget Act of 2004 swaps local government VLF revenue for an equivalent amount of Property Tax revenue beginning in fiscal year 2004/05. The major changes include permanently reducing the VLF rate from 2.0% to 0.65%, eliminating the backfill of local government VLF revenue with state General Fund revenue, and allocating additional Property Tax revenue to local governments to replace VLF revenue lost due to the VLF rate reduction.

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2004

Cash Settlement

Applied Utility Services had been awarded a \$6.9 million contract to furnish labor, equipment and materials for the design and installation of NOx emission control systems for two gas turbine units at Glendale's Grayson Power Plant. Internal Audit reviewed the contract and concluded that there were substantial overcharges in the \$2.5 million in change orders submitted. In addition, AUS did not meet a performance guarantee to lower the NOx emissions levels to 2.5 parts per million. On February 4, 2005, Glendale and AUS reached a favorable settlement whereby Glendale paid AUS \$975,000 to satisfy amounts owed and to close out a potentially costly legal matter.

G. Restatements of Prior Year Fund Balances/Net Assets

Landfill Closure and Post Closure

The net assets for the governmental activities has been restated in order to properly reflect the City's liability for landfill closure and post closure care costs that are not yet due. This restatement decreases the net assets by \$ 5,103,190.

Section 108 Loan

Net Assets as previously reported for governmental activities in the Statement of Net Assets at June 30, 2003 has been restated to reflect the Section 108 loan of \$1,800,000 which was erroneously omitted. This restatement decreases net assets by \$1,800,000.

Compensated Absences

Compensated absences were previously reported in fund statements as current liabilities. To properly report the liabilities as long-term, these were transferred from governmental funds to Internal Service funds by restating the governmental fund balance with an increase of \$6,127,048 and a decrease of net assets in Internal Funds at the beginning of the fiscal year ended June 30, 2004. This restatement has no effect on revenues and expenditures of the governmental funds for this fiscal year as well as the net assets for the governmental activities.

Energy Sales Revenue Accrual

\$5,590,714 of energy sales revenue for fiscal year ended June 30, 2003 was erroneously recorded as revenue in fiscal year 2003-2004. To correct the error, the Electric Fund beginning balance of fiscal year 2003-2004 was restated.

Capital Assets

The beginning balances of the Capital Asset for Sewer, Refuse, and Parking Funds have been restated due to a reclassification of the Capital Assets.

H. Pronouncement Issued but Not yet Adopted

In March 2003, the Governmental Accounting Standards Board (GASB) issued Statement of Governmental Accounting Standard No. 40, Deposit and Investment Risk Disclosures. This Statement amends GASB Statement No. 3, Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements to address common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified in this Statement also should be disclosed. The City will be required to implement Statement No. 40 for its fiscal year ending June 30, 2005.

In December 2004, the Governmental Accounting Standards Board (GASB) has published a staff Technical Bulletin, Recognition of Pension and Other Postemployment Benefit [OPEB] Expenditures/Expense and Liabilities by Cost-Sharing Employers. The Technical Bulletin clarifies the application of requirements regarding Statement No. 27, Accounting for Pension by State and Local Governmental Employers, and Statement No. 45, Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions, respectively. The Technical Bulletin clarifies that a cost-sharing employer should recognize the contractually required contributions assessed for the employer's financial reporting

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2004

period as expenditures of that period, and should recognize and unpaid contributions assessed for that period as liabilities, in governmental fund financial statements prepared on the modified accrual basis of accounting. Because the employer's liability for unpaid contractually required contributions for the period is a matured liability, there generally will be no reconciling items required between the amount recognized as expenditures and the amount recognized as expense in government-wide financial statements prepared on the accrual basis of accounting. The City will be required to implement the technical bulletin for its fiscal year ending June 30, 2005.

CAFR

Comprehensive Annual Financial Report
City of Glendale, California

Supplemental Information

June 30, 2004

Exhibit F-1
CITY OF GLENDALE
Combining Balance Sheet
Non Major Governmental Funds
June 30, 2004

	Special	Debt Service	Capital Project	Total Non Major Governmental
	Revenue Funds	Funds	Funds	Funds
Assets				
Cash and invested cash	\$ 45,138,672	46,471,403	17,447,550	109,057,625
Cash with fiscal agent	-	14,378,439	-	14,378,439
Interest receivable	264,028	299,597	109,340	672,965
Accounts receivable, net	1,399,541	-	-	1,399,541
Unbilled receivable	234,827	-	-	234,827
Due from other agencies	2,577,238	-	803,838	3,381,076
Due from other funds	41,079	-	-	41,079
Prepaid items	1,786,695	-	-	1,786,695
Property held for resale	1,907,836	-	-	1,907,836
Total assets	<u>53,349,917</u>	<u>61,149,439</u>	<u>18,360,727</u>	<u>132,860,083</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	1,141,643	-	1,603,210	2,744,852
Due to other funds	1,603,251	-	-	1,603,251
Due to other agencies	384,385	-	-	384,385
Bond issuance costs	-	533,898	-	533,898
Accrued wages and withholding	426,704	-	24,675	451,379
Deferred revenues	1,278,759	-	-	1,278,759
Deposits	109,235	-	-	109,235
Total liabilities	<u>4,943,976</u>	<u>533,898</u>	<u>1,627,884</u>	<u>7,105,759</u>
Fund balances:				
Reserved:				
Prepaid	1,786,695	-	-	1,786,695
Debt service	-	13,724,988	-	13,724,988
Capital projects	19,978,751	-	14,008,790	33,987,541
Encumbrances	5,554,975	-	2,440,840	7,995,815
Property Resale	1,907,836	-	-	1,907,836
Unreserved	<u>19,177,683</u>	<u>46,890,553</u>	<u>283,213</u>	<u>66,351,449</u>
Total fund balances	<u>48,405,940</u>	<u>60,615,541</u>	<u>16,732,843</u>	<u>125,754,324</u>
Total liabilities and fund balances	<u>\$ 53,349,917</u>	<u>61,149,439</u>	<u>18,360,727</u>	<u>132,860,083</u>

Exhibit F-2
CITY OF GLENDALE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
For Fiscal Year Ended June 30, 2004

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non Major Governmental Funds
Revenues:				
Property taxes	\$ 4,399,198	6,033,031	-	10,432,229
Other taxes	3,275,412	-	-	3,275,412
Revenue from other agencies	32,639,100	-	4,754,513	37,393,613
Fines and forfeitures	(435,940)	-	-	(435,940)
Charges for services	4,198,198	-	-	4,198,198
Use of money and property	360,832	918,587	211,772	1,491,191
Miscellaneous revenue	3,851,027	-	8,760	3,859,787
Total Revenues	48,287,826	6,951,618	4,975,045	60,214,489
Expenditures:				
Operating expenditures				
General government	412,339	-	-	412,339
Public safety	4,087,572	18,658	-	4,106,230
Public works	7,521,749	-	-	7,521,749
Housing, health, and community development	20,078,341	3,200	-	20,081,541
Employment programs	4,869,807	-	-	4,869,807
Public service	5,474,212	-	-	5,474,212
Parks, recreation and community	490,816	-	-	490,816
Library	291,743	-	-	291,743
Capital	4,511,848	-	4,704,455	9,216,303
Debt service				
Interest on bonds	-	6,967,915	-	6,967,915
Costs of issuance of debt	-	2,119,724	-	2,119,724
Principal	-	2,910,000	-	2,910,000
Total expenditures	47,738,425	12,019,497	4,704,455	64,462,378
Excess of revenue over (under) expenditures	549,401	(5,067,879)	270,590	(4,247,889)
Other financing sources (uses):				
Issuance of debt	-	58,880,000	-	58,880,000
Bond premium	-	2,614,516	-	2,614,516
Payment to refunded bonds	-	(62,110,058)	-	(62,110,058)
Transfer from:				
Transfer-General fund	1,353,911	-	-	1,353,911
Transfer-Special revenue	1,392,376	-	-	1,392,376
Transfer-Electric	2,000,000	-	-	2,000,000
Transfer-Parking	1,000,000	-	-	1,000,000
Transfer to:				
Transfer-Special revenue	(1,392,376)	-	-	(1,392,376)
Transfer-Capital funds	(2,000)	-	(18,890,377)	(18,892,377)
Total financing sources (uses)	4,351,911	(615,542)	(18,890,377)	(15,154,008)
Net change in fund balances	4,901,312	(5,683,421)	(18,619,787)	(19,401,897)
Fund balance, July 1 as restated	43,504,629	66,298,962	35,352,630	145,156,220
Fund Balance, June 30	\$ 48,405,940	60,615,541	16,732,843	125,754,324

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 Income 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).
- Police Staff Augmentation Fund- To account for set-aside monies to increase the City's police force.
- Nutritional Meals Grant Fund-To account for monies received from Federal assistance programs for senior citizen services.

- Library Grant Fund-To account for grant monies received and expended from State and local agencies
- 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.
- 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
Non Major Governmental Funds - Special Revenue
June 30, 2004

		Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Shelter Grant Fund
Assets						
Cash and invested cash	\$	35,462	347,747	-	-	-
Interest receivable		-	2,952	-	-	-
Accounts receivable, net		953,299	-	-	-	-
Unbilled receivable		-	-	-	-	-
Due from other agencies		172,756	74,653	442,088	909,253	3,486
Due from other funds		5,718	21,304	-	2,751	-
Prepaid items		-	1,747,247	-	14,478	-
Property held for resale		-	-	-	-	-
Total assets		<u>1,167,236</u>	<u>2,193,904</u>	<u>442,088</u>	<u>926,482</u>	<u>3,486</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable		47,468	2,052	4,103	59,091	-
Due to other funds		74,885	50,730	431,795	865,744	3,486
Due to other agencies		35,258	321,184	-	-	-
Accrued wages and withholding		56,327	62,916	6,190	1,647	-
Deferred revenues		953,299	-	-	-	-
Deposits		-	105,861	-	-	-
Total liabilities		<u>1,167,236</u>	<u>542,742</u>	<u>442,088</u>	<u>926,482</u>	<u>3,486</u>
Fund Balances:						
Reserved:						
Prepaid		-	1,747,247	-	14,478	-
Capital projects		-	-	-	-	-
Encumbrances		-	-	-	-	-
Property resale		-	-	-	-	-
Unreserved		-	(96,086)	-	(14,478)	-
Total fund balances		<u>-</u>	<u>1,651,161</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$	<u>1,167,236</u>	<u>2,193,904</u>	<u>442,088</u>	<u>926,482</u>	<u>3,486</u>

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Non Major Governmental Funds - Special Revenue
June 30, 2004

	Workforce Investment Fund	H-1B Tech. Skill Training Grant	Code Enforcement	Low & Moderate Housing Fund	Local Transit Assistance Fund
Assets					
Cash and invested cash	\$ -	-	-	16,182,378	11,640,931
Interest receivable	-	-	-	103,623	77,694
Accounts receivable, net	-	-	-	-	134,754
Unbilled receivable	-	-	-	-	-
Due from other agencies	418,635	-	18,025	76,901	128,183
Due from other funds	-	8,535	1,707	-	-
Prepaid items	-	-	-	24,970	-
Property held for resale	-	-	-	1,907,836	-
Total assets	418,635	8,535	19,732	18,295,709	11,981,562
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	75,776	-	334	285,355	477,935
Due to other funds	61,681	7,841	8,855	-	-
Due to other agencies	-	694	-	-	27,251
Accrued wages and withholding	67,894	-	10,543	44,873	24,761
Deferred revenues	-	-	-	-	134,754
Deposits	3,374	-	-	-	-
Total liabilities	208,725	8,535	19,732	330,228	664,701
Fund Balances:					
Reserved:					
Prepaid	-	-	-	24,970	-
Capital projects	-	-	-	12,923,294	7,055,457
Encumbrances	-	-	-	3,091,702	417,494
Property resale	-	-	-	1,907,836	-
Unreserved	209,910	-	-	17,679	3,843,910
Total fund balances	209,910	-	-	17,965,481	11,316,861
Total liabilities and fund balances	\$ 418,635	8,535	19,732	18,295,709	11,981,562

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Non Major Governmental Funds - Special Revenue
June 30, 2004

		Air Quality Improvement	Narcotic Forfeiture Fund	Special Grant Fund	Supplemental Law Enforcement	Police Staff Augmentation Fund
Assets						
Cash and invested cash	\$	429,249	189,063	649,145	10,550	5,400,000
Interest receivable		2,541	8,318	1,040	101	-
Accounts receivable, net		-	-	-	-	-
Unbilled receivable		-	-	-	-	-
Due from other agencies		-	28,124	73,890	-	-
Due from other funds		-	-	-	-	-
Prepaid items		-	-	-	-	-
Property held for resale		-	-	-	-	-
Total assets		431,790	225,504	724,075	10,651	5,400,000
Liabilities and Fund Balances						
Liabilities:						
Accounts payable		441	1,903	10,169	1,797	-
Due to other funds		-	-	-	22,278	-
Due to other agencies		-	-	-	-	-
Accrued wages and withholding		323	6,716	36,665	9,026	-
Deferred revenues		-	-	104,316	-	-
Deposits		-	-	-	-	-
Total liabilities		764	8,619	151,150	33,101	-
Fund Balances:						
Reserved:						
Prepaid		-	-	-	-	-
Capital projects		-	-	-	-	-
Encumbrances		14,037	107,277	17,300	-	-
Property resale		-	-	-	-	-
Unreserved		416,990	109,608	555,625	(22,450)	5,400,000
Total fund balances		431,027	216,885	572,925	(22,450)	5,400,000
Total liabilities and fund balances	\$	431,790	225,504	724,075	10,651	5,400,000

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Non Major Governmental Funds - Special Revenue
June 30, 2004

		Fire Grant Fund	Nutritional Meals Grant Fund	Library Grant Fund	Cable Access Fund	Electric Public Benefit Fund
Assets						
Cash and invested cash	\$	54,903	-	374,393	989,260	6,585,043
Interest receivable		-	241	2,278	6,636	43,088
Accounts receivable, net		-	-	-	-	225,098
Unbilled receivable		-	-	-	-	234,827
Due from other agencies		62,884	90,360	78,000	-	-
Due from other funds		-	1,064	-	-	-
Prepaid items		-	-	-	-	-
Property held for resale		-	-	-	-	-
Total assets		117,786	91,665	454,671	995,896	7,088,056
Liabilities and Fund Balances						
Liabilities:						
Accounts payable		18,171	10,632	-	277	144,679
Due to other funds		75,543	412	-	-	-
Due to other agencies		-	-	-	-	-
Accrued wages and withholding		2,147	11,929	59	15,605	17,964
Deferred revenues		-	-	-	-	-
Deposits		-	-	-	-	-
Total liabilities		95,861	22,973	59	15,882	162,643
Fund Balances:						
Reserved:						
Prepaid		-	-	-	-	-
Capital projects		-	-	-	-	-
Encumbrances		-	-	-	2,560	1,802,260
Property resale		-	-	-	-	-
Unreserved		21,925	68,692	454,612	977,454	5,123,154
Total fund balances		21,925	68,692	454,612	980,014	6,925,413
Total liabilities and fund balances	\$	117,786	91,665	454,671	995,896	7,088,056

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Non Major Governmental Funds - Special Revenue
June 30, 2004

		Fire Communication Fund	State Training Programs Fund	Total Non Major Special Revenue Funds
Assets				
Cash and invested cash	\$	2,250,547	-	45,138,672
Interest receivable		15,516	-	264,028
Accounts receivable, net		86,390	-	1,399,541
Unbilled receivable		-	-	234,827
Due from other agencies		-	-	2,577,238
Due from other funds		-	-	41,079
Prepaid items		-	-	1,786,695
Property held for resale		-	-	1,907,836
Total assets		2,352,453	-	53,349,917
Liabilities and Fund Balances				
Liabilities:				
Accounts payable		1,461	-	1,141,643
Due to other funds		-	-	1,603,251
Due to other agencies		-	-	384,385
Accrued wages and withholding		51,119	-	426,704
Deferred revenues		86,390	-	1,278,759
Deposits		-	-	109,235
Total liabilities		138,970	-	4,943,976
Fund Balances:				
Reserved:				
Prepaid		-	-	1,786,695
Capital projects		-	-	19,978,751
Encumbrances		102,345	-	5,554,975
Property resale		-	-	1,907,836
Unreserved		2,111,138	-	19,177,683
Total fund balances		2,213,483	-	48,405,940
Total liabilities and fund balances	\$	2,352,453	-	53,349,917

Exhibit G-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenditures,
and Changes in Fund BalancesNon Major Governmental Funds - Special Revenue
For Fiscal Year Ended June 30, 2004

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Shelter Grant Fund
Revenues:					
Property taxes	\$ -	-	-	-	-
Other taxes	-	-	-	-	-
Revenue from other agencies	3,622,568	12,034,259	1,421,528	1,501,094	139,527
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	-	(7,583)	-	-	-
Miscellaneous revenue	64,724	886,263	98,681	-	-
Total Revenues	3,687,292	12,912,939	1,520,209	1,501,094	139,527
Expenditures:					
Operating expenditures					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Housing, health, and community development	2,171,143	12,558,294	1,520,209	1,501,094	139,527
Employment programs	-	-	-	-	-
Public service	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-
Library	-	-	-	-	-
Capital	1,516,149	-	-	-	-
Total expenditures	3,687,292	12,558,294	1,520,209	1,501,094	139,527
Excess of revenues over (under) expenditures	-	354,645	-	-	-
Other financing sources (uses):					
Transfer from:					
Transfer-General Fund	-	-	-	-	-
Transfer-Special Revenue	-	-	-	-	-
- Transfer-Electric	-	-	-	-	-
Transfer-Parking	-	-	-	-	-
Transfer to:					
Transfer-Special Revenue	-	-	-	-	-
Transfer-Capital Funds	-	-	-	-	-
Total financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	354,645	-	-	-
Fund balance, July 1 as restated	-	1,296,517	-	-	-
Fund Balance, June 30	\$ -	1,651,161	-	-	-

Exhibit G-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Non Major Governmental Funds - Special Revenue
For Fiscal Year Ended June 30, 2004

	Workforce Investment Fund	H-1B Tech. Skill Training Grant	Code Enforcement	Low & Moderate Housing Fund	Local Transit Assistance Fund
Revenues:					
Property taxes	\$ -	-	-	4,399,198	-
Other taxes	-	-	-	-	-
Revenue from other agencies	2,924,411	71,994	117,754	-	8,444,738
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	1,606,804
Use of money and property	-	-	-	244,159	117,376
Miscellaneous revenue	26,620	-	-	1,390,030	610
Total Revenues	2,951,031	71,994	117,754	6,033,387	10,169,529
Expenditures:					
Operating expenditures					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	7,258,221
Housing, health, and community development	-	-	291,358	3,805,029	-
Employment programs	2,839,594	71,994	-	-	-
Public service	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-
Library	-	-	-	-	-
Capital	-	-	-	3,459	192,035
Total expenditures	2,839,594	71,994	291,358	3,808,488	7,450,256
Excess of revenues over (under) expenditures	111,437	-	(173,604)	2,224,898	2,719,274
Other financing sources (uses):					
Transfer from:					
Transfer-General Fund	-	-	-	-	-
Transfer-Special Revenue	18,772	-	173,604	-	-
Transfer-Electric	-	-	-	-	-
Transfer-Parking	-	-	-	-	-
Transfer to:					
Transfer-Special Revenue	-	-	-	(173,604)	-
Transfer-Capital Funds	-	-	-	(2,000)	-
Total financing sources (uses)	18,772	-	173,604	(175,604)	-
Net change in fund balances	130,209	-	-	2,049,295	2,719,274
Fund balance, July 1 as restated	79,701	-	-	15,916,186	8,597,588
Fund Balance, June 30	\$ 209,910	-	-	17,965,481	11,316,861

Exhibit G-2

CITY OF GLENDALECombining Statement of Revenues, Expenditures,
and Changes in Fund BalancesNon Major Governmental Funds - Special Revenue
For Fiscal Year Ended June 30, 2004

	Air Quality Improvement	Narcotic Forfeiture Fund	Special Grant Fund	Supplemental Law Enforcement	Police Staff Augmentation Fund
Revenues:					
Property taxes	\$ -	-	-	-	-
Other taxes	-	-	-	-	-
Revenue from other agencies	174,971	-	701,012	301,949	-
Fines and forfeitures	-	(435,940)	-	-	-
Charges for services	47,593	-	172,344	-	-
Use of money and property	4,050	24,088	(778)	(1,787)	-
Miscellaneous revenue	-	42,114	698,970	-	-
Total Revenues	226,614	(369,738)	1,571,548	300,162	-
Expenditures:					
Operating expenditures					
General government	-	-	-	-	-
Public safety	-	268,558	1,232,057	446,456	-
Public works	263,527	-	-	-	-
Housing, health, and community development	-	-	-	-	-
Employment programs	-	-	-	-	-
Public service	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-
Library	-	-	-	-	-
Capital	-	11,695	247,404	-	-
Total expenditures	263,527	280,254	1,479,461	446,456	-
Excess of revenues over (under) expenditures	(36,913)	(649,991)	92,087	(146,294)	-
Other financing sources (uses):					
Transfer from:					
Transfer-General Fund	-	-	-	-	1,200,000
Transfer-Special Revenue	-	-	-	-	1,200,000
Transfer-Electric	-	-	-	-	2,000,000
Transfer-Parking	-	-	-	-	1,000,000
Transfer to:					
Transfer-Special Revenue	-	(1,200,000)	-	-	-
Transfer-Capital Funds	-	-	-	-	-
Total financing sources (uses)	-	(1,200,000)	-	-	5,400,000
Net change in fund balances	(36,913)	(1,849,991)	92,087	(146,294)	5,400,000
Fund balance, July 1 as restated	467,940	2,066,876	480,838	123,843	-
Fund Balance, June 30	\$ 431,027	216,885	572,925	(22,450)	5,400,000

Exhibit G-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Non Major Governmental Funds - Special Revenue
For Fiscal Year Ended June 30, 2004

	Fire Grant Fund	Nutritional Meals Grant Fund	Library Grant Fund	Cable Access Fund	Electric Public Benefit Fund
Revenues:					
Property taxes	\$ -	-	-	-	-
Other taxes	-	-	-	-	3,275,412
Revenue from other agencies	501,346	312,089	319,954	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	49,975	443,797	-
Use of money and property	29	1,274	4,335	(677)	28,664
Miscellaneous revenue	49,643	82,216	167,778	1,380	48,808
Total Revenues	551,018	395,579	542,042	444,501	3,352,884
Expenditures:					
Operating expenditures					
General government	-	-	-	412,339	-
Public safety	485,534	-	-	-	-
Public works	-	-	-	-	-
Housing, health, and community development	-	-	-	-	-
Employment programs	-	-	-	-	-
Public service	-	-	-	-	5,474,212
Parks, recreation and community services	-	490,816	-	-	-
Library	-	-	291,743	-	-
Capital	132,667	-	15,311	1,696,459	-
Total expenditures	618,201	490,816	307,053	2,108,798	5,474,212
Excess of revenues over (under) expenditures	(67,182)	(95,237)	234,988	(1,664,297)	(2,121,328)
Other financing sources (uses):					
Transfer from:					
Transfer-General Fund	17,000	136,911	-	-	-
Transfer-Special Revenue	-	-	-	-	-
Transfer-Electric	-	-	-	-	-
Transfer-Parking	-	-	-	-	-
Transfer to:					
Transfer-Special Revenue	-	-	-	-	-
Transfer-Capital Funds	-	-	-	-	-
Total financing sources (uses)	17,000	136,911	-	-	-
Net change in fund balances	(50,182)	41,674	234,988	(1,664,297)	(2,121,328)
Fund balance, July 1 as restated	72,108	27,018	219,624	2,644,311	9,046,741
Fund Balance, June 30	\$ 21,925	68,692	454,612	980,014	6,925,413

Exhibit G-2
CITY OF GLENDALE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Non Major Governmental Funds - Special Revenue
For Fiscal Year Ended June 30, 2004

	Fire Communication Fund	State Training Programs Fund	Total Non Major Special Revenue Funds
Revenues:			
Property taxes	\$ -	-	4,399,198
Other taxes	-	-	3,275,412
Revenue from other agencies	-	49,905	32,639,100
Fines and forfeitures	-	-	(435,940)
Charges for services	1,877,683	-	4,198,198
Use of money and property	(52,318)	-	360,832
Miscellaneous revenue	293,188	-	3,851,027
Total Revenues	2,118,553	49,905	48,287,826
Expenditures:			
Operating expenditures			
General government	-	-	412,339
Public safety	1,654,967	-	4,087,572
Public works	-	-	7,521,748
Housing, health, and community development	-	-	20,078,341
Employment programs	-	49,905	4,869,806
Public service	-	-	5,474,212
Parks, recreation and community services	-	-	490,816
Library	-	-	291,743
Capital	696,669	-	4,511,848
Total expenditures	2,351,636	49,905	47,738,425
Excess of revenues over (under) expenditures	(233,083)	-	549,401
Other financing sources (uses):			
Transfer from:			
Transfer-General Fund	-	-	1,353,911
Transfer-Special Revenue	-	-	1,392,376
Transfer-Electric	-	-	2,000,000
Transfer-Parking	-	-	1,000,000
Transfer to:			
Transfer-Special Revenue	-	(18,772)	(1,392,376)
Transfer-Capital Funds	-	-	(2,000)
Total financing sources (uses)	-	(18,772)	4,351,911
Net change in fund balances	(233,083)	(18,772)	4,901,312
Fund balance, July 1 as restated	2,446,566	18,772	43,504,629
Fund Balance, June 30	\$ 2,213,483	-	48,405,940

Exhibit G-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Non Major Governmental Funds - Special Revenue Funds

Year Ended June 30, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Community Development Fund:				
Revenue from other agencies	\$ 4,437,884	4,437,884	3,622,568	815,316
Miscellaneous revenue	20,000	20,000	64,724	(44,724)
Total	4,457,884	4,457,884	3,687,292	770,592
Housing Assistance Fund:				
Use of money and property	50,000	50,000	(7,583)	57,583
Revenue from other agencies	13,407,700	13,407,700	12,034,259	1,373,441
Miscellaneous revenue	10,027,041	10,027,041	886,263	9,140,778
Total	23,484,741	23,484,741	12,912,939	10,571,802
Home Grant Fund:				
Revenue from other agencies	2,270,000	2,270,000	1,421,528	848,472
Miscellaneous revenue	20,000	20,000	98,681	(78,681)
Total	2,290,000	2,290,000	1,520,209	769,791
Supportive Housing Grant Fund:				
Revenue from other agencies	1,300,000	1,300,000	1,501,094	(201,094)
Total	1,300,000	1,300,000	1,501,094	(201,094)
Emergency Shelter Grant Fund:				
Revenue from other agencies	139,000	139,000	139,527	(527)
Total	139,000	139,000	139,527	(527)
Workforce Investment Act Fund:				
Revenue from other agencies	2,549,064	2,549,064	2,924,411	(375,347)
Miscellaneous revenue	—	—	26,620	(26,620)
Transfers	—	—	18,772	(18,772)
Total	\$ 2,549,064	2,549,064	2,969,803	(420,739)

Exhibit G-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Non Major Governmental Funds - Special Revenue Funds

Year Ended June 30, 2004

	Original	Final	Actual	Variance (Over)/Under
State Training Program Fund	\$			
Revenue from other agencies	—	—	49,905	(49,905)
Total	—	—	49,905	(49,905)
H - 1B Technology Skills Training Fund:				
Revenue from other agencies	1,200,000	1,200,000	71,994	1,128,006
Total	1,200,000	1,200,000	71,994	1,128,006
Code Enforcement Fund:				
Revenue from other agencies	36,943	36,943	117,754	(80,811)
Transfers	262,755	262,755	173,604	
Total	299,698	299,698	291,358	(80,811)
Low & Moderate Housing Fund:				
Property taxes	4,355,000	4,355,000	4,399,198	(44,198)
Use of money and property	303,000	303,000	244,159	58,841
Miscellaneous revenue	574,000	623,500	1,390,030	(766,530)
Total	5,232,000	5,281,500	6,033,387	(751,887)
Local Transit Assistance Fund:				
Use of money and property	505,000	505,000	117,376	387,624
Revenue from other agencies	8,115,000	8,115,000	8,444,738	(329,738)
Charges for services	1,566,000	1,566,000	1,606,804	(40,804)
Miscellaneous revenue	—	—	610	(610)
Total	10,186,000	10,186,000	10,169,529	16,471
Air Quality Improvement Fund:				
Use of money and property	15,000	15,000	4,050	10,950
Revenue from other agencies	220,000	220,000	174,971	45,029
Charges for services	44,000	44,000	47,593	(3,593)
Total	\$ 279,000	279,000	226,614	52,386

Exhibit G-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Non Major Governmental Funds - Special Revenue Funds

Year Ended June 30, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Narcotic Forfeiture Fund:				
Fines and forfeitures	\$ —	—	(435,940)	435,940
Use of money and property	—	—	24,088	(24,088)
Miscellaneous revenue	—	—	42,114	(42,114)
Total	—	—	(369,738)	369,738
Special Grant Fund:				
Use of money and property	20,000	20,000	(778)	20,778
Revenue from other agencies	618,805	1,061,613	701,012	360,601
Charges for services	150,000	150,000	172,344	(22,344)
Miscellaneous revenue	527,861	539,452	698,970	(159,518)
Total	1,316,666	1,771,065	1,571,548	199,517
Supplemental Law Enforcement Fund:				
Use of money and property	8,000	8,000	(1,787)	9,787
Revenue from other agencies	400,000	400,000	301,949	98,051
Total	408,000	408,000	300,162	107,838
Police Staff Augmentation Fund				
Transfers	—	5,400,000	5,400,000	—
Total	—	5,400,000	5,400,000	—
Nutritional Meals Grant Fund:				
Use of money and property	400	400	1,274	(874)
Revenue from other agencies	224,728	224,728	312,089	(87,361)
Miscellaneous revenue	72,922	72,922	82,216	(9,294)
Transfers	136,911	136,911	136,911	—
Total	434,961	434,961	532,490	(97,529)
Cable Access Fund:				
Use of money and property	103,000	103,000	(677)	103,677
Charges for services	420,000	420,000	443,797	(23,797)
Miscellaneous revenue	—	—	1,380	(1,380)
Total	523,000	523,000	444,501	78,499
Library Grant Fund:				
Use of money and property	6,000	6,000	4,335	1,666
Revenue from other agencies	321,700	657,860	319,954	337,906
Charges for services	—	—	49,975	(49,975)
Miscellaneous revenue	—	69,077	167,778	(98,701)
Total	\$ 327,700	732,937	542,042	190,895

Exhibit G-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Non Major Governmental Funds - Special Revenue Funds

Year Ended June 30, 2004

	Original	Final	Actual	Variance (Over)/Under
Electric Public Benefit Fund:				
Other taxes	\$ 3,337,400	3,337,400	3,275,412	61,988
Use of money and property	400,000	400,000	28,664	371,336
Miscellaneous revenue	—	—	48,808	(48,808)
Total	<u>3,737,400</u>	<u>3,737,400</u>	<u>3,352,884</u>	<u>384,516</u>
Fire Grant Fund				
Use of money and property	—	—	29	(29)
Revenue from other agencies	523,015	1,178,430	501,346	677,084
Miscellaneous revenue	18,463	48,580	49,643	(1,063)
Transfers	—	17,000	17,000	—
Total	<u>541,478</u>	<u>1,244,010</u>	<u>568,018</u>	<u>675,992</u>
Fire Communications Fund				
Use of money and property	—	—	(52,318)	52,318
Revenue from other agencies	—	75,000	—	75,000
Charges for services	1,876,195	1,876,195	1,877,683	(1,488)
Miscellaneous revenue	346,923	346,923	293,188	53,735
Total	<u>2,223,118</u>	<u>2,298,118</u>	<u>2,118,553</u>	<u>179,565</u>
Total revenues and other financing sources	\$ <u>60,929,710</u>	<u>68,016,378</u>	<u>54,034,113</u>	<u>13,893,114</u>

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Non Major Governmental Funds - Special Revenue

Year Ended June 30, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Community Development Fund:				
Housing, health and community development:				
Salaries and benefits	\$ 1,307,356	1,286,240	1,336,936	(50,696)
Maintenance and operations	557,734	1,855,694	834,207	1,021,487
Capital	2,591,910	2,613,910	478,676	2,135,234
Capital projects	—	1,099,693	1,037,473	62,219
Total	<u>4,457,000</u>	<u>6,855,537</u>	<u>3,687,292</u>	<u>3,168,245</u>
Housing Assistance Fund:				
Housing, health and community development:				
Salaries and benefits	1,786,071	1,835,071	1,612,737	222,334
Maintenance and operations	<u>20,940,688</u>	<u>20,940,688</u>	<u>10,945,557</u>	<u>9,995,131</u>
Total	<u>22,726,759</u>	<u>22,775,759</u>	<u>12,558,294</u>	<u>10,217,465</u>
Home Grant Fund:				
Housing, health and community development:				
Salaries and benefits	166,647	166,647	157,590	9,057
Maintenance and operations	<u>2,248,345</u>	<u>7,239,961</u>	<u>1,362,619</u>	<u>5,877,342</u>
Total	<u>2,414,992</u>	<u>7,406,608</u>	<u>1,520,209</u>	<u>5,886,399</u>
Supportive Housing Grant Fund:				
Housing, health and community development:				
Salaries and benefits	155,225	155,225	151,834	3,391
Maintenance and operations	<u>1,663,626</u>	<u>4,288,308</u>	<u>1,349,259</u>	<u>2,939,049</u>
Total	<u>1,818,851</u>	<u>4,443,533</u>	<u>1,501,094</u>	<u>2,942,440</u>
Emergency Shelter Grant Fund:				
Housing, health and community development:				
Maintenance and operations	<u>139,000</u>	<u>147,799</u>	<u>139,527</u>	<u>8,272</u>
Total	<u>139,000</u>	<u>147,799</u>	<u>139,527</u>	<u>8,272</u>
Workforce Investment Act Fund:				
Employment and job training services:				
Salaries and benefits	1,725,869	1,725,869	1,902,222	(176,353)
Maintenance and operations	<u>855,296</u>	<u>2,115,406</u>	<u>937,372</u>	<u>1,178,034</u>
Total	<u>\$ 2,581,165</u>	<u>3,841,275</u>	<u>2,839,594</u>	<u>1,001,681</u>

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Non Major Governmental Funds - Special Revenue

Year Ended June 30, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
State Training Program Fund				
Employment and job training services:				
Salaries and benefits	\$ —	20,000	4,102	15,898
Maintenance and operations	—	380,100	45,803	334,297
Transfer to other fund	—	—	18,772	(18,772)
Total	—	400,100	68,677	331,423
H - 1B Technology Skills Training Fund:				
Employment and job training programs:				
Salaries and benefits	39,993	39,993	31,841	8,152
Maintenance and operations	867,109	2,382,452	40,153	2,342,299
Total	907,102	2,422,445	71,994	2,350,451
Code Enforcement Fund:				
Housing, health and community development:				
Salaries and benefits	273,810	273,810	271,281	2,529
Maintenance and operations	14,000	14,000	20,076	(6,076)
Total	287,810	287,810	291,358	(3,548)
Low & Moderate Housing Fund:				
Housing, health and community development:				
Salaries and benefits	1,251,658	1,387,257	1,370,040	17,217
Maintenance and operations	4,146,321	15,209,638	2,434,989	12,774,649
Capital projects	—	—	3,459	(3,459)
Transfer to other funds	262,755	990,174	175,604	814,570
Total	5,660,734	17,587,069	3,984,092	13,602,976
Local Transit Assistance Fund:				
Public works:				
Salaries and benefits	790,950	790,950	739,800	51,150
Maintenance and operations	6,953,388	6,953,388	6,518,421	434,967
Capital	1,975,000	1,975,000	26,516	1,948,484
Capital projects	3,876,607	3,876,607	165,519	3,711,088
Total	13,595,945	13,595,945	7,450,256	6,145,689
Air Quality Improvement Fund:				
Public works:				
Salaries and benefits	178,144	198,144	194,089	4,055
Maintenance and operations	107,621	87,621	69,438	18,183
Total	\$ 285,765	285,765	263,527	22,238

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Non Major Governmental Funds - Special Revenue

Year Ended June 30, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Narcotic Forfeiture Fund:				
Public safety:				
Salaries and benefits	\$ 211,673	211,673	205,659	6,014
Maintenance and operations	203,013	213,013	62,899	150,114
Capital	—	110,509	11,695	98,814
Transfer to other fund	—	1,200,000	1,200,000	—
Total	<u>414,686</u>	<u>1,735,195</u>	<u>1,480,254</u>	<u>254,941</u>
Special Grant Fund:				
Public safety:				
Salaries and benefits	1,323,068	1,861,957	1,134,071	727,886
Maintenance and operations	519,810	643,759	97,986	545,773
Capital	—	436,812	247,404	189,408
Total	<u>1,842,878</u>	<u>2,942,528</u>	<u>1,479,461</u>	<u>1,463,067</u>
Supplemental Law Enforcement Fund:				
Public safety:				
Salaries and benefits	575,580	575,580	440,272	135,308
Maintenance and operations	7,674	7,674	6,184	1,490
Total	<u>583,254</u>	<u>583,254</u>	<u>446,456</u>	<u>136,798</u>
Nutritional Meals Grant Fund:				
Parks, recreation and community				
Services:				
Salaries and benefits	338,919	338,919	300,290	38,629
Maintenance and operations	281,987	281,987	190,526	91,461
Total	<u>620,906</u>	<u>620,906</u>	<u>490,816</u>	<u>130,090</u>
Cable Access Fund:				
General government:				
Salaries and benefits	376,306	351,306	373,762	(22,456)
Maintenance and operations	35,284	56,784	38,577	18,207
Capital	1,631,099	1,708,054	1,654,509	53,545
Capital projects	—	—	41,950	(41,950)
Total	<u>\$ 2,042,689</u>	<u>2,116,144</u>	<u>2,108,798</u>	<u>7,346</u>

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Non Major Governmental Funds - Special Revenue

Year Ended June 30, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Library Grant Fund:				
Library:				
Salaries and benefits	\$ 272,153	361,139	108,346	252,793
Maintenance and operations	192,089	926,659	183,397	743,262
Capital	40,532	107,532	15,311	92,221
Total	<u>504,774</u>	<u>1,395,330</u>	<u>307,053</u>	<u>1,088,277</u>
Electric Public Benefit Fund:				
Public service:				
Salaries and benefits	310,000	310,000	277,780	32,220
Maintenance and operations	7,869,400	7,869,400	5,196,432	2,672,968
Total	<u>8,179,400</u>	<u>8,179,400</u>	<u>5,474,212</u>	<u>2,705,188</u>
Fire Grant Fund				
Public safety:				
Salaries and benefits	139,950	334,575	189,189	145,386
Maintenance and operations	428,158	1,046,227	296,345	749,882
Capital	—	640,159	132,667	507,492
Total	<u>568,108</u>	<u>2,020,961</u>	<u>618,201</u>	<u>1,402,760</u>
Fire Communications Fund				
Public safety:				
Salaries and benefits	1,471,420	1,546,420	1,409,813	136,607
Maintenance and operations	245,556	245,556	245,154	402
Capital	1,562,313	1,562,313	696,669	865,644
Total	<u>3,279,289</u>	<u>3,354,289</u>	<u>2,351,636</u>	<u>1,002,653</u>
Total expenditures and other financing uses	\$ <u>72,911,107</u>	<u>102,997,651</u>	<u>49,132,801</u>	<u>53,864,850</u>

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:

- Police Facility COPs Fund-To accumulate monies for the payment of interest principal of the 2000 Police Building Project Variable Rate Demands 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
- 2002 Tax Allocation Bonds Fund-To accumulate monies for the payment of interest and principal of the 2002 Tax Allocation bonds. Debt Service is financed via the incremental property tax from the Glendale Redevelopment Agency.
- 2003 Tax Allocation Bonds Fund-To accumulate monies for the payment of interest and principal of the 2003 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
Non Major Governmental Funds - Debt Service
June 30, 2004

	2003 GRA Tax Allocation Bonds	Police Facility COPs Fund	2002 GRA Tax Allocation Bonds	Total Non Major Debt Service Funds
Assets				
Cash and invested cash	\$ -	46,287,552	183,851	46,471,403
Cash with fiscal agent	5,462,066	5,076,386	3,839,987	14,378,439
Interest receivable	-	299,597	-	299,597
Total assets	<u>5,462,066</u>	<u>51,663,535</u>	<u>4,023,838</u>	<u>61,149,439</u>
Liabilities and Fund Balances				
Liabilities:				
Bond issuance costs	533,898	-	-	533,898
Total liabilities	<u>533,898</u>	<u>-</u>	<u>-</u>	<u>533,898</u>
Fund Balances:				
Reserved:				
Debt service	4,909,108	5,018,980	3,796,900	13,724,988
Unreserved	19,060	46,644,555	226,938	46,890,553
Total fund balances	<u>4,928,168</u>	<u>51,663,535</u>	<u>4,023,838</u>	<u>60,615,541</u>
balances	\$ <u>5,462,066</u>	<u>51,663,535</u>	<u>4,023,838</u>	<u>61,149,439</u>

Exhibit H-2

CITY OF GLENDALE

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

Non Major Governmental Funds - Debt Service

For Fiscal Year Ended June 30, 2004

	2003 Gra Tax Allocation Bonds	Police Facility COPs Fund	2002 GRA Tax Allocation Bonds	Total Non Major Special Debt Service Funds
Revenues:				
Property taxes	\$ 2,212,893	-	3,820,138	6,033,031
Use of money and property	50,119	935,361	(66,893)	918,587
Total revenues	2,263,012	935,361	3,753,245	6,951,618
Expenditures:				
Administration	-	18,658	3,199	21,857
Debt service				
Interest on bonds	1,616,166	3,341,612	2,010,138	6,967,916
Costs of issuance of debt	2,119,724	-	-	2,119,724
Principal	-	1,100,000	1,810,000	2,910,000
Total expenditures	3,735,890	4,460,270	3,823,337	12,019,497
Excess of revenues over (under) expenditures	(1,472,878)	(3,524,909)	(70,092)	(5,067,879)
Other financing sources (uses):				
Issuance of debt	58,880,000	-	-	58,880,000
Bond premium	2,614,516	-	-	2,614,516
Payment to refunded bonds	(62,110,058)	-	-	(62,110,058)
Total financing sources (uses)	(615,542)	-	-	(615,542)
Net change in fund balances	(2,088,420)	(3,524,909)	(70,092)	(5,683,421)
Fund balance, July 1	7,016,588	55,188,444	4,093,930	66,298,962
Fund Balance, June 30	\$ 4,928,168	51,663,535	4,023,838	60,615,541

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Non Major Governmental Funds - Debt Service

Year Ended June 30, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Police Facility COPs Funds				
Interest and invest. revenue \$	1,500,000	1,500,000	437,133	1,062,867
Rental income	2,023,040	2,023,040	498,228	1,524,812
Total	<u>3,523,040</u>	<u>3,523,040</u>	<u>935,361</u>	<u>2,587,679</u>
2003 Tax Allocation Bonds Fund				
Property taxes	4,772,023	4,772,023	2,212,893	2,559,130
Interest and invest. revenue	510,000	510,000	50,119	459,881
Issuance of debt	—	—	58,880,000	(58,880,000)
Bond premium	—	—	2,614,516	(2,614,516)
Total	<u>5,282,023</u>	<u>5,282,023</u>	<u>63,757,528</u>	<u>(58,475,505)</u>
2002 Tax Allocation Bonds Fund				
Property taxes	3,743,149	3,743,149	3,820,138	(76,989)
Interest and invest. revenue	76,989	76,989	(66,893)	143,882
Total	<u>3,820,138</u>	<u>3,820,138</u>	<u>3,753,245</u>	<u>66,893</u>
Total revenues and other financing sources \$	<u>12,625,201</u>	<u>12,625,201</u>	<u>68,446,134</u>	<u>(55,820,933)</u>

Exhibit H-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses

Non Major Governmental Funds - Debt Service

Year Ended June 30, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Police Facility COPS Fund				
Administration	\$ —	—	18,658	(18,658)
Debt service	3,523,040	3,523,040	4,441,612	(918,572)
Total	3,523,040	3,523,040	4,460,270	(937,230)
2003 Tax Allocation Bonds fund				
Debt service	5,282,023	5,282,023	65,845,948	(60,563,925)
Total	5,282,023	5,282,023	65,845,948	(60,563,925)
2002 Tax Allocation Bonds Fund				
Administration	—	—	3,199	(3,199)
Debt service	3,820,138	3,820,138	3,820,138	—
Total	3,820,138	3,820,138	3,823,337	(3,199)
Total expenditures and other financing uses	\$ 12,625,201	12,625,201	74,129,555	(61,504,354)

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.
- Police Facility Construction Fund- To account for monies from the 2000 Police Building Project Variable Rate Demand Certificates of Participation proceeds.

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Exhibit I-1
CITY OF GLENDALE
Combining Balance Sheet
Non Major Governmental Funds - Capital Projects
June 30, 2004

		State Gas Tax Fund	Scholl Life Extension Fund	Police Facility Construction	Total Non Major Capital Projects
Assets					
Cash and invested cash	\$	8,807,866	-	8,639,684	17,447,550
Interest receivable		53,906	-	55,434	109,340
Due from other agencies		803,837	-	-	803,837
Total assets		<u>9,665,609</u>	<u>-</u>	<u>8,695,118</u>	<u>18,360,727</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable		726,388	-	876,821	1,603,209
Accrued wages and withholding		13,514	-	11,161	24,675
Total liabilities		<u>739,902</u>	<u>-</u>	<u>887,982</u>	<u>1,627,884</u>
Fund Balances:					
Reserved:					
Capital projects		11,592,079	-	2,416,711	14,008,790
Encumbrances		802,451	-	1,638,389	2,440,840
Unreserved		(3,468,823)	-	3,752,036	283,213
Total fund balances		<u>8,925,707</u>	<u>-</u>	<u>7,807,136</u>	<u>16,732,843</u>
Total liabilities and fund balances	\$	<u>9,665,609</u>	<u>-</u>	<u>8,695,118</u>	<u>18,360,727</u>

Exhibit I-2

CITY OF GLENDALE

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

Non Major Governmental Funds - Capital Projects

For Fiscal Year Ended June 30, 2004

	State Gas Tax Fund	Scholl Life Extension Fund	Police Facility Construction	Total Non Major Capital Projects
Revenues:				
Revenue from other agencies	\$ 4,754,513	-	-	4,754,513
Use of money and property	78,201	-	133,571	211,772
Miscellaneous revenue	8,760	-	-	8,760
Total revenues	4,841,474	-	133,571	4,975,045
Expenditures:				
Capital:				
Public safety	-	-	(1,312,981)	(1,312,981)
Public works	6,017,436	-	-	6,017,436
Total expenditures	6,017,436	-	(1,312,981)	4,704,455
Excess of revenues over (under) expenditures	(1,175,962)	-	1,446,552	270,590
Other financing sources (uses):				
Transfer to:				
Transfer-Capital funds	-	(18,890,377)	-	(18,890,377)
Total financing sources (uses)	-	(18,890,377)	-	(18,890,377)
Net change in fund balances	(1,175,962)	(18,890,377)	1,446,552	(18,619,787)
Fund balance, July 1	10,101,669	18,890,377	6,360,584	35,352,630
Fund Balance, June 30	\$ 8,925,707	-	7,807,136	16,732,843

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. Non major Enterprise 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.

Exhibit J-1
CITY OF GLENDALE
Combining Statement of Net Assets
Proprietary Fund Type - Non Major Enterprise Funds
June 30, 2004

		Hazardous	Fire Paramedic		Refuse Disposal	Total
	Recreation Fund	Disposal Fund	Fund	Parking Fund	Fund	Non Major Enterprise Funds
Assets						
Current assets:						
Cash and invested cash	\$ 404,330	927,295	-	2,696,517	2,382,818	6,410,960
Imprest cash	10,000	-	-	-	-	10,000
Interest receivable	-	5,405	-	21,796	12,759	39,960
Accounts receivable, net	-	60,738	1,517,446	5,825	858,430	2,442,438
Unbilled receivable	-	71,001	-	-	756,712	827,713
Due from other agencies	-	-	-	138,785	-	138,785
Prepaid items	-	-	-	2,233	-	2,233
Total current assets	414,330	1,064,439	1,517,446	2,865,156	4,010,719	9,872,089
Capital assets:						
Land	-	-	-	5,651,021	1,638,827	7,289,848
Buildings and improvements	30,650	535,118	-	41,039,640	5,078,952	46,684,360
Machinery and equipment	60,624	283,647	1,118,374	1,954,049	12,156,964	15,573,657
Bldg & impro accm depreciation	(22,823)	(715,063)	(274,893)	(13,521,792)	(9,540,397)	(24,074,968)
Total capital assets	68,451	103,701	843,481	35,122,918	9,334,346	45,472,897
Total assets	482,781	1,168,140	2,360,927	37,988,074	13,345,065	55,344,986
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	53,020	19,739	19,124	207,544	443,361	742,788
Accrued wages and withholding	51,126	29,899	103,916	64,468	189,176	438,586
Due to other funds	-	109,290	3,329,966	-	-	3,439,256
Deposits	34,852	13,882	-	-	147,524	196,258
Total current liabilities	138,998	172,810	3,453,006	272,012	780,061	4,816,887
Noncurrent liabilities:						
Compensated absences	51,108	87,374	135,906	125,835	290,990	691,213
Total noncurrent liabilities	51,108	87,374	135,906	125,835	290,990	691,213
Total liabilities	190,107	260,184	3,588,912	397,847	1,071,051	5,508,100
Net assets:						
Investment in general FA	68,451	103,701	843,481	35,122,918	9,334,346	45,472,897
Unrestricted	224,223	804,255	(2,071,466)	2,467,309	2,939,668	4,363,989
Total net assets	\$ 292,674	907,956	(1,227,985)	37,590,227	12,274,014	49,836,886

Exhibit J-2
CITY OF GLENDALE
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds- Non Major Enterprise Funds
Year ended June 30, 2004

	Recreation Fund	Hazardous Disposal Fund	Fire Paramedic Fund	Parking Fund	Refuse Disposal Fund	Total Non Major Enterprise Funds
Operating revenues - Charges for services:						
Recreation service	\$ 1,617,037	-	-	-	-	1,617,037
Fire paramedic service	-	-	6,389,735	-	-	6,389,735
Parking service	-	-	-	6,159,057	-	6,159,057
Hazardous disposal service	-	1,437,485	-	-	-	1,437,485
Refuse disposal service	-	-	-	-	13,758,613	13,758,613
Miscellaneous revenue	121,551	1,783	-	148,086	57,676	329,096
Total operating revenues	<u>1,738,588</u>	<u>1,439,268</u>	<u>6,389,735</u>	<u>6,307,143</u>	<u>13,816,289</u>	<u>29,691,023</u>
Operating expenses						
Recreation service	2,200,977	-	-	-	-	2,200,977
Fire paramedic service	-	-	7,195,708	-	-	7,195,708
Parking service	-	-	-	3,605,325	-	3,605,325
Hazardous disposal service	-	1,577,691	-	-	-	1,577,691
Refuse disposal service	-	-	-	-	12,870,330	12,870,330
Depreciation	12,216	95,494	68,112	1,977,464	1,430,607	3,583,893
Total operating expenses	<u>2,213,193</u>	<u>1,673,186</u>	<u>7,263,820</u>	<u>5,582,789</u>	<u>14,300,937</u>	<u>31,033,924</u>
Operating income (loss)	<u>(474,604)</u>	<u>(233,918)</u>	<u>(874,086)</u>	<u>724,354</u>	<u>(484,647)</u>	<u>(1,342,901)</u>
Non operating revenues (expenses):						
Interest revenue	9,031	7,036	-	26,743	29,549	72,359
Grant revenue	260,000	61,977	-	-	-	321,977
Interest expense	-	-	-	-	-	-
Contribution in aid	810	-	-	-	-	810
Total non operating revenues, net	<u>269,841</u>	<u>69,013</u>	<u>-</u>	<u>26,743</u>	<u>29,549</u>	<u>395,146</u>
Income before transfers	<u>(204,763)</u>	<u>(164,905)</u>	<u>(874,086)</u>	<u>751,096</u>	<u>(455,098)</u>	<u>(947,755)</u>
Transfer in:	-	-	-	-	-	-
Transfer out						
Transfer-General Fund	-	-	-	(1,800,000)	-	(1,800,000)
Transfer-Special Revenue	-	-	-	(1,000,000)	-	(1,000,000)
	-	-	-	-	-	-
Total transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,800,000)</u>	<u>-</u>	<u>(2,800,000)</u>
Change in net assets	<u>(204,763)</u>	<u>(164,905)</u>	<u>(874,086)</u>	<u>(2,048,904)</u>	<u>(455,098)</u>	<u>(3,747,756)</u>
Total net asset, July 1 as restated	<u>497,437</u>	<u>1,072,861</u>	<u>(353,899)</u>	<u>39,639,131</u>	<u>12,729,112</u>	<u>53,584,642</u>
Total net assets, June 30	<u>\$ 292,674</u>	<u>907,956</u>	<u>(1,227,985)</u>	<u>37,590,227</u>	<u>12,274,014</u>	<u>49,836,886</u>

Exhibit J-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Proprietary FundType - Non Major Enterprise Funds
Year Ended June 30, 2004

	Recreation Fund	Hazardous Disposal Fund	Fire Paramedic Fund	Parking Fund	Refuse Disposal Fund	Total Non Major Funds - Proprietary
Cash flows from operating activities:						
Cash from customers	\$ 1,877,037	1,462,555	6,221,534	6,303,145	13,888,564	29,752,835
Cash paid to employees	(1,276,172)	(1,180,398)	(2,927,576)	(1,785,762)	(5,732,346)	(12,902,254)
Cash paid to suppliers	(880,719)	(313,468)	(3,203,621)	(1,719,297)	(7,410,004)	(13,527,109)
Miscellaneous revenue	121,551	1,783	-	148,086	57,676	329,096
Net cash provided by operating activities	(158,302)	(29,528)	90,336	2,946,172	803,890	3,652,568
Cash flows from noncapital financing activities:						
Operating grant received	260,000	61,977	-	-	-	321,977
Operating transfers out to general fund	-	-	-	(2,800,000)	-	(2,800,000)
Net cash provided by noncapital financing activities	260,000	61,977	-	(2,800,000)	-	(2,478,023)
Cash flows from capital and related financing activities:						
Contribution in aid	810	-	-	-	-	810
Acquisition of property, plant, and equipment	35,884	(65,179)	(90,336)	(1,012,970)	123,988	(1,008,612)
Investment - gas/electric commodity	-	-	-	-	-	-
Net cash (used in) capital and related financing activities	36,694	(65,179)	(90,336)	(1,012,970)	123,988	(1,007,802)
Cash provided by investing activities - interest received	10,090	7,071	-	33,605	16,925	67,690
Net increase (decrease) in cash and cash equivalents	148,484	(25,659)	-	(833,193)	944,803	234,433
Cash and cash equivalents at beginning of year	265,847	952,954	-	3,529,711	1,438,015	6,186,527
Cash and cash equivalents at end of year	\$ 414,331	927,295	-	2,696,518	2,382,818	6,420,960
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	\$ (474,604)	(233,918)	(874,086)	724,354	(484,647)	(1,342,901)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	12,216	95,494	68,112	1,977,464	1,430,607	3,583,893
(Increase) decrease in Accounts receivable, net	-	3,911	(168,201)	33,553	(65,090)	(195,827)
(Increase) decrease in Unbilled receivable	-	21,159	-	-	188,516	209,675
(Increase) decrease in Due from other agencies	260,000	-	-	110,535	6,525	377,060
(Increase) decrease in Prepaid expenses	-	-	-	8,244	-	8,244
Increase (decrease) in Accrued salaries and withholding	4,308	(8,764)	11,055	(8,778)	(28,975)	(31,154)
Increase (decrease) in Compensated absences	15,606	(16,093)	52,183	29,491	68,632	149,819
Increase (decrease) in Accounts payable	5,048	4,380	(1,030)	71,309	(155,527)	(75,821)
Increase (decrease) in Due to other funds	-	109,290	1,002,302	-	-	1,111,592
Increase (decrease) in Deposits	19,124	(4,987)	-	-	(156,150)	(142,014)
Total reconciliation	\$ (158,302)	(29,528)	90,336	2,946,172	803,890	3,652,568
Noncash investing, capital, and financing activities:						
Increase in fair value of investments	-	(8,942)	-	(36,058)	(21,109)	(66,109)

Exhibit J-4
CITY OF GLENDALE
Schedule of Investment in Capital Assets
Non Major Enterprise Funds
Year Ended June 30, 2004

		<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Recreation Fund	\$	-	30,650	60,624	91,274
Hazardous Disposal Fund		-	535,118	283,647	818,764
Fire Paramedic Fund		-	-	1,118,374	1,118,374
Parking Fund		5,651,021	41,039,640	1,954,049	48,644,710
Refuse Disposal Fund		1,638,827	5,078,952	12,156,964	18,874,743
Total capital assets	\$	<u>7,289,848</u>	<u>46,684,360</u>	<u>15,573,657</u>	<u>69,547,865</u>

Exhibit J-5
CITY OF GLENDALE
Schedule of Changes in Capital Assets
Non Major Enterprise Funds
Year Ended June 30, 2004

	Balance at July1 as restated	Additions/Reclass	Retirements/ Reclass	Total
Recreation Fund	\$ 216,816	-	(125,542)	91,274
Hazardous Disposal Fund	912,237	-	(93,473)	818,764
Fire Paramedic Fund	964,634	172,519	(18,779)	1,118,374
Parking Fund	48,549,331	163,245	(67,865)	48,644,710
Refuse Disposal Fund	19,162,129	74,859	(362,245)	18,874,743
Total capital assets	\$ 69,805,147	410,623	(667,905)	69,547,865

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.
- Helicopter Depreciation Fund- To account for set-aside funds to perform major maintenance or replacement of the helicopters.
- 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.
- 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.
- Employee Benefits Fund-To account for the resources and the liability for employees' post employment benefit for medical insurance.

Exhibit K-1
CITY OF GLENDALE
Combining Statement of Net Assets
Internal Service Funds
June 30, 2004

	Equipment Reserve Fund	Helicopter Depreciation Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund	Liability Insurance Fund
Assets					
Current assets:					
Cash and invested cash	\$ 9,706,373	40,000	328,361	11,249,733	4,727,140
Interest receivable	50,375	-	2,279	69,324	31,574
Accounts receivable, net	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	9,756,748	40,000	330,640	11,319,057	4,758,714
Capital assets:					
Machinery and equipment	-	-	-	-	-
Bldg & impro accm depreciation	-	-	-	-	-
Total capital assets	-	-	-	-	-
Total assets	9,756,748	40,000	330,640	11,319,057	4,758,714
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	28,645	-	-	270	94,358
Accrued wages and withholding	-	-	-	-	10,293
Total current liabilities	28,645	-	-	270	104,650
Noncurrent liabilities:					
Claims payable	-	-	-	15,116,836	4,239,630
Compensated absences	-	-	-	-	6,719
Post employment benefits	-	-	-	-	-
Total noncurrent liabilities	-	-	-	15,116,836	4,246,349
Total liabilities	28,645	-	-	15,117,106	4,350,999
Net assets:					
Investment in general FA	-	-	-	-	-
Unrestricted	9,728,103	40,000	330,640	(3,798,049)	407,715
Total net assets	9,728,103	40,000	330,640	(3,798,049)	407,715

Exhibit K-1
CITY OF GLENDALE
Combining Statement of Net Assets
Internal Service Funds
June 30, 2004

	Auto Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund
Assets					
Current assets:					
Cash and invested cash	1,076,719	8,912,509	197,775	1,758,105	30,508
Interest receivable	7,588	56,641	882	4,732	176
Accounts receivable, net	-	58,639	-	-	-
Due from other agencies	-	551	-	-	-
Prepaid items	-	5,000	43,100	217,250	4,800
Total current assets	1,084,307	9,033,340	241,757	1,980,087	35,484
Capital assets:					
Machinery and equipment	-	420,301	-	-	-
Bldg & impro accm depreciation	-	(395,768)	-	-	-
Total capital assets	-	24,533	-	-	-
Total assets	1,084,307	9,057,873	241,757	1,980,087	35,484
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	-	31,997	73,825	228,720	-
Accrued wages and withholding	-	89,953	-	1,322	-
Total current liabilities	-	121,950	73,825	230,042	-
Noncurrent liabilities:					
Claims payable	570,838	17,051,920	24,000	524,107	4,000
Compensated absences	-	91,316	-	1,366	-
Post employment benefits	-	(24,474)	-	-	-
Total noncurrent liabilities	570,838	17,118,761	24,000	525,474	4,000
Total liabilities	570,838	17,240,711	97,825	755,516	4,000
Net assets:					
Investment in general FA	-	24,533	-	-	-
Unrestricted	513,469	(8,207,371)	143,932	1,224,571	31,484
Total net assets	513,469	(8,182,838)	143,932	1,224,571	31,484

Exhibit K-1
CITY OF GLENDALE
Combining Statement of Net Assets
Internal Service Funds
June 30, 2004

	Total	
	Employee Benefits Fund	Internal Service Funds
Assets		
Current assets:		
Cash and invested cash	3,979,429	42,006,651
Interest receivable	32,869	256,440
Accounts receivable, net	-	58,639
Due from other agencies	-	551
Prepaid items	-	270,150
Total current assets	4,012,298	42,592,431
Capital assets:		
Machinery and equipment	-	420,301
Bldg & impro accm depreciation	-	(395,768)
Total capital assets	-	24,533
Total assets	4,012,298	42,616,964
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	-	457,815
Accrued wages and withholding	-	101,567
Total current liabilities	-	559,382
Noncurrent liabilities:		
Claims payable	-	37,531,331
Compensated absences	7,187,962	7,287,362
Post employment benefits	5,061,393	5,036,920
Total noncurrent liabilities	12,249,355	49,855,613
Total liabilities	12,249,355	50,414,995
Net assets:		
Investment in general FA	-	24,533
Unrestricted	(8,237,057)	(7,822,564)
Total net assets	(8,237,057)	(7,798,031)

Exhibit K-2
CITY OF GLENDALE
Combining Statement of Revenues, Expenses
and Changes in Net Assets- Internal Service Funds
Year Ended June 30, 2004

	Equipment Reserve Fund	Helicopter Depreciation Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund
Operating revenues - Charges for services:				
Internal service charges	\$ 1,724,672	-	129,857	2,225,889
Miscellaneous revenue	-	-	-	-
Total operating revenues	<u>1,724,672</u>	<u>-</u>	<u>129,857</u>	<u>2,225,889</u>
Operating expenses				
Claims and settlements	-	-	153,776	6,680,908
Vehicle related	1,352,183	-	-	-
Benefit related	-	-	-	-
Depreciation	-	-	-	-
Total operating expenses	<u>1,352,183</u>	<u>-</u>	<u>153,776</u>	<u>6,680,908</u>
Operating income (loss)	<u>372,489</u>	<u>-</u>	<u>(23,919)</u>	<u>(4,455,019)</u>
Non operating revenues (expenses):				
Interest revenue	120,218	-	4,130	88,658
Total non operating revenues	<u>120,218</u>	<u>-</u>	<u>4,130</u>	<u>88,658</u>
Income before transfers	<u>492,707</u>	<u>-</u>	<u>(19,789)</u>	<u>(4,366,360)</u>
Transfer in:				
Transfer-General Fund	2,000,000	40,000	-	4,000,000
Transfer-Internal Service Fund	-	-	-	-
Transfer out				
Transfer-Capital Funds	-	-	-	-
Transfer-Int Service	-	-	(500,000)	-
Total transfer	<u>2,000,000</u>	<u>40,000</u>	<u>(500,000)</u>	<u>4,000,000</u>
Change in net assets	2,492,707	40,000	(519,789)	(366,360)
Total net asset, July 1, as restated	7,235,395	-	850,429	(3,431,689)
Total net assets, June 30	<u>\$ 9,728,103</u>	<u>40,000</u>	<u>330,640</u>	<u>(3,798,049)</u>

Exhibit K-2
CITY OF GLENDALE
Combining Statement of Revenues, Expenses
and Changes in Net Assets- Internal Service Funds
Year Ended June 30, 2004

	<u>Liability Insurance Fund</u>	<u>Auto Insurance Fund</u>	<u>Compensation Insurance Fund</u>	<u>Dental Insurance Fund</u>
Operating revenues - Charges for services:				
Internal service charges	\$ 479,904	214,176	7,133,651	959,216
Miscellaneous revenue	-	-	195	-
Total operating revenues	<u>479,904</u>	<u>214,176</u>	<u>7,133,846</u>	<u>959,216</u>
Operating expenses				
Claims and settlements	(380,666)	663,964	12,100,975	884,680
Vehicle related	-	-	-	-
Benefit related	-	-	-	-
Depreciation	-	-	32,748	-
Total operating expenses	<u>(380,666)</u>	<u>663,964</u>	<u>12,133,723</u>	<u>884,680</u>
Operating income (loss)	<u>860,570</u>	<u>(449,788)</u>	<u>(4,999,876)</u>	<u>74,536</u>
Non operating revenues (expenses):				
Interest revenue	33,986	14,688	56,943	1,435
Total non operating revenues	<u>33,986</u>	<u>14,688</u>	<u>56,943</u>	<u>1,435</u>
Income before transfers	<u>894,556</u>	<u>(435,100)</u>	<u>(4,942,933)</u>	<u>75,971</u>
Transfer in:				
Transfer-General Fund	500,000	-	-	-
Transfer-Internal Service Fund	2,500,000	-	-	-
Transfer out				
Transfer-Capital Funds	-	-	(10,000)	-
Transfer-Int Service	-	(2,000,000)	-	-
Total transfer	<u>3,000,000</u>	<u>(2,000,000)</u>	<u>(10,000)</u>	<u>-</u>
Change in net assets	3,894,556	(2,435,100)	(4,952,933)	75,971
Total net asset, July 1, as restated	(3,486,841)	2,948,570	(3,229,905)	67,961
Total net assets, June 30	\$ <u>407,715</u>	<u>- 513,469</u>	<u>(8,182,838)</u>	<u>143,932</u>

Exhibit K-2
CITY OF GLENDALE
Combining Statement of Revenues, Expenses
and Changes in Net Assets- Internal Service Funds
Year Ended June 30, 2004

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefit Fund	Total
Operating revenues - Charges for services:				
Internal service charges	\$ 6,543,341	88,482	1,553,593	21,052,781
Miscellaneous revenue	-	-	-	195
Total operating revenues	<u>6,543,341</u>	<u>88,482</u>	<u>1,553,593</u>	<u>21,052,976</u>
Operating expenses				
Claims and settlements	7,120,105	84,005	-	27,307,746
Vehicle related	-	-	-	1,352,183
Benefit related	-	-	3,245,122	3,245,122
Depreciation	-	-	-	32,748
Total operating expenses	<u>7,120,105</u>	<u>84,005</u>	<u>3,245,122</u>	<u>31,937,799</u>
Operating income (loss)	<u>(576,764)</u>	<u>4,477</u>	<u>(1,691,529)</u>	<u>(10,884,823)</u>
Non operating revenues (expenses):				
Interest revenue	23,019	340	44,528	387,945
Total non operating revenues	<u>23,019</u>	<u>340</u>	<u>44,528</u>	<u>387,945</u>
Income before transfers	<u>(553,745)</u>	<u>4,817</u>	<u>(1,647,002)</u>	<u>(10,496,878)</u>
Transfer in:				
Transfer-General Fund	-	-	-	6,540,000
Transfer-Internal Service Fund	-	-	-	2,500,000
Transfer out				
Transfer-Capital Funds	-	-	-	(10,000)
Transfer-Int Service	-	-	-	(2,500,000)
Total transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,530,000</u>
Change in net assets	<u>(553,745)</u>	<u>4,817</u>	<u>(1,647,002)</u>	<u>(3,966,878)</u>
Total net asset, July 1, as restated	<u>1,778,316</u>	<u>26,666</u>	<u>(6,590,056)</u>	<u>(3,831,153)</u>
Total net assets, June 30	\$ <u><u>1,224,571</u></u>	<u><u>31,484</u></u>	<u><u>(8,237,057)</u></u>	<u><u>(7,798,031)</u></u>

Exhibit K-3
CITY OF GLENDALE
Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2004

	Equipment Reserve Fund	Depreciation Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund
Cash flows from operating activities:				
Cash from customers	\$ 1,751,622	-	129,857	2,225,889
Cash paid to employees	-	-	-	-
Cash paid to suppliers	(1,323,538)	-	(153,776)	(584,560)
Miscellaneous Revenue	-	-	-	-
Net cash provided by operating activities	428,084	-	(23,919)	1,641,329
Cash flows from noncapital financing activities:				
Operating transfers out to internal service fund	-	-	(500,000)	-
Operating transfers out to capital improvement fund	-	-	-	-
Operating transfers in from general fund	2,000,000	40,000	-	4,000,000
Operating transfers in from internal service fund	-	-	-	-
Net cash provided by noncapital financing activities	2,000,000	40,000	(500,000)	4,000,000
Cash flows from capital and related financing activities:				
Acquisition of property, plant, and equipment	-	-	-	-
Net cash (used in) capital and related financing activities	-	-	-	-
Cash provided by investing activities - interest received	111,195	-	6,708	51,273
Net increase (decrease) in cash and cash equivalents	2,539,279	40,000	(517,211)	5,692,602
Cash and cash equivalents at beginning of year	7,167,094	-	845,572	5,557,131
Cash and cash equivalents at end of year	9,706,373	40,000	328,361	11,249,733
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	372,489	-	(23,919)	(4,455,019)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase) decrease in Accounts receivable, net	-	-	-	-
(Increase) decrease in Due from other agencies	26,950	-	-	-
(Increase) decrease in Prepaid expenses	-	-	-	-
Increase (decrease) in Accrued salaries and withholding	-	-	-	-
Increase (decrease) in Compensated absences	-	-	-	-
Increase (decrease) in Accounts payable	28,645	-	-	-
Increase (decrease) in Claims payable	-	-	-	6,096,348
Total reconciliation	\$ 428,084	-	(23,919)	1,641,329
Noncash investing, capital, and financing activities:				
Increase in fair value of investments	(83,340)	-	(3,770)	(114,690)

Exhibit K-3
CITY OF GLENDALE
Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2004

	Liability Insurance Fund	Auto Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
Cash flows from operating activities:				
Cash from customers	\$ 479,904	214,175	7,089,239	959,216
Cash paid to employees	(317,741)	-	(1,356,382)	-
Cash paid to suppliers	(1,259,018)	(218,212)	(8,234,421)	(841,855)
Miscellaneous Revenue	-	-	195	-
Net cash provided by operating activities	(1,096,855)	(4,037)	(2,501,369)	117,361
Cash flows from noncapital financing activities:				
Operating transfers out to internal service fund	-	(2,000,000)	-	-
Operating transfers out to capital improvement fund	-	-	(10,000)	-
Operating transfers in from general fund	500,000	-	-	-
Operating transfers in from internal service fund	2,500,000	-	-	-
Net cash provided by noncapital financing activities	3,000,000	(2,000,000)	(10,000)	-
Cash flows from capital and related financing activities:				
Acquisition of property, plant, and equipment	-	-	93,728	-
Net cash (used in) capital and related financing activities	-	-	93,728	-
Cash provided by investing activities - interest received	20,645	24,819	67,070	1,170
Net increase (decrease) in cash and cash equivalents	1,923,790	(1,979,218)	(2,350,571)	118,531
Cash and cash equivalents at beginning of year	2,803,350	3,055,937	11,263,079	79,244
Cash and cash equivalents at end of year	4,727,140	1,076,719	8,912,509	197,775
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	860,570	(449,788)	(4,999,876)	74,536
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	32,748	-
(Increase) decrease in Accounts receivable, net	-	-	(44,411)	-
(Increase) decrease in Due from other agencies	-	-	-	-
(Increase) decrease in Prepaid expenses	-	-	-	(31,000)
Increase (decrease) in Accrued salaries and withholding	1,695	-	(12,318)	-
Increase (decrease) in Compensated absences	5,533	-	(20,499)	-
Increase (decrease) in Accounts payable	94,358	-	(91,814)	73,825
Increase (decrease) in Claims payable	(2,059,011)	445,751	2,634,802	-
Total reconciliation	\$ (1,096,855)	(4,037)	(2,501,369)	117,361
Noncash investing, capital, and financing activities:				
Increase in fair value of investments	(52,236)	(12,552)	(93,706)	(1,460)

Exhibit K-3
CITY OF GLENDALE
Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2004

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Total Internal Service Funds
Cash flows from operating activities:				
Cash from customers	\$ 6,543,341	88,482	1,553,593	21,035,320
Cash paid to employees	(46,106)	-	(2,281,751)	(4,001,980)
Cash paid to suppliers	(6,860,358)	(84,005)	-	(19,559,743)
Miscellaneous Revenue	-	-	-	195
Net cash provided by operating activities	(363,123)	4,477	(728,159)	(2,526,208)
Cash flows from noncapital financing activities:				
Operating transfers out to internal service fund	-	-	-	(2,500,000)
Operating transfers out to capital improvement fund	-	-	-	(10,000)
Operating transfers in from general fund	-	-	-	6,540,000
Operating transfers in from internal service fund	-	-	-	2,500,000
Net cash provided by noncapital financing activities	-	-	-	6,530,000
Cash flows from capital and related financing activities:				
Acquisition of property, plant, and equipment	-	-	-	93,728
Net cash (used in) capital and related financing activities	-	-	-	93,728
Cash provided by investing activities - interest received	25,745	311	38,716	347,649
Net increase (decrease) in cash and cash equivalents	(337,378)	4,788	(689,443)	4,445,169
Cash and cash equivalents at beginning of year	2,095,483	25,720	4,668,873	37,561,483
Cash and cash equivalents at end of year	1,758,105	30,508	3,979,429	42,006,651
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	(576,764)	4,477	(1,691,529)	(10,884,823)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	32,748
(Increase) decrease in Accounts receivable, net	-	-	-	(44,411)
(Increase) decrease in Due from other agencies	-	-	-	26,950
(Increase) decrease in Prepaid expenses	-	-	-	(31,000)
Increase (decrease) in Accrued salaries and withholding	1,322	-	-	(9,301)
Increase (decrease) in Compensated absences	1,366	-	963,370	949,770
Increase (decrease) in Accounts payable	10,376	-	-	115,389
Increase (decrease) in Claims payable	200,577	-	-	7,318,469
Total reconciliation	\$ (363,123)	4,477	(728,159)	(2,526,208)
Noncash investing, capital, and financing activities:				
Increase in fair value of investments	(7,829)	(290)	(54,379)	(424,252)

Exhibit L-1
CITY OF GLENDALE
Capital Assets used in the Operation of Governmental Funds
Schedule by Function and Activity
Year Ended June 30, 2004

	Land	Construction in Progress	Infrastructure	and Improvement	Machinery and Equipment	Total
General government:						
City council	\$ -	80,272	-	-	1,682,214	1,762,486
City clerk	-	50,375	-	-	-	50,375
City treasurer	-	-	-	-	-	-
City manager	-	15,278	-	-	434,146	449,424
Legal	-	-	-	10,000	-	10,000
Finance	-	-	-	-	5,143,764	5,143,764
Purchasing	-	-	-	-	-	-
Graphics	-	-	-	-	244,585	244,585
Information services	-	1,086,994	-	325,000	19,799,964	21,211,958
Communications services	-	-	-	-	-	-
Planning	-	-	-	-	-	-
Personnel	-	-	-	-	209,303	209,303
Total	-	1,232,919	-	335,000	27,513,976	29,081,895
Public safety:						
Police	5,226,855	50,300,301	-	4,110,607	4,658,523	64,296,286
Police helicopter	-	-	-	675,915	2,557,716	3,233,631
Civic center garage	-	-	-	10,592	499,276	509,868
Fire	5,924,956	308,427	-	17,558,320	8,790,373	32,582,076
Fire communications	-	-	-	12,507	3,009,052	3,021,559
Emergency services	-	-	-	-	93,945	93,945
Total	11,151,811	50,608,728	-	22,367,941	19,608,885	103,737,365
Public works:						
Public works	-	2,896,677	-	475,503	1,360,458	4,732,638
Engineering	-	-	-	-	86,925	86,925
Permit services	-	160,062	-	-	535,460	695,522
Corporation yard	306,974	161,024	-	1,680,554	35,679	2,184,231
Building services	5,359,255	1,209,055	57,039	41,328,770	426,174	48,380,293
Street	269,148,435	16,634,991	188,938,006	-	4,613,854	479,335,286
Mechanical maintenance	-	-	-	-	555,231	555,231
Traffic engineering	-	2,190,693	-	-	28,612	2,219,305
Traffic safety controls	-	2,891,081	12,965,290	-	90,078	15,946,449
Transit Administration	15,440,916	162,208	-	2,199,793	7,655,206	25,458,123
Air quality improvement	-	-	-	507,809	24,838	532,647
Total	290,255,580	26,305,791	201,960,335	46,192,429	15,412,515	580,126,650
Housing, health and community development:						
Housing administration	1,154,315	-	-	-	-	1,154,315
Community dev admin	424,866	24,635,372	26,000	1,384,955	128,723	26,599,916
Neighborhood services	-	-	-	-	100,100	100,100
WIA	-	-	-	-	-	-
Nutritional meals	-	-	-	-	-	-
Electric benefit	-	-	-	-	-	-
Glendale redevelopment agency	1,918,312	1,868,820	4,357	8,512,111	507,237	12,810,837
Total	3,497,493	26,504,192	30,357	9,897,066	736,060	40,665,168
Parks, recreation and community services:						
Parks administration	27,932,125	11,752,992	-	45,926,413	2,128,433	87,739,963
Total	27,932,125	11,752,992	-	45,926,413	2,128,433	87,739,963
Library	447,945	733,903	-	8,983,016	1,279,707	11,444,571
Total capital assets	333,284,954	117,138,525	201,990,692	133,701,865	66,679,576	852,795,612
Accumulated depreciation			(81,358,690)	(45,379,976)	(28,327,088)	(155,065,754)
Net capital assets	333,284,954	117,138,525	120,632,002	88,321,889	38,352,488	697,729,858

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

Exhibit I-2

CITY OF GLENDALE

Capital Assets used in the Operation of Governmental Funds

Schedule of Changes of by Function and Activity

Year Ended June 30, 2004

	Balance at July 1	Additions	Retirements\ Reclass	Balance at June 30
General government:				
City council	\$ 301,042	1,654,104	(192,660)	1,762,486
City clerk	159,553	-	(109,178)	50,375
City treasurer	68,152	-	(68,152)	-
City manager	666,376	-	(216,952)	449,424
Legal	272,045	-	(262,045)	10,000
Finance	3,710,026	1,028,678	405,060	5,143,764
Purchasing	61,364	-	(61,364)	-
Graphics	677,694	-	(433,109)	244,585
Information services	19,104,960	7,056,866	(4,949,868)	21,211,958
Communications services	2,314,490	-	(2,314,490)	-
Planning	144,497	-	(144,497)	-
Personnel	302,486	-	(93,183)	209,303
Total	27,782,685	9,739,648	(8,440,438)	29,081,895
Public safety:				
Police	65,331,936	2,857,393	(3,893,043)	64,296,286
Police helicopter	3,401,791	208,986	(377,146)	3,233,631
Civic center garage	539,727	4,400	(34,259)	509,868
Fire	33,365,118	838,058	(1,621,100)	32,582,076
Fire communications	4,048,102	241,701	(1,268,244)	3,021,559
Emergency services	279,506	-	(185,561)	93,945
Total	106,966,180	4,150,538	(7,379,353)	103,737,365
Public works:				
Public works	1,901,651	1,503,488	1,327,499	4,732,638
Engineering	545,157	-	(458,232)	86,925
Permit services	371,264	100,553	223,705	695,522
Corporation yard	2,296,601	-	(112,370)	2,184,231
Building services	48,540,136	324,903	(484,746)	48,380,293
Street	474,368,589	2,868,254	2,098,443	479,335,286
Mechanical maintenance	520,265	6,411	28,555	555,231
Traffic engineering	2,207,812	-	11,493	2,219,305
Traffic safety controls	14,396,254	1,914,942	(364,747)	15,946,449
Transit Administration	26,069,763	-	(611,640)	25,458,123
Air quality improvement	24,839	593,894	(86,086)	532,647
Total	571,242,331	7,312,445	1,571,874	580,126,650
Housing, health and community development:				
Housing administration	1,512,928	-	(358,613)	1,154,315
Community dev admin	28,074,821	3,745,702	(5,220,607)	26,599,916
Neighborhood services	288,113	-	(188,013)	100,100
WIA	473,730	-	(473,730)	-
Nutritional meals	76,960	-	(76,960)	-
Electric benefit	14,090	-	(14,090)	-
Glendale redevelopment agency	11,166,848	855,330	788,659	12,810,837
Total	41,607,490	4,601,032	(5,543,354)	40,665,168
Parks, recreation and community services:				
Parks administration	71,133,005	16,208,953	398,005	87,739,963
Total	71,133,005	16,208,953	398,005	87,739,963
Library	12,751,390	184,314	(1,491,133)	11,444,571
Total capital assets	\$ 831,483,081	42,196,930	(20,884,399)	852,795,612

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

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

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

CAFR

Comprehensive Annual Financial Report
City of Glendale, California

Statistical Section
(Not Covered by Independent Auditor's Report)

June 30, 2004

Table 1

CITY OF GLENDALEGovernment-wide Expenses by Function
(in thousands)**Governmental activities:**

Fiscal year	General government	Public safety	Public works	Housing health and community development	Employment programs	Public service	Parks, recreation and community services	Library	Interest	Total
2000-2001	\$ 17,702	81,033	31,459	37,498	3,664	2,179	8,030	6,201	3,717	191,483
2001-2002	17,312	73,554	33,003	29,566	5,479	3,357	9,516	6,968	4,753	183,508
2002-2003	20,471	67,710	37,846	29,671	5,473	5,216	24,429	6,960	1,754	199,530
2003-2004	<u>11,121</u>	<u>50,085</u>	<u>46,435</u>	<u>49,923</u>	<u>4,824</u>	<u>5,693</u>	<u>25,219</u>	<u>1,544</u>	<u>6,728</u>	<u>201,572</u>

Business type activities:

	Recreation	Hazardous disposal	Fire paramedic	Parking	Sewer	Refuse disposal	Electric	Water	Total
2000-2001	\$ 1,971	1,571	4,822	4,519	8,735	11,577	227,643	24,404	285,242
2001-2002	1,946	1,430	3,719	5,502	6,480	11,976	168,389	23,816	223,258
2002-2003	2,013	1,706	6,577	7,236	3,588	13,024	141,799	23,623	199,566
2003-2004	<u>2,268</u>	<u>1,715</u>	<u>7,456</u>	<u>5,704</u>	<u>9,790</u>	<u>14,639</u>	<u>141,989</u>	<u>25,606</u>	<u>209,167</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)

<u>Fiscal year</u>	<u>Program Revenues</u>			<u>General Revenues</u>				<u>Total</u>
	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Taxes</u>	<u>Grants and contributions not restricted to specific programs</u>	<u>Unrestricted investment earnings</u>	<u>Other</u>	
2000-2001	\$ 346,023	30,755	18,704	90,068	—	31,456	21,780	538,786
2001-2002	280,211	33,925	37,382	88,720	—	31,611	29,979	501,828
2002-2003	281,027	45,912	15,238	99,901	—	25,290	30,978	498,346
2003-2004	<u>253,642</u>	<u>36,716</u>	<u>12,848</u>	<u>102,406</u>	<u>—</u>	<u>5,392</u>	<u>20,143</u>	<u>431,147</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

CITY OF GLENDALE

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>	(3) <u>Bond repayment & issuance cost</u>	(2) <u>Transfers to other funds</u>	<u>Total</u>
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)	18,681	62	78,024	44,083	10,033	6,708	42,734	3,357	7,882	—	4,814	216,378
2002-2003	(1)	21,793	63	78,000	33,020	26,286	6,806	54,518	5,127	10,989	—	25,644	262,246
2003-2004	(1)	<u>26,055</u>	<u>56</u>	<u>69,459</u>	<u>31,576</u>	<u>20,879</u>	<u>6,614</u>	<u>53,165</u>	<u>5,474</u>	<u>9,878</u>	<u>64,230</u>	<u>40,404</u>	<u>327,790</u>

Note: (1) Expenditures are allocated by function.

(2) Net of inter-governmental fund transfers.

(3) Includes bond repayment for 1993 tax allocation bonds and cost of issuance for 2003 tax allocation bonds.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 4
CITY OF GLENDALE
 General Governmental Revenues and Transfers by Source
 Last Ten Fiscal Years
 (In thousands)

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	Intergovernment fund revenue	Interfund revenue	Bond proceed	(4) Transfers from other funds	Total
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 (6)	32,515	57,389	3,045	1,571	19,792	65,308	10,956	8,671	—	5,917	—	19,772	224,936
2002-2003 (6)	39,181	62,096	3,925	2,257	16,363	60,289	11,522	3,324	—	7,641	52,522	46,814	305,934
2003-2004 (6)	<u>39,491</u>	<u>64,277</u>	<u>4,698</u>	<u>1,032</u>	<u>5,259</u>	<u>54,001</u>	<u>12,005</u>	<u>4,728</u>	<u>1,000</u>	<u>8,446</u>	<u>61,495</u>	<u>55,861</u>	<u>312,293</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

(7) Includes bond proceeds from 2003 tax allocation bonds.

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>
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	224,936	216,378	8,558	2,092	6,466
2002-2003	305,929 (2)	262,246	43,683	(12,467)	56,150
2003-2004	<u>312,293 (3)</u>	<u>327,790 (4)</u>	<u>(15,497)</u>	<u>(6,183)</u>	<u>(9,314)</u>

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

(2) Includes \$50.0 million GRA 2002 tax allocation bond

(3) Includes \$58.9 million GRA 2003 tax allocation bonds

(4) Includes \$62.1 million payments to refund 2002 tax allocation bonds

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>
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	32,515	18,700	28,732	1,885	2,329	1,814	3,168	53	709	89,905
2002-2003	39,063	19,488	31,693	2,596	1,999	2,401	3,119	117	804	101,280
2003-2004	<u>39,352</u>	<u>22,666</u>	<u>29,691</u>	<u>2,905</u>	<u>2,020</u>	<u>2,650</u>	<u>3,276</u>	<u>139</u>	<u>1,070</u>	<u>103,769</u>

Note: Excludes Fiduciary and Propriety Fund Types.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

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>Total</u>	<u>Tax Collection (2)</u>		<u>Total</u>
	<u>City (1)</u>	<u>Agency</u>		<u>City</u>	<u>Agency</u>	
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	15,106	20,012	35,118	14,510	18,005	32,515
2002-2003	15,847	21,931	37,778	16,966	22,215 (4)	39,181
2003-2004	<u>17,032</u>	<u>23,474</u>	<u>40,506</u>	<u>17,495</u>	<u>21,996</u>	<u>39,491</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.
- (4) Reflects accounting change of recording the property taxes at gross to properly expense County Administration Fees, ERAF and Pass Through agreements and

Table 8
CITY OF GLENDALE
 Market Values of Taxable Property
 Last Ten Fiscal Years
 (In thousands)

Fiscal year	City		Redevelopment Agency		Total	Percent of Increase
	Secured property	Unsecured property	Secured Property	Unsecured Property		
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	11,432,777	414,779	1,735,541	202,791	13,785,888	7%
2002-2003	11,994,451	408,489	1,771,846	224,317	14,399,103	4%
2003-2004	<u>12,964,719</u>	<u>412,178</u>	<u>1,949,811</u>	<u>216,378</u>	<u>15,543,086</u>	8%

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

Fiscal year	County	School districts	Miscellaneous special districts	Total
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	1.00	0.06	0.02	1.08
2002-2003	1.00	0.06	0.02	1.08
2003-2004	1.00	0.08	0.01	1.09

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

Fiscal year	Population(1)*	Total assessed value*	Long term debt(1)*	Percent of debt to assessed value	Long term debt per capita
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	200	13,785,888	126,915	0.92%	635
2002-2003	203	14,399,104	170,430	1.18%	840
2003-2004	205	15,543,086	163,816	1.05%	799

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 Overlapping Debt
 June 30, 2004

	<u>Gross debt</u>	<u>Percent applicable to Glendale</u>	<u>Amount applicable to Glendale</u>
Glendale Unified SD 1997 Series A	\$ 17,850,000	87.873%	15,685,331
Glendale Unified SD 1997 Series B	20,040,000	87.873%	17,609,749
Glendale Unified SD 1997 Series C	25,660,000	87.873%	22,548,212
Glendale Unified SD 1997 Series D	37,935,000	87.873%	33,334,623
Glendale Unified SD 1997 Series E & F	39,270,000	87.873%	34,507,727
Metropolitan Water Distric Area 1103	447,475,000	2.319%	10,376,945
Foothill Municipal Water District Improvement 1113	447,475,000	0.022%	98,445
Glendale Community College 2002 Ser A DS	26,500,000	87.873%	23,286,345
Glendale Community College 2003 Ser A DS	17,499,930	87.873%	15,377,713
Pasadena Area Comm Coll Dis 2002 Ser A DS	31,150,000	0.196%	61,054
LA CO Detention Facilities 1987	23,470,000	2.139%	502,023
LA CO Flood Control Storm Drain Bonds #4	5,600,000	2.169%	121,464
LA CO Flood Control Ref Bonds 1993	555,000	2.169%	12,038
La Canada Unified School District 1995	10,714,976	2.052%	219,871
La Canada Unified School District 1999 Ser B DS	2,500,000	2.052%	51,300
La Canada Unified School District 1999 Ser A DS	3,325,000	2.052%	68,229
Total direct and overlapping debt	\$ <u>1,157,019,906</u>		\$ <u>173,861,069</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>	(1) <u>Total debt service</u>	<u>General expenditures and transfers</u>	<u>Ratio of debt service to general expenditures</u>
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	3,215	4,648	7,863	216,378	3.63%
2002-2003	3,400	7,589	10,989	262,246	4.19%
2003-2004	<u>2,910</u>	<u>9,088</u>	<u>11,998</u>	<u>327,790</u>	<u>3.66%</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	Debt service requirement			Coverage (2)
			revenue				
			(deficiency)	Principal	Interest	Total	
			available for debt service				
Recreation:							
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)	—	—	—	—
2002-2003	1,552	1,967	(415)	—	—	—	—
2003-2004	1,617	2,201	(584)	—	—	—	—
Parking:							
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	—	—	—	—
2002-2003	6,058	5,132	926	—	—	—	—
2003-2004	6,159	3,605	2,554	—	—	—	—
Hazardous disposal:							
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)	—	—	—	—
2002-2003	1,508	1,581	(73)	—	—	—	—
2003-2004	1,437	1,578	(141)	—	—	—	—

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	Debt service requirement			Coverage (2)
			revenue				
			(deficiency)	Principal	Interest	Total	
			available for debt service				
Sewer:							
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	18,252	5,021	13,231	—	—	—	—
2002-2003	19,041	1,931	17,110	—	—	—	—
2003-2004	16,036	7,764	8,272	—	—	—	—
Refuse disposal:							
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	11,432	10,667	765	—	—	—	—
2002-2003	13,132	11,380	1,752	—	—	—	—
2003-2004	13,759	12,870	889	—	—	—	—
Fire paramedic: (3)							
1999-2000	\$ 1,524	\$ 2,022	\$ (498)	—	—	—	—
2000-2001	5,660	4,783	877	—	—	—	—
2001-2002	4,201	3,647	554	—	—	—	—
2002-2003	6,068	6,425	(357)	—	—	—	—
2003-2004	6,390	7,196	(806)	—	—	—	—

Table 13, Continued

Table 13-3

CITY OF GLENDALE

Schedule of Revenue Bond Coverage - All Enterprise Funds

Last Ten Fiscal Years, continued

(In thousands)

Entity and fiscal year	Operating revenue	Operating expenses (1)	Net operating revenue (deficiency) available for	Debt service requirement			Coverage (2)
			debt service	Principal	Interest	Total	
Electric:							
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	188,297	155,935	32,362	—	2,163	2,163	14.96
2002-2003	178,632	125,220	53,412	—	2,699	2,699	19.79
2003-2004	<u>151,718</u>	<u>123,683</u>	<u>28,035</u>	<u>795</u>	<u>3,801</u>	<u>4,596</u>	<u>6.10</u>
Water:							
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	28,468	21,254	7,214	—	—	—	—
2002-2003	31,633	20,426	11,207	—	—	—	—
2003-2004	<u>31,377</u>	<u>22,430</u>	<u>8,947</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)

Fiscal year	Commercial		Residential		Total (1)		(2) Bank Deposits
	Number of permits	Value	Number of permits	Value	Number of permits	Value	
1994-1995	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	1,271	54,350	1,025	64,713	2,296	114,453	3,488,211
2002-2003	933	51,613	1,725	61,970	2,658	103,657	3,570,451
2003-2004	<u>972</u>	<u>26,670</u>	<u>1,679</u>	<u>62,468</u>	<u>2,651</u>	<u>89,138</u>	<u>3,937,081</u>

Source: (1) City of Glendale, Public Works Division.

(2) Federal Deposit Insurance Corporation

Not covered by independent auditors' report

Table 15

CITY OF GLENDALE

Insurance in Force

June 30, 2004

Type of insurance	Policy number	Insurance carrier	Term of policy	Expiration date	Annual premium	Limits and deductible
All Risk - Property	RKM103900344	Lexington Insurance	1 Year	7/1/2005	\$ 338,157	\$750,000,000 / varies
Boiler and Machinery	RKM103900344	Lexington Insurance	1 Year	7/1/2005	50,000	350,000 / varies
General Liability	4204-1681	Ins. Co. of PA.	1 Year	7/1/2005	275,000	\$15,000,000 / 2,000,000
Physical Damage-helicopter	ORHL00070801	Old Republic - California	1 Year	6/30/2005	90,867	\$30,000,000 / varies
Surety Bond - blanket	406CH2140	St Paul Fire & Marine	3 Year	3/1/2007	13,648	\$1,000,000 / 10,000
Surety Bond City Clerk	5714304	Safeco	1 Year	4/12/2005	850	\$500,000 / None
Surety Bond Treasurer	60001658	Safeco	2 Year	4/10/2005	4,383	\$1,000,000 / None
Art objects	MX198303466	Fireman's Fund	1 Year	9/25/2005	1,794	7,500
Medical	15A37A	Blue Cross - PPO	1 Year	8/1/2005	1,400,416	NA / NA
Medical	59P18A	Blue Cross - CA Care	1 Year	8/1/2005	2,616,808	NA / NA
Medical	3205080	CIGNA Health Plan	1 Year	8/1/2005	599,935	NA / NA
Medical	000-118461-0000/001	Kaiser Health Plan	1 Year	8/1/2005	2,225,760	NA / NA
Dental	00-385032	Guardian Dental - PPO	1 Year	8/1/2005	215,052	NA / NA
Dental	00-385032	Guardian Dental - HMO	1 Year	8/1/2005	74,350	NA / NA
Life, accidental death and dismemberment, LTD	OGL 674115	Hartford Life Insurance	1 Year	8/1/2005	445,000	Equal to annual salary up to 100,000
Disability - GCEA	GLT 674116	Hartford Life Insurance	1 Year	8/1/2005	141,600	66.3% of salary to 100,000
Vision care	00-385032	Guardian / VSP	1 Year	8/1/2005	48,225	NA / NA
Excess workers compensation	3484-SO-CA	CSAC Excess Insurance Auth.- CPEIA Program	1 Year	7/1/2005	271,924	\$25,000,000 / 3,000,000

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>
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	200	47	6.1%
2002-2003	203	46	5.8%
2003-2004	<u>205</u>	<u>44</u>	<u>5.7%</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, 2004

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	1,214	Number of miles	<u>358</u>
Enterprise	592		
Miscellaneous	<u>23</u>	Water:	
		Number of water meters	34,964
Total	<u>1,829</u>	Thousands of hundred cubic feet sold	<u>13,646</u>
Fire protection:		Electric:	
Number of stations	9	Number of electric meters	83,147
Number of employees	<u>182</u>	Millions of kilowatt hours sold	<u>1,087</u>
Police protection		Library:	
Number of sworn officers	237	Number of libraries	7
Number of vehicular patrol units	53	Number of books checked out	<u>1,017,217</u>
Number of helicopters	3		
Number of motorcycles	<u>24</u>	Population:	
		1990 census	156,072
Parking:		2000 census	200,157
Number of meters	2,489	2001 State	<u>205,341</u>
Number of garages	6		
Number of lots	<u>30</u>	Retail sales:	
		1994 calendar year	1,979,706,300
Streets:		1995 calendar year	2,003,371,800
Miles of improved streets	350	1996 calendar year	2,038,108,700
Miles of unimproved streets	5	1997 calendar year	2,134,985,000
Miles of freeways	<u>9</u>	1998 calendar year	2,331,011,700
		1999 calendar year	2,540,705,300
Recreation:		2000 calendar year	2,744,827,700
Number of open space acres	5,129	2001 calendar year	2,779,843,200
Number of parks and other facilities	35	2002 calendar year	2,713,418,600
Number of swimming pools	—	2003 calendar year	<u>2,849,091,520</u>
Golf course	1		
Developed parkland (acres)	<u>275</u>	Per capita income:	
		2000 Census	\$ <u>22,227</u>

Source: City of Glendale, Finance Division

Not covered by independent auditors' report

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