

Comprehensive Annual Financial Report

The City of Glendale, California



Year Ended
June 30, 2006

**CITY OF GLENDALE
CALIFORNIA**

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2006

ADMINISTRATIVE SERVICES DIVISION
FINANCE SECTION

Robert J. Franz, Director of Administrative Services

Ron Ahlers, Assistant Finance Director

Lily Fang, Accounting Services Administrator

CITY OF GLENDALE, CALIFORNIA

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Introductory Section

Comprehensive Annual Financial Report The City of Glendale, California



June 30, 2006

Transmittal Letter

CITY OF GLENDALE
Officials of the City of Glendale
June 30, 2006

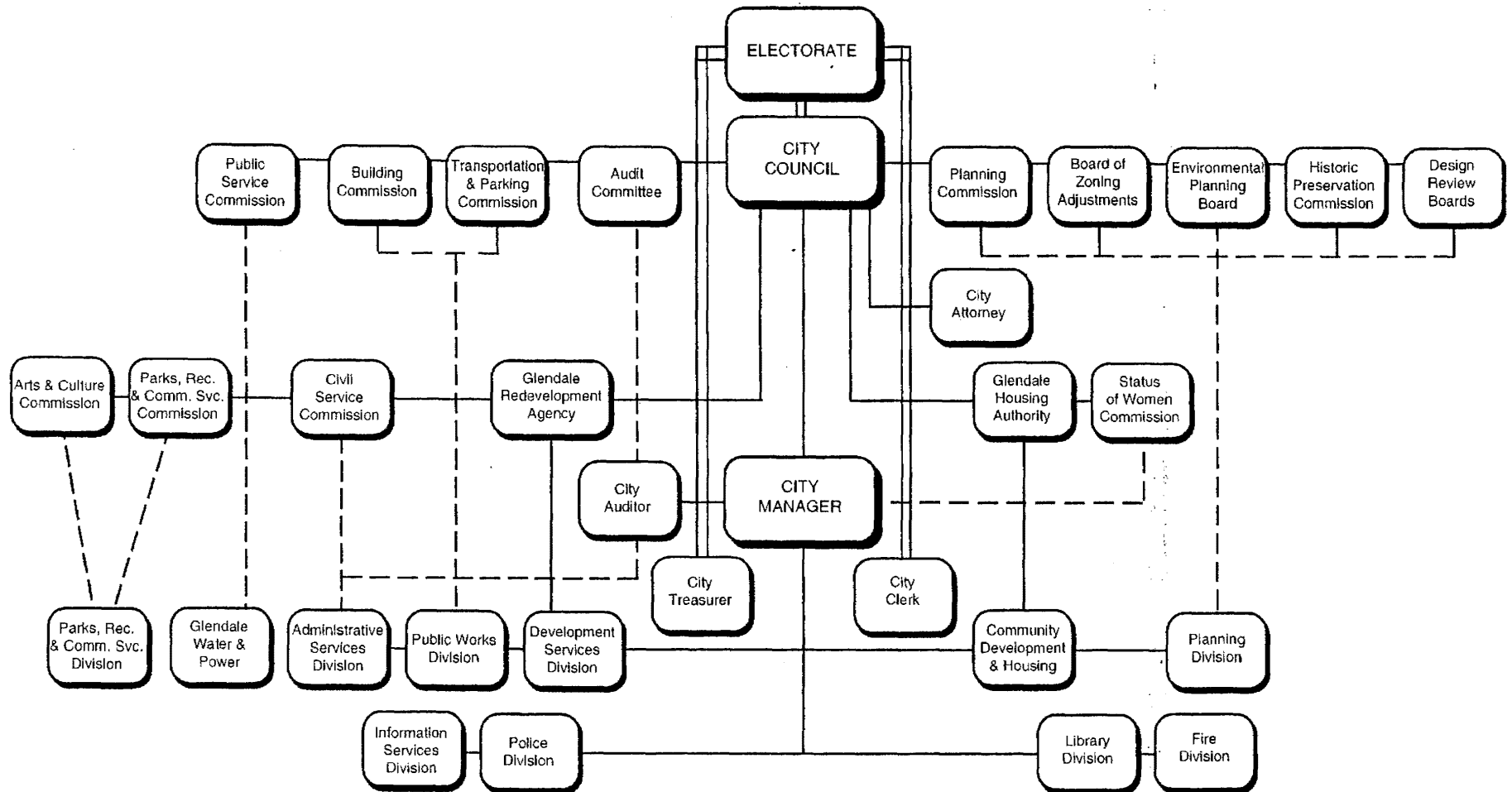
City Council

Dave Weaver, Mayor
Rafi Manoukian
Ara Najarian
Frank Quintero
Bob Yousefian

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	Philip Lanzafame
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	Ardashes Kassakhian

ORGANIZATIONAL CHART OF CITY OF GLENDALE



————— Administrative Control
 ===== Electoral Control
 - - - - - Advisory Control

ORGANIZATIONAL CHART

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, 2005

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.



Carol E. Perry

President

Jeffrey R. Enen

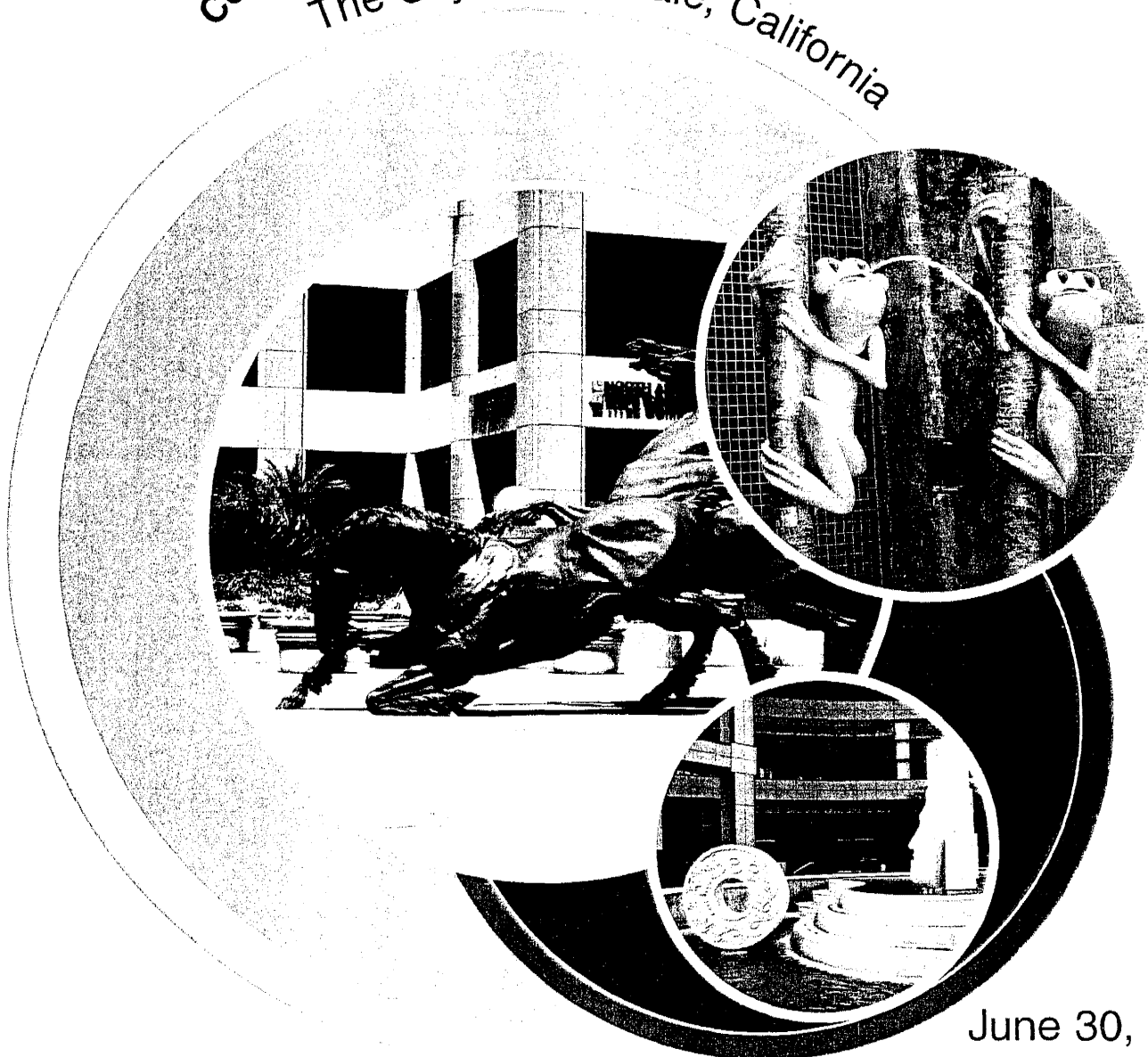
Executive Director

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Financial Section

Comprehensive Annual Financial Report

The City of Glendale, California



June 30, 2006

Auditor's Opinion

Management's Discussion and Analysis

Comprehensive Annual Financial Report

The City of Glendale, California



June 30, 2006

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, 2006. 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 \$1.6 billion (*net assets*). Of this amount, \$380.4 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. Of the \$380.4 million, \$221.2 million is in business type activities such as our electric, water, and sewer utilities.
- The City's total net assets increased by \$28.3 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 \$304.8 million an decrease of \$15.7 million in comparison with the prior year. About 29 percent of this total amount, \$88.3 million, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance (\$30.6 million) and the charter required reserve (\$16.5 million for the general fund total \$47.1 million, or 34.1 percent of total general fund expenditures. City financial policy requires general fund reserve (including the Charter required reserve) equal to not less than 35% of the operating budget.
- The City's total debt decreased by \$23.7 million (7.4 percent) during the current fiscal year. The factors in this decrease were the combination of numerous decreases such as claims payable, capital lease and decreases such as bond retirements through regular annual payments.

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, parking, sewer, refuse disposal, electric, and water operations.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2006

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 17-18 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 and Glendale redevelopment agency 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 19-28 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, 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.

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 29-31 of this report.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2006

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 33-60 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 61-117 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 \$1.6 billion at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (71 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	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 396.3	416.4	255.4	304.6	651.7	721.0
Capital Assets	754.0	724.2	502.2	461.2	1,256.2	1,185.4
Total assets	1,150.3	1,140.6	757.6	765.8	1,907.9	1,906.4
Long-term liabilities	212.0	229.8	68.0	68.9	280.0	298.7
Other liabilities	38.1	40.3	24.0	29.9	62.0	70.2
Total liabilities	250.1	270.1	92.0	98.8	342.1	368.9
Net assets:						
Investment in capital assets, net of related debt	679.2	658.4	435.8	393.3	1,115.0	1,051.7
Restricted	61.9	60.9	8.7	12.5	70.5	73.4
Unrestricted	159.1	151.2	221.2	261.2	380.4	412.4
Total net assets	\$ 900.2	870.5	665.6	667.0	1,565.8	1,537.5

- 4.5% of the City's net assets represent resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$380.4 million) may be used to meet the government's ongoing obligations to citizens and creditors. Of the total, \$221.2 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.

City of Glendale**Management's Discussion and Analysis, continued**

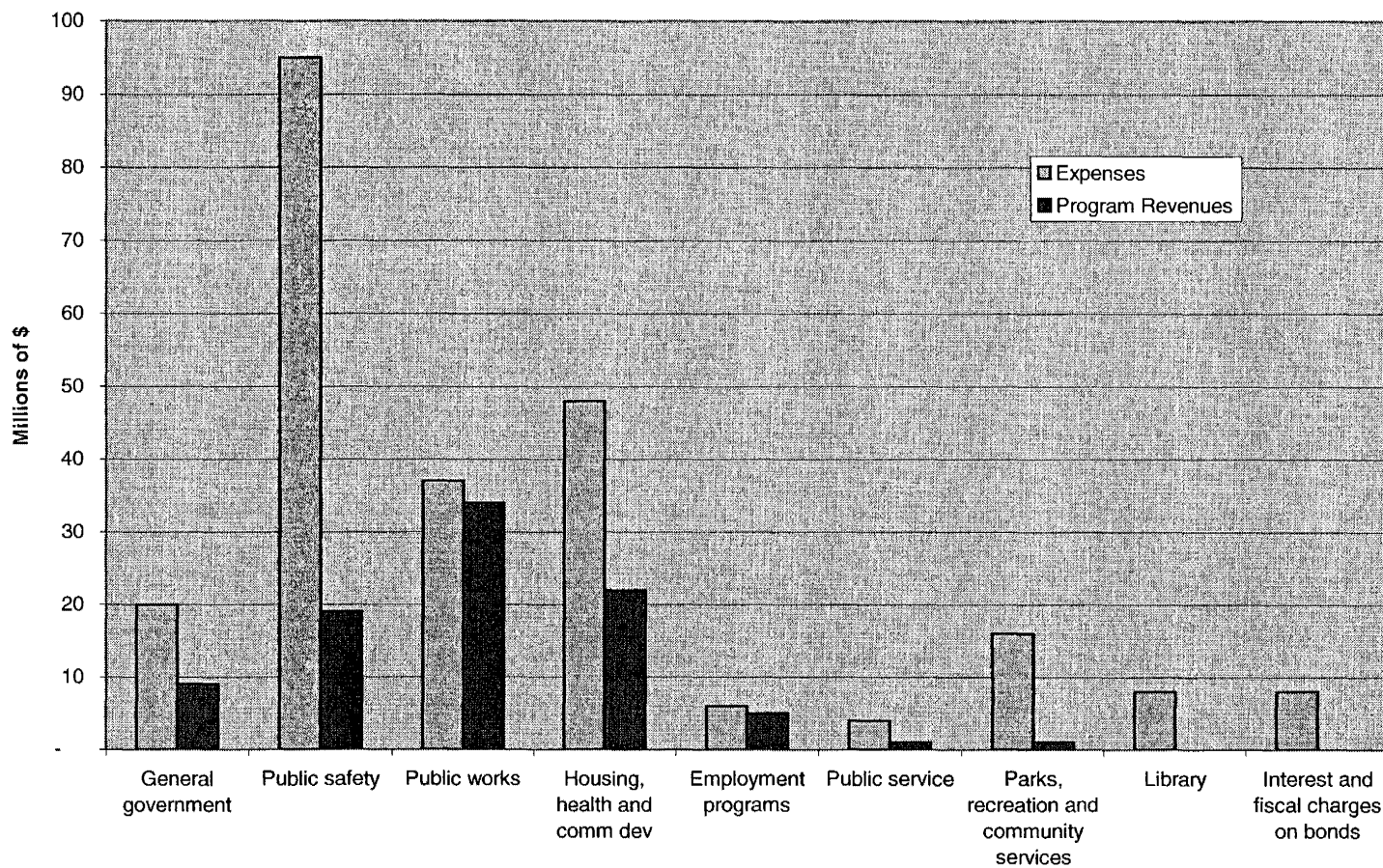
June 30, 2006

There was an increase of \$1 million in restricted net assets reported in connection with the City's governmental activities. Most of the increase resulted from the increased reserve for Charter.

Governmental activities. Governmental activities increased the City's net assets by \$29.7 million. Key elements of this increase are as follows:

- Charges for services increased by \$10.2 million (41.13 percent) during the year and the majority of the increase is due to the reclassification of fire paramedic fund from enterprise fund to special revenue fund in fiscal year 2006
- Operating grants and contribution increased by \$6.7 million (19.76 percent) during the year
- Capital Grants and contribution increased by \$8.7 million (127.94 percent) during the year
- Property tax increased by \$5.3 million (9.52 percent) during the year
- Miscellaneous revenue increased by \$6.9 million (44.52 percent) during the year
- Public safety expenses increased by \$11.7 million (14.10 percent) during the year and the majority of the increase is due to the reclassification of fire paramedic fund from enterprise fund to special revenue fund in fiscal year 2006
- Housing, health and community development increased \$7.9 million (19.90 percent) during the year
- Parks, recreation, and community services expenses increased by \$5.5 million (54.46 percent) during the year

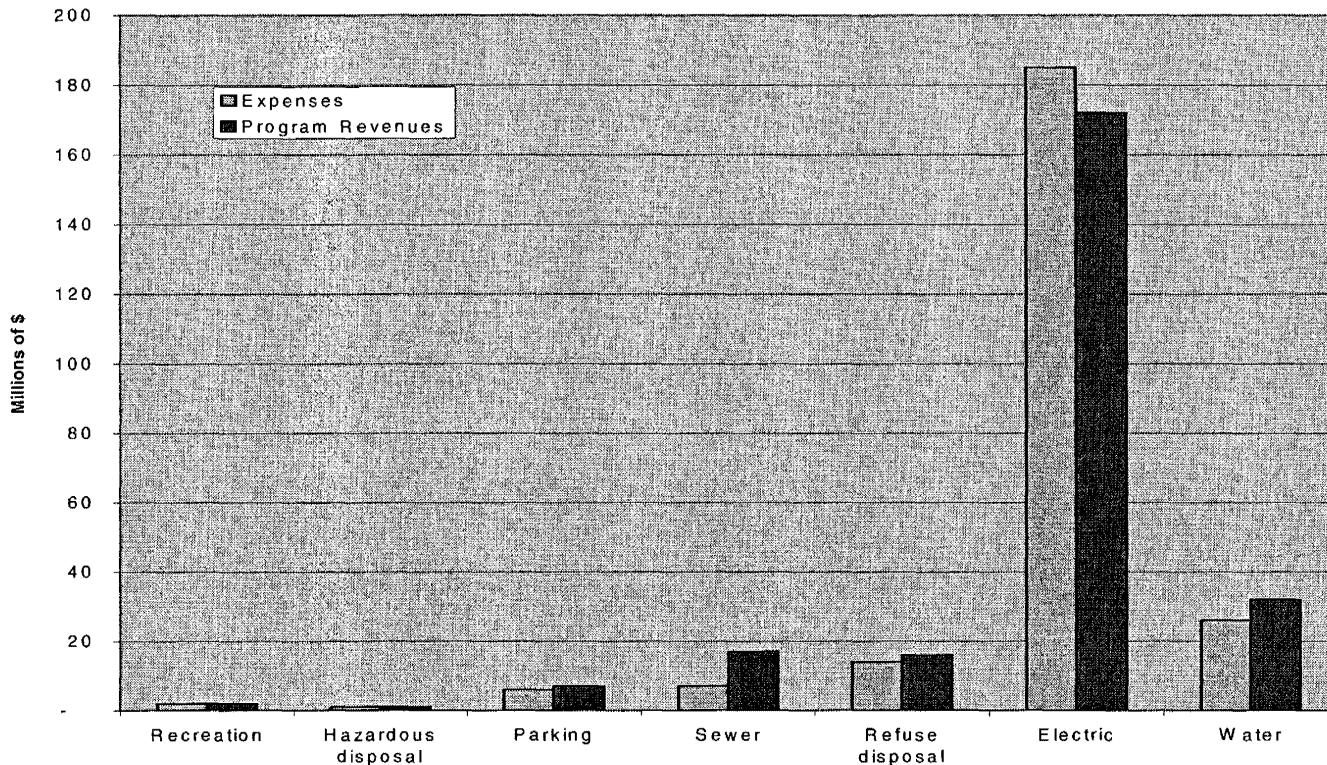
Expenses and Program Revenues – Governmental Activities



City of Glendale's Changes in Net Assets

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Revenue:						
Program revenues:						
Charges for services	\$ 35.0	24.8	244.5	227.4	279.5	252.2
Operating grants & contrib	40.6	33.9	0.5	0.7	41.1	34.6
Capital grants & contrib	15.5	6.8	2.7	1.4	18.2	8.2
General revenues:						
Taxes:						
Property taxes	61.0	55.7	-	-	61.0	55.7
Sales Tax	24.0	22.3	-	-	24.0	22.3
Utility Users Tax	24.4	23.8	-	-	24.4	23.8
Misc. Taxes	19.2	18.5	-	-	19.2	18.5
Investment Income	6.9	9.1	6.4	8.2	13.3	17.3
Miscellaneous	22.4	15.5	7.5	3.5	29.9	19.0
Total revenues	249.0	210.4	261.6	241.2	510.6	451.6
Expenses:						
General Government	20.3	17.5	-	-	20.3	17.5
Public Safety	94.7	83.0	-	-	94.7	83.0
Public Works	37.0	39.3	-	-	37.0	39.3
Housing, health & community devel.	47.6	39.7	-	-	47.6	39.7
Employment Programs	6.1	5.1	-	-	6.1	5.1
Public Service	3.9	5.0	-	-	3.9	5.0
Parks, recreation & comm. Services	15.6	10.1	-	-	15.6	10.1
Library	7.9	7.0	-	-	7.9	7.0
Interest & fiscal charges on bonds	8.3	7.3	-	-	8.3	7.3
Recreation	-	-	1.8	2.1	1.8	2.1
Hazardous disposal	-	-	1.4	1.4	1.4	1.4
Fire Paramedic	-	-	-	8.1	-	8.1
Parking	-	-	5.6	5.9	5.6	5.9
Sewer	-	-	6.9	8.1	6.9	8.1
Refuse Disposal	-	-	14.4	14.6	14.4	14.6
Electric	-	-	184.8	147.4	184.8	147.4
Water	-	-	26.1	25.6	26.1	25.6
Total expenses	241.4	214.0	241.0	213.2	482.4	427.2
Excess (deficiency) before transfers	7.6	(3.6)	20.6	28.0	28.2	24.4
Transfers	24.4	27.1	(24.4)	(27.1)	-	-
Increase (Decrease) in net assets	32.0	23.5	(3.8)	0.9	28.2	24.4
Net assets - Beg. of the year, as restated	868.2	847.0	669.4	666.1	1,537.6	1,513.1
Net assets - End of the year	\$ 900.2	870.5	665.6	667.0	1,565.8	1,537.5

Revenues By Source – Governmental Activities



Business-type activities. Business-type activities decreased the City of Glendale's net assets by \$1.4 million. Key elements of this decrease are as follows.

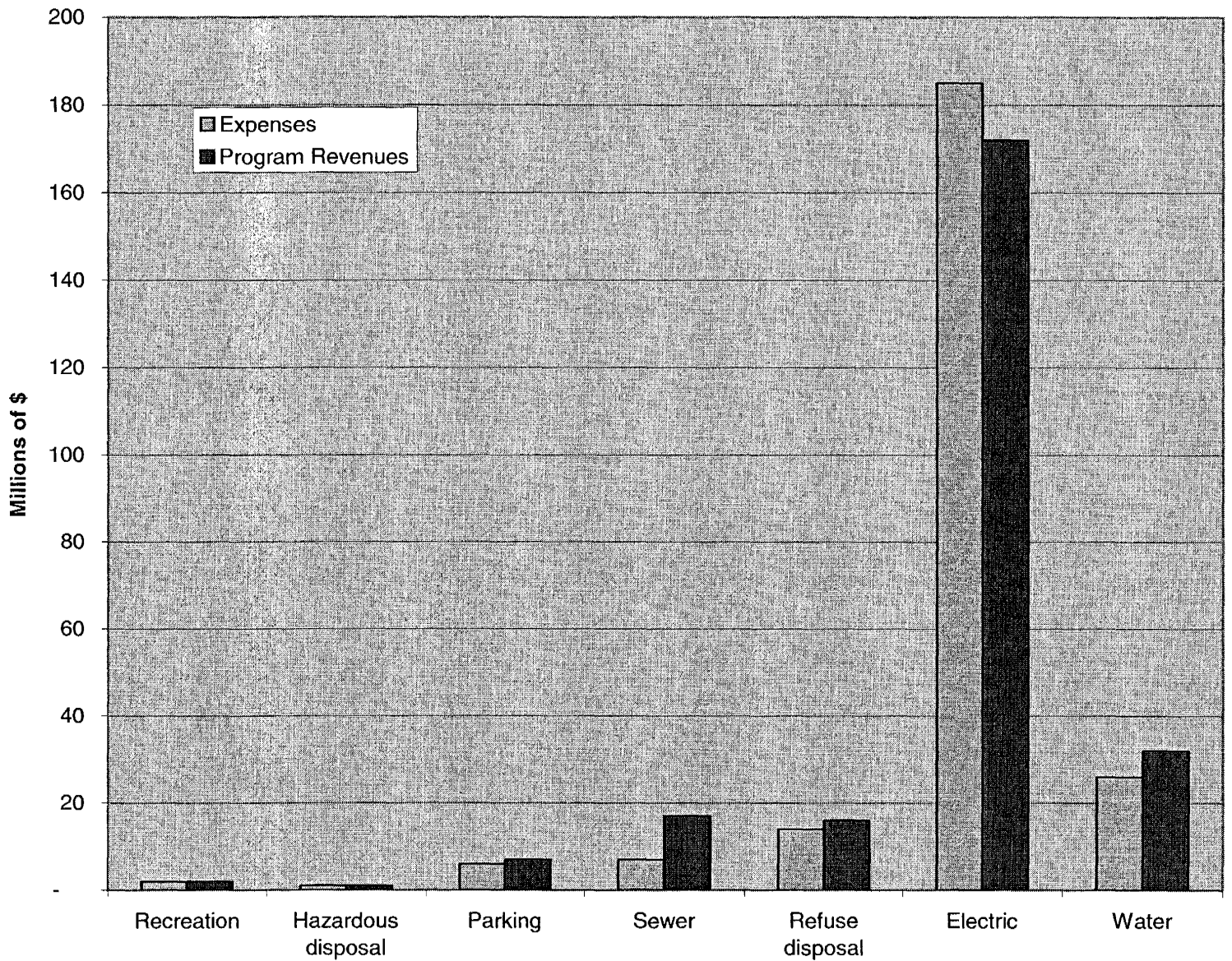
- Charges for services increased by \$17.1 million (7.52%) during the year
- Capital grants and contributions increased by \$1.3 million (92.86%) during the year
- Miscellaneous revenue increased by \$4.0 million (114.29 percent) during the year.
- Fire paramedic expense decreased by \$8.1 million (100 percent) during the year due to the reclassification of fire paramedic fund from enterprise fund to special revenue fund in fiscal year 2006.
- Electric expense increased by \$37.4 million (25.37 percent) during the year due to the increasing fuel costs.

Financial Analysis of the Government's Funds

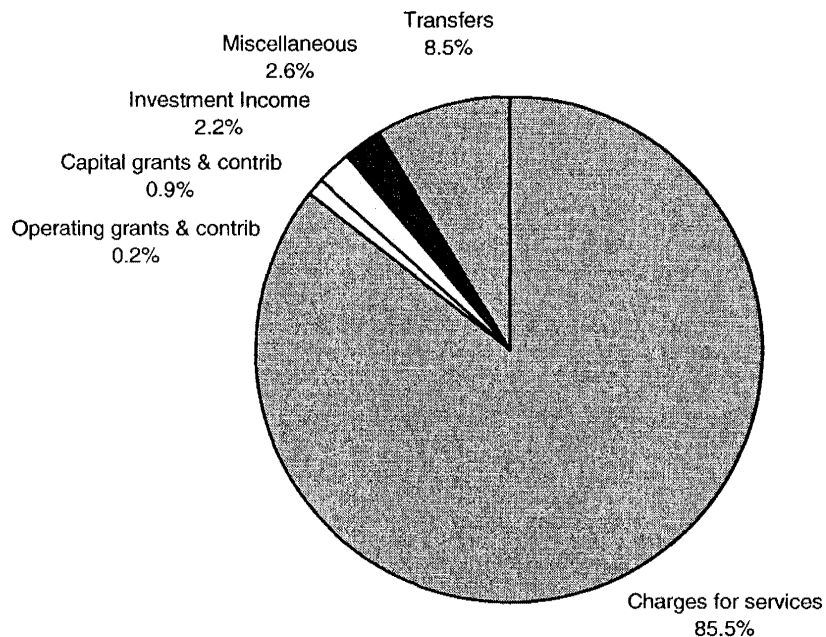
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spending* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Expenses and Program Revenues –Business-type Activities



Revenues By Source –Business-type Activities



As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$304.8 million, a decrease of \$15.7 million in comparison with the prior year. About 28.9 percent of this total amount (\$88 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 (\$25.1 million), 2) to meet the charter reserve requirement (\$16.5 million), 3) to hold property for future development (71.8 million), 4) to pay debt service (\$15.9 million), 5) advance of City funds to the Glendale Redevelopment Agency (\$66.6 million), 6) for prepaid items (\$1.8 million), 7) for the Scholl canyon landfill closure and post closure care (\$17 million), 8) for the return of deposits (\$0.007 million) or 9) for the loans to Glendale Unified School District (\$1.8 million).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance and the charter-required reserve of the general fund were \$30.6 million and \$16.5 million, respectively, while total fund balance was \$116.2 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 and the charter-required reserve, totaling \$47.1 million, represent 34.1 percent of total general fund expenditures.

The fund balance of the City's general fund decreased by \$1.7 million during the current fiscal year due to expenses exceeding revenues. Key factors in this decline are as follows:

- Public safety expenses increased by \$3.3 million (4.3%) this year
- Public works expenses increased by \$3.8 million (22.8%) this year

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2006

The debt service funds have a total fund balance of \$57.2 million, all of which is reserved for the payment of debt service, except \$45.0 million. The net decrease in fund balance during the current year in the debt service fund was \$1.8 million.

The Glendale Redevelopment Agency Fund has a total fund balance of \$38.0 million. The Agency has a deficit in unrestricted net assets of \$32.8 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 \$3.1 million during the current year mainly due to increased capital and debt service expenses.

The Capital Project Fund has a total fund balance of \$33.4 million, and \$28.8 million of the total fund balance is reserved. The two largest reserve commitments are for landfill post closure care (\$17 million) and for liquidation of contracts and purchase orders of the prior period (\$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 \$72.1 million, those for the Electric Fund amounted to \$136.8 million, those for the Water Fund totaled \$8.1 million, and other proprietary funds had unrestricted net assets of \$12.8 million. The total growth in net assets for the Sewer Fund was \$10.4 million, for the Electric Fund was a \$25.0 million decrease, for the Water Fund was a \$3.0 million increase, and was a \$4.5 million increase 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

Major differences between the original budget and the final budget can be briefly summarized as follows:

- \$0.5 million in increases allocated to general government activities
- \$1.4 million in increases allocated to public safety
- \$0.8 million in increases allocated to the public works department

The majority of the increases 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, 2006, amounts to \$1.1 billion (net of accumulated depreciation). This investment in capital assets includes land, natural gas reserve, 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 6 percent (a 3.2 percent increase for governmental activities and a 10.8 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 \$10 million for the interstate 5/western interchange, \$6 million for Flint Canyon property, \$3 million for the affordable housing units at 6206 San Fernando, \$2.6 million for park development.
- The capitalization of the complete constructions of buildings and improvements, including \$63 million in the police building and \$13 million in the Edison Pacific Park.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2006

- As of the close of the fiscal year, the Sewer fund had a \$ 9.8 million increase in buildings and improvements compared to the prior year.
- As of the close of the fiscal year, the Electric fund had a \$26.3 million increase in machinery and equipment, a \$14.2 million in natural gas reserve compared to the prior year.
- As of the close of the fiscal year, the Water fund reflected a \$5.6 million increase in buildings and improvements, and a \$0.8 million increase in machinery and equipment compared to the prior year.

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

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 361.7	340.5	15.0	14.9	376.7	355.4
Natural Gas Reserve	-	-	14.2	-	14.2	-
Buildings and improvements	221.3	135.3	335.2	319.2	556.5	454.5
Machinery & equipment	76.1	83.6	398.9	373.7	475.0	457.3
Infrastructure	216.3	202.7	-	-	216.3	202.7
Drilling In Progress	-	-	-	-	-	-
Construction in progress	62.2	139.0	46.1	42.8	108.3	181.8
Total capital assets	937.6	901.1	809.4	750.6	1,747.0	1,651.7
Less: Accumulated depreciation	-183.6	-176.9	-306.5	-289.4	-490.1	-466.3
Less: Gas depletion	-	-	-.7	-	-.7	-
Net of depreciation	\$ 754.0	724.2	502.2	461.2	1,256.2	1,185.4

Additional information on the City's capital assets can be found in note III D on pages 44-45 as well as pages 119-120 of this report.

Long-term debt. At the end of the current fiscal year, the City has total debt outstanding of \$295.5 million. Of this amount, \$59.6 million is certificates of participation to fund the new police facility, \$97 million is tax allocation bonds backed by the property tax increment collected from the Central redevelopment project area, \$68 million is the revenue bonds secured solely by Electric Utility revenue, \$4.6 million is for bond premiums, a negative \$2.9 million is for a deferred amount on the refunding of the 2003 Tax Allocation Bonds, a negative \$2.2 million is for a deferred amount on the refunding of the 2006 Electric revenue bond, \$19.9 million is owed for the postclosure and postclosure care of Scholl Canyon landfill, \$4 million is for capital lease, \$0.1 million is for arbitrage rebate liability, \$11.6 million is for compensated absences, \$1.5 million is for section 108, \$2.8 million is for notes payable, , \$0.1 million is for accrued interest, \$25.7 million is for claims payable, and \$5.8 million is for post employment benefits.

City of Glendale's Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
(Millions of \$)						
Bonds payable:						
Police Facility Certificate of Participation	59.6	60.8	-	-	59.6	60.8
2002 Tax allocation bonds	42.4	44.3	-	-	42.4	44.3
2003 Tax allocation bonds	54.6	56.9	-	-	54.6	56.9
Electric Revenue Bonds, 2000 Series	-	-	-	37.0	-	37.0
Electric Revenue Bonds, 2003 Series	-	-	29.3	30.1	29.3	30.1
Electric Revenue Bonds, 2006 Series	-	-	38.7	-	38.7	-
Bond premium	3.9	4.1	.7	.6	4.6	4.7
Deferred Amount on Refunding - 2003 TAB	- 2.9	- 3.1	-	-	- 2.9	- 3.1
Deferred Amount on Refunding - 2006 Electric Bond	-	-	- 2.2	-	- 2.2	-
Total Bonds Payable	157.6	163.1	66.5	67.6	224.0	230.7
Landfill postclosure and postclosure care liability	19.9	18.5	-	-	19.9	18.5
Capital lease	4.0	5.0	-	-	4.0	5.0
Arbitrage rebate liability	.1	-	-	-	.1	-
Compensated absences	8.7	8.1	2.9	2.9	11.6	11.0
Section 108	1.5	1.6	-	-	1.5	1.6
Notes payable	2.8	3.7	-	-	2.8	3.7
Accrued interest	.0	-	.1	.1	.1	.1
Claims payable	25.7	42.9	-	-	25.7	42.9
Post employment benefits	5.4	5.7	.4	-	5.8	5.7
Total general long term debt	225.7	248.6	69.9	70.7	295.5	319.2

The City's total debt decreased by \$23.7 million (7.4 percent) during the current fiscal year. The factors in this decrease were the retirement of \$1.2 million of the Police Facility COPs, the retirement of \$4.2 million in GRA tax allocation bonds, an increase of \$0.9 million in Electric revenue bonds, and a net decrease in bond premiums of \$0.1 million, an increase in the net deferred amount of \$0.2 million on the refunding of the 2003 tax allocation bonds, an increase of a negative net deferred amount of \$2.2 million on the refunding of the 2006 Electric revenue bond, a \$1.4 million increase in the postclosure and postclosure care liability for the Scholl Canyon landfill, a \$1 million decrease in the capital lease, an increase of \$0.1 million in arbitrage rebate liability, an addition of compensated absences of \$0.6 million, a \$0.1 million decrease for Section 108, a net decrease of \$0.9 million decrease for notes payable, a \$17.2 million decrease of claims payable and a \$0.1 million increase in post employment benefit.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2006

The 2006 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 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 C on pages 46-51 of this report.

Economic Factors and Next Year's Budget and Rates

- Property tax revenue continues to show a steady increase due to the growth in real estate market values and sales.
- High natural gas prices are continuing into next year fueling higher landfill gas royalties.
- Utility users tax is also showing significant growth into next year.

All of these factors were considered in preparing the City's budget for the 2006-2007 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

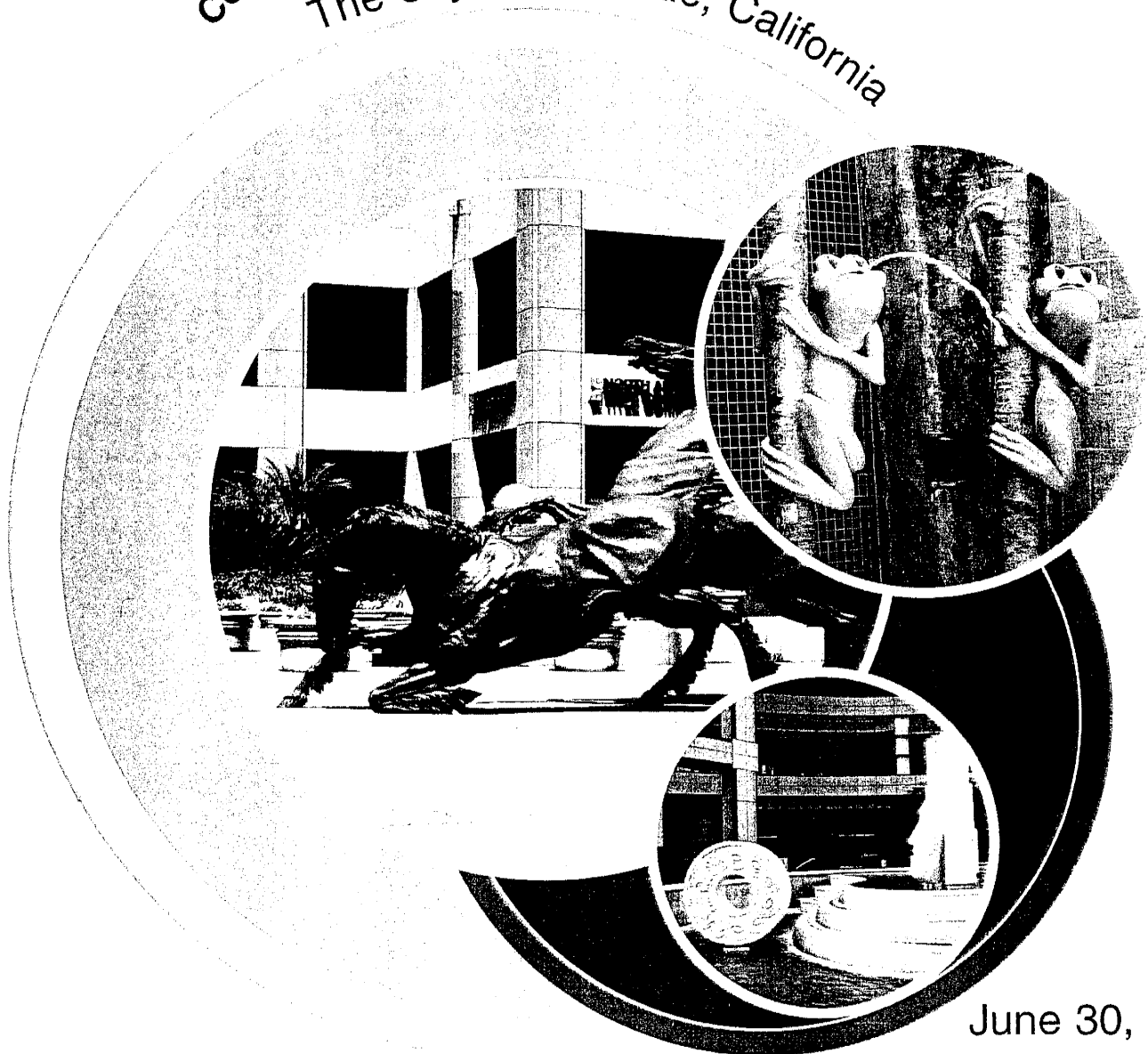
This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Administrative Services, 141 North Glendale Avenue, Suite 346, Glendale, CA 91206.

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Government-Wide Financial Statements

Comprehensive Annual Financial Report

The City of Glendale, California



June 30, 2006

CITY OF GLENDALE

Statement of Net Assets

June 30, 2006

	Governmental Activities	Business Type Activities	Total
Assets			
Current assets:			
Cash and invested cash	\$ 241,500,929	152,125,144	393,626,073
Imprest cash	25,280	4,200	29,480
Cash with fiscal agent	13,828,966	2,558,601	16,387,567
Investment-gas/elec commodity	-	2,814,247	2,814,247
Interest receivable	2,486,551	1,836,111	4,322,662
Accounts receivable, net	5,403,825	12,334,484	17,738,309
Unbilled receivable	1,273,207	20,681,713	21,954,920
Intergovernmental receivable	-	-	-
Due from other agencies	31,760,877	117,400	31,878,277
Due from other funds	1,945,803	1,331,140	3,276,943
Internal balances	15,132,867	(8,554,777)	6,578,090
Deposits	7,000	9,717	16,717
Inventories	96,091	5,510,638	5,606,729
Prepaid items	2,028,257	1,005,367	3,033,624
Total current assets	315,489,653	191,773,985	507,263,638
Noncurrent assets:			
Capital assets:			
Land	361,753,091	14,985,968	376,739,059
Natural Gas Reserve	-	13,558,171	13,558,171
Buildings and improvements	168,384,797	246,872,357	415,257,154
Machinery and equipment	31,014,886	180,769,391	211,784,277
Infrastructure	130,634,241	-	130,634,241
Construction in progress	62,186,866	46,060,763	108,247,630
Total capital assets	753,973,881	502,246,650	1,256,220,532
Designated & invested cash	4,000,000	62,729,757	66,729,757
Deferred charges	3,238,901	898,635	4,137,536
Loans receivable	1,800,000	-	1,800,000
Property held for resale	71,776,823	-	71,776,823
Total non current assets	834,789,605	565,875,042	1,400,664,647
Total assets	1,150,279,258	757,649,027	1,907,928,285
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	7,342,691	14,216,191	21,558,883
Contracts-retained amount due	1,785,167	2,053,545	3,838,713
Accrued wages and withholding	4,749,829	1,676,654	6,426,483
Due to other agencies	1,158,719	58,085	1,216,804
Due to other funds	3,276,943	-	3,276,943
Interest payable	456,757	807,062	1,263,818
Claims Payable	4,864,711	-	4,864,711
Compensated absences	1,613,257	453,721	2,066,978
Long term debt,due in one year	7,475,749	1,383,611	8,859,360
Deferred revenues	915,349	158,100	1,073,449
Deposits	4,730,318	3,167,636	7,897,954
Total current liabilities	38,369,491	23,974,604	62,344,095
Noncurrent liabilities:			
Claims payable	20,866,278	-	20,866,278
Post employment benefits	5,431,405	360,326	5,791,731
Compensated absences	7,063,967	2,479,733	9,543,700
Long term debt	178,335,641	65,194,852	243,530,493
Total noncurrent liabilities	211,697,291	68,034,911	279,732,202
Total liabilities	250,066,782	92,009,515	342,076,297
Net assets:			
Investment in capital assets, net of rela	679,204,502	435,757,427	1,114,961,930
Restricted			
Charter	16,494,682	-	16,494,682
Low and moderate housing	21,413,753	-	21,413,753
Debt service	23,969,805	2,397,824	26,367,629
SCAQMD emission controls	-	6,254,725	6,254,725
Unrestricted	159,129,733	221,229,536	380,359,269
Total net assets	\$ 900,212,476	665,639,511	1,565,851,987

Exhibit A-2
CITY OF GLENDALE
Statement of Activities
For Fiscal Year Ended June 30, 2006

	Expenses	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:	\$						
General government	20,288,977	8,762,201	100,667	-	(11,426,109)	-	(11,426,109)
Public safety	94,722,874	12,169,254	4,386,903	1,990,504	(76,176,213)	-	(76,176,213)
Public works	37,021,583	12,673,911	8,057,495	13,545,558	(2,744,620)	-	(2,744,620)
Housing, health and comm dev	47,579,613	110,157	22,199,451	-	(25,270,005)	-	(25,270,005)
Employment programs	6,101,639	1,154,398	4,189,364	-	(757,877)	-	(757,877)
Public service	3,897,611	-	981,860	-	(2,915,751)	-	(2,915,751)
Parks, recreation and community services	15,588,477	28,414	310,084	-	(15,249,980)	-	(15,249,980)
Library	7,913,125	201,576	390,925	-	(7,320,624)	-	(7,320,624)
Interest and fiscal charges on bonds	8,251,413	-	-	-	(8,251,413)	-	(8,251,413)
Total governmental activities	241,365,313	35,099,911	40,616,748	15,536,062	(150,112,592)	-	(150,112,592)
Business-type activities:							
Recreation	1,851,420	1,943,315	264,000	19,000	-	374,895	374,895
Hazardous disposal	1,419,147	1,403,386	9,789	-	-	(5,972)	(5,972)
Parking	5,589,183	7,024,251	-	-	-	1,435,069	1,435,069
Sewer	6,869,938	16,610,496	-	-	-	9,740,558	9,740,558
Refuse disposal	14,378,390	16,115,129	56,120	190,192	-	1,983,050	1,983,050
Electric	184,761,996	170,207,430	839	2,083,428	-	(12,470,300)	(12,470,300)
Water	26,150,586	31,188,695	180,637	419,607	-	5,638,353	5,638,353
Total business-type activities	241,020,660	244,492,701	511,385	2,712,227	-	6,695,652	6,695,652
Total primary government	\$ 482,385,973	279,592,611	41,128,133	18,248,289	(150,112,592)	6,695,652	(143,416,940)
General revenues:							
Taxes:							
Property taxes					\$ 60,960,571	-	60,960,571
Sales taxes					23,984,472	-	23,984,472
Utility users tax					24,386,420	-	24,386,420
Other taxes					19,216,137	-	19,216,137
Investment income					6,888,268	6,420,738	13,309,005
Other					22,351,705	7,510,846	29,862,551
Transfers					24,357,406	(24,357,406)	(0)
Total general revenues, transfers and special item					182,144,979	(10,425,823)	171,719,156
Change in net assets					32,032,387	(3,730,170)	28,302,216
Net assets, July 1					868,180,089	669,369,682	1,537,549,771
Net assets, June 30					\$ 900,212,476	665,639,511	1,565,851,987

Exhibit B-1
CITY OF GLENDALE
Balance Sheet
Governmental Funds
June 30, 2006

Major Funds					
	General Fund	Glendale Redevelopment Agency Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and invested cash	\$ 38,641,809	35,211,482	26,122,882	95,637,920	195,614,093
Imprest cash	24,780	500	-	-	25,280
Cash with fiscal agent	-	-	-	13,829,035	13,829,035
Designated & invested cash	4,000,000	-	-	-	4,000,000
Interest receivable	951,936	340,064	-	817,561	2,109,560
Accounts receivable, net	1,848,645	-	68,415	3,222,917	5,139,977
Intergovernmental receivable	67,051,639	-	-	-	67,051,639
Unbilled receivable	892,097	-	-	381,110	1,273,207
Due from other agencies	8,450,610	4,573,423	9,817,221	8,919,072	31,760,326
Due from other funds	10,362,601	-	-	-	10,362,601
Deposits	-	7,000	-	-	7,000
Inventories	96,091	-	-	-	96,091
Prepaid items	-	-	-	1,758,107	1,758,107
Property held for resale	-	64,340,799	-	7,436,024	71,776,823
Total assets	132,320,207	106,273,267	36,008,518	132,001,746	406,603,739
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	2,347,910	692,058	1,138,682	2,356,318	6,534,968
Contracts-retained amount due	1,750,899	-	-	34,268	1,785,167
Due to other funds	-	-	1,331,140	9,788,743	11,119,883
Due to other agencies	-	422,867	-	735,852	1,158,719
Interest payable	-	-	-	32,856	32,856
Long term debt,due in one year	-	-	-	-	-
Accrued wages and withholding	3,628,674	64,501	66,158	719,228	4,478,560
Accrued interest	-	-	-	-	-
Compensated absences	-	-	-	-	-
Deferred revenues	3,959,739	-	-	915,349	4,875,088
Deposits	4,449,690	25,000	100,000	155,628	4,730,318
Claims payable	-	-	-	-	-
Post employment benefits	-	-	-	-	-
Landfill	-	-	-	-	-
Long term debt	-	67,051,639	-	-	67,051,639
Total liabilities	16,136,912	68,256,065	2,635,980	14,738,242	101,767,199
Fund Balances:					
Reserved:					
Deposit	-	7,000	-	-	7,000
Prepaid	-	-	-	1,758,107	1,758,107
Charter	16,494,682	-	-	-	16,494,682
Debt service	-	-	3,750,918	12,192,618	15,943,536
Landfill post closure care	-	-	17,000,000	-	17,000,000
Encumbrances	2,464,000	4,639,000	8,050,000	9,983,000	25,136,000
Loans Receivable	-	1,800,000	-	-	1,800,000
City/Agency advances	66,626,295	-	-	-	66,626,295
Property Resale	-	64,340,799	-	7,436,024	71,776,823
Unreserved, reported in:					
General funds	30,598,318	-	-	-	30,598,318
Special revenue funds	-	(32,769,597)	-	33,451,540	681,943
Capital project funds	-	-	4,571,620	7,458,678	12,030,298
Debt service	-	-	-	44,983,538	44,983,538
Total fund balances	116,183,295	38,017,202	33,372,538	117,263,505	304,836,540
Total liabilities and fund balances	\$ 132,320,207	106,273,267	36,008,518	132,001,746	406,603,739

CITY OF GLENDALE

Reconciliation of Balance Sheet of

Governmental Funds to the Statement of Net Assets

June 30, 2006

Fund balances of governmental funds	\$	304,836,540
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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	\$	361,753,091	
Buildings and improvements		168,384,797	
Equipment		31,014,884	
Infrastructure		130,634,243	
Construction in progress		<u>62,186,866</u>	753,973,881

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	552,000	
2002 Tax allocation bonds	893,822	
2003 Tax allocation bonds	<u>1,793,078</u>	3,238,900

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

Due within one year:

Police building bonds	(1,300,000)	
2002 Tax allocation bonds	(1,980,000)	
2003 Tax allocation bonds, net of deferred amount on refunding	(2,234,866)	
Capital lease	(743,633)	
Arbitrage Rebate	(124,250)	
Section 108	(170,000)	
Notes payable	<u>(923,000)</u>	(7,475,749)

Due more than one year:

Police building bonds	(58,300,000)	
2002 Tax allocation bonds	(40,440,000)	
2003 Tax allocation bonds	(49,461,553)	
Post closure and post closure care	(19,920,983)	
Bond Premium - GRA	(3,864,268)	
Capital lease	(3,222,837)	
Section 108	(1,280,000)	
Notes payable	<u>(1,846,000)</u>	(178,335,641)

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

Police building certificate of participation	-	
2002 Tax allocation bonds	(155,786)	
2003 Tax allocation bonds	(200,843)	
Capital lease	(46,027)	
Section 108	<u>(21,244)</u>	(423,900)

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

3,959,739

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.

20,438,706

Net assets of governmental activities	\$	<u><u>900,212,476</u></u>
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Exhibit C-1
CITY OF GLENDALE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund
Year Ended June 30, 2006

	Major Funds				
	General Fund	Glendale Redevelopment Agency Fund	Capital Improvement Fund	Non Major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 33,029,808	13,743,382	-	14,187,380	60,960,571
Other taxes	58,840,505	-	7,329,624	3,002,192	69,172,321
Revenue from other agencies	2,527,792	1,415,830	10,538,573	41,764,699	56,246,893
Licenses and permits	6,247,516	-	-	-	6,247,516
Fines and forfeitures	1,342,090	-	-	329,092	1,671,181
Charges for services	3,515,232	14,156	4,970,078	12,579,378	21,078,844
Use of money and property	4,830,944	1,241,051	-	2,842,287	8,914,282
Intergovernmental revenue	1,500,000	-	-	-	1,500,000
Interfund revenue	7,492,550	-	281,000	-	7,773,550
Miscellaneous revenue	1,218,922	276,948	(18,657)	9,421,875	10,899,088
Total Revenues	120,545,360	16,691,367	23,100,617	84,126,901	244,464,246
Expenditures:					
Operating expenditures					
General government	17,284,727	-	17,138	682,469	17,984,333
Community promotion	244,919	-	-	-	244,919
Public safety	79,660,175	-	2,006,193	15,799,342	97,465,709
Public works	20,528,245	-	567,938	8,670,972	29,767,155
Housing, health and community development	2,156,748	10,528,249	17,344	25,044,231	37,746,572
Employment programs	-	-	-	6,129,225	6,129,225
Public service	-	-	-	3,931,324	3,931,324
Parks, recreation and community services	10,763,422	-	748,937	453,983	11,966,341
Library	7,402,855	-	(23,349)	288,094	7,667,599
Capital	284,428	9,227,037	30,627,996	13,088,715	53,228,177
Debt service	-	-	-	11,953,990	11,953,990
Total expenditures	138,325,519	19,755,286	33,962,196	86,042,344	278,085,345
Excess of revenues over (under) expenditures	(17,780,159)	(3,063,918)	(10,861,579)	(1,915,443)	(33,621,099)
Other financing sources (use):					
Transfer from	-	-	-	-	-
Transfer-General Fund	-	-	6,075,000	934,911	7,009,911
Transfer-Special Revenue	-	-	-	100,000	100,000
Transfer-Capital Funds	1,800,000	-	-	-	1,800,000
Transfer-GRA	-	417,000	-	-	417,000
Transfer-Sewer Fund	1,000,000	-	-	-	1,000,000
Transfer-Electric	17,683,587	-	-	-	17,683,587
Transfer-Water	3,873,819	-	-	-	3,873,819
Transfer-Parking	1,800,000	-	-	-	1,800,000
Transfer to					
Transfer-General Fund	-	-	(1,800,000)	-	(1,800,000)
Transfer-Special Revenue	(934,911)	(417,000)	-	(100,000)	(1,451,911)
Transfer-Capital Funds	(6,075,000)	-	-	-	(6,075,000)
Transfer-Int Service	(3,034,699)	-	(1,045,810)	-	(4,080,509)
Total financing sources (use)	16,112,796	-	3,229,190	934,911	20,276,897
Net change in fund balances	(1,667,363)	(3,063,918)	(7,632,390)	(980,532)	(13,344,203)
Fund balance, July 1	117,850,658	41,081,120	41,004,928	118,244,036	318,180,743
Fund Balance, June 30	\$ 116,183,295	38,017,202	33,372,538	117,263,505	304,836,540

Exhibit C-2

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, 2006

Net change in fund balances - total governmental funds		\$	(13,344,203)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital assets as expenditures			43,764,581
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.			(15,181,736)
In the statement of activities, bond issuance costs are deferred and allocated to expense over the life of bonds:			
Police building bonds	\$	(23,000)	
2002 Tax allocation bonds		(57,666)	
2003 Tax allocation bonds		<u>(117,762)</u>	(198,428)
In the statement of activities, the deferred amounts on refunding are allocated over the life of the bonds as a component of expense.			(200,134)
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		<u>145,251</u>	250,870
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.			
Capital lease - Suntrust Leasing			
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		1,200,000	
2002 Tax allocation bonds		1,920,000	
2003 Tax allocation bonds		2,315,000	
Capital lease		716,230	
Section 108		140,000	
Notes payable		<u>923,000</u>	7,214,230
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, 2006			
2002 Tax Allocation Bonds		(155,786)	
2003 Tax Allocation Bonds		(200,843)	
Section 108		(21,244)	
Capital lease		<u>(46,027)</u>	(423,900)
Accrued interest, June 30, 2005			
2002 Tax Allocation Bonds		160,586	
2003 Tax Allocation Bonds		210,489	
Section 8		22,640	
Capital Leases		<u>59,832</u>	453,547
Landfill postclosure care liability increased from prior year			(1,468,263)
Arbitrage Liability			(124,250)
Deferred revenue in the governmental funds is a revenue in the statement of activities.			1,116,538
Change in net assets of Internal Service funds allocated to governmental activities			<u>10,173,535</u>
Change in net assets for governmental activities		\$	<u><u>32,032,387</u></u>

Exhibit D-1
CITY OF GLENDALE
Statement of Revenues - Budget to Actual
General Fund
Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Property taxes	\$ 28,455,000	31,105,000	33,029,808	1,924,808
Other Taxes				
Sales Tax	20,000,000	20,000,000	20,619,446	619,446
ERAF in Lieu of Sales Tax	6,425,000	6,425,000	5,391,066	(1,033,934)
State 1/2% Sales Tax	1,400,000	1,400,000	1,585,291	185,291
Utility Users Tax	23,600,000	23,800,000	24,386,420	586,420
Franchise Tax	2,550,000	2,550,000	2,850,317	300,317
Occupancy Tax	2,300,000	2,300,000	2,653,344	353,344
Property Transfer Tax	900,000	1,100,000	1,354,621	254,621
Total	57,175,000	57,575,000	58,840,505	1,265,505
Licenses and permits:				
Dog Licenses	160,000	160,000	146,692	(13,308)
Cat Licenses	-	-	5	5
Bicycle Licenses	-	-	(70)	(70)
Building Permits	3,310,000	3,310,000	3,947,305	637,305
Plan Check Fees	150,000	150,000	205,231	55,231
Variance Permits	650,000	900,000	1,184,778	284,778
Grading Permits	30,000	30,000	55,973	25,973
Street Permits	140,000	140,000	277,062	137,062
Business License Permits	450,000	450,000	430,541	(19,459)
Total	4,890,000	5,140,000	6,247,516	1,107,516
Fines and forfeitures - Traffic safety fines	1,550,000	1,400,000	1,342,090	(57,910)
Use of money and property:				
Interest & Inv. Revenue	3,200,000	3,200,000	2,444,006	(755,994)
Interest & Inv GASB 31	-	-	(505,104)	(505,104)
Landfill Gas Royalties	1,600,000	2,500,000	2,765,634	265,634
Rental Income	103,000	103,000	126,408	23,408
Total	4,903,000	5,803,000	4,830,944	(972,056)
Revenue from other agencies:				
Federal Library Grant	-	126,630	-	(126,630)
Disaster Relief Reimb	-	-	227,576	227,576
Mutual Aid Reimbursement	-	-	126,631	126,631
State Grants	-	-	20,435	20,435
Disaster Relief Reimb - State	-	-	114,642	114,642
State AB 1662 Booking Fee	25,000	25,000	-	(25,000)
State S/B 90	-	-	383,485	383,485
Motor Vehicle in Lieu	1,000,000	1,000,000	1,344,532	344,532
State Library Grant	50,000	50,000	75,423	25,423
State H/O Exemptions	200,000	200,000	222,020	22,020
County Grants	10,000	10,000	13,050	3,050
Total	1,285,000	1,411,630	2,527,792	1,116,162
Miscellaneous revenue:				
Donations & Contribution	60,000	70,000	234,175	164,175
Designated Donation - M&O	-	-	10,667	10,667
Rose Float Donations	40,000	40,000	90,000	50,000
Sponsorships	600,000	1,000,000	-	(1,000,000)
Unclaimed money & prop	-	-	43,300	43,300
Miscellaneous Revenue	350,000	365,000	518,035	153,035
Sales of property	-	-	322,744	322,744
Total	\$ 1,050,000	1,475,000	1,218,922	(256,078)

Exhibit D-1
CITY OF GLENDALE
Statement of Revenues - Budget to Actual
General Fund
Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Charges for services:				
Zoning-Subdivision Fees	43,000	43,000	72,283	29,283
Map and Publication Fees	25,000	25,000	27,959	2,959
Filing-Certification Fee	10,000	10,000	9,444	(556)
Finger Print Fees	125,000	125,000	87,627	(37,373)
Special Police Fees	962,000	1,174,000	761,663	(412,337)
Vehicle Tow Admin Fee (VTACR)	200,000	200,000	223,685	23,685
Fire Inspection Fees	300,000	300,000	328,492	28,492
Fire Communication Fees	185,000	185,000	230,916	45,916
Hydrant Flow Test Fees	5,000	5,000	5,620	620
Hazardous Vegetation Fee	3,000	3,000	4,627	1,627
Code Enforcement Fees	100,000	100,000	110,157	10,157
Youth Employment Fees	1,469,500	1,939,000	1,154,398	(784,602)
Express Plan Check Fees	250,000	400,000	(18,338)	(418,338)
Excavation Fees	32,000	32,000	58,656	26,656
Resurfacing Fees	5,000	5,000	-	(5,000)
Collectible Jobs Vehicle	100,000	100,000	67,800	(32,200)
Collectible Jobs - A & G	105,000	105,000	144,592	39,592
Library Fines and Fees	145,000	145,000	138,936	(6,064)
Library Misc Fees	-	-	60	60
Rental Civic Auditorium	-	-	(3,300)	(3,300)
Rental Bldgs/Facilities	20,000	20,000	529	(19,471)
Registrations Fees	30,000	30,000	-	(30,000)
Aquatics	30,000	30,000	31,185	1,185
Parks Misc Fees	5,000	5,000	-	(5,000)
Local Assessment Fees	100,000	100,000	78,242	(21,758)
Total	4,249,500	5,081,000	3,515,232	(1,565,768)
Interfund revenue				
Charges to enterprise funds for:				
Charges to Ent-Council	170,000	170,000	199,022	29,022
Charges to Ent-Manager	750,000	750,000	801,495	51,495
Charges to Ent-Auditor	230,000	230,000	307,035	77,035
Charges to Ent-Clerk	380,000	380,000	415,844	35,844
Charges to Ent-Finance	1,250,000	1,250,000	1,193,146	(56,854)
Charges to Ent-EDP	2,000,000	2,000,000	2,216,897	216,897
Charges to Ent-Treasurer	200,000	200,000	216,210	16,210
Charges to Ent-Purchasng	165,000	165,000	172,869	7,869
Charges to Ent-Legal	750,000	750,000	804,302	54,302
Charges to Ent-Personnel	420,000	420,000	482,373	62,373
Charges to Ent-Training	50,000	50,000	26,664	(23,336)
Charges to Ent-Parks-Rec	58,000	58,000	51,524	(6,476)
Charges to Ent-G.G. Bldg	47,000	47,000	45,840	(1,160)
Charges to Ent-Mem & Due	19,000	19,000	18,875	(125)
Charges to Ent-PW Admin	330,000	330,000	287,953	(42,047)
Salary O/H Budget Job	300,000	300,000	252,502	(47,498)
Total	7,119,000	7,119,000	7,492,550	373,550
Intergovernmental revenue	1,500,000	1,500,000	1,500,000	-
Total revenues	\$ 112,176,500	117,609,630	120,545,360	2,935,730

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2006

	Salaries and Benefits				Maintenance and Operation			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
General government:	\$							
City council	297,583	336,819	330,414	6,405	87,603	91,206	106,668	(15,462)
City clerk	778,358	805,538	795,541	9,997	155,984	155,984	117,725	38,259
Elections	14,658	14,987	550	14,437	8,564	20,264	1,194	19,070
City treasurer	400,571	413,447	429,714	(16,267)	64,758	64,758	45,111	19,647
City manager	1,246,453	1,317,329	1,404,521	(87,192)	566,527	439,746	316,242	123,504
City auditor	509,861	555,106	567,470	(12,364)	56,648	150,352	117,576	32,776
Legal	1,726,651	1,771,501	1,617,526	153,975	141,983	166,983	148,897	18,086
Finance	1,880,287	1,817,877	1,692,007	125,870	747,020	920,670	928,381	(7,711)
Purchasing	367,887	380,023	362,057	17,966	26,998	26,998	17,612	9,386
Information services	3,315,412	3,422,318	3,317,763	104,555	477,104	477,104	591,472	(114,368)
Communications services	-	-	-	-	-	-	-	-
Planning	2,632,992	2,699,852	2,730,549	(30,697)	125,959	143,333	201,561	(58,228)
Personnel	1,077,303	1,111,276	1,064,601	46,675	410,652	394,652	303,938	90,714
Training	-	-	-	-	232,035	182,035	75,638	106,397
Total	14,248,016	14,646,073	14,312,712	333,361	3,101,835	3,234,085	2,972,015	262,070
Community promotion:								
Special Events	25,000	15,000	263	14,737	-	160,000	191,113	(31,113)
Membership and dues	-	-	-	-	58,789	58,789	53,543	5,246
Total	25,000	15,000	263	14,737	58,789	218,789	244,656	(25,867)
Public safety:								
Police	40,396,824	40,914,252	40,369,410	544,842	5,382,207	5,385,631	6,152,337	(766,706)
Fire	27,174,482	27,933,084	28,361,316	(428,232)	2,080,465	2,124,765	2,346,212	(221,447)
Fire prevention	1,243,756	1,263,552	1,361,633	(98,081)	121,147	121,147	105,227	15,920
Fire communications	-	-	-	-	769,669	769,669	786,714	(17,045)
Emergency services	129,312	131,092	131,908	(816)	38,139	38,139	45,419	(7,280)
Total	\$ 68,944,374	70,241,980	70,224,267	17,713	8,391,627	8,439,351	9,435,908	(996,557)

Exhibit D-2
CITY OF GLENDALE
 Statement of Expenditures - Budget to Actual
 General Fund
 Year Ended June 30, 2006

	Capital Outlay				Total			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
General government:	\$							
City council	5,000	5,000	-	5,000	390,186	433,025	437,083	(4,058)
City clerk	-	-	-	-	934,342	961,522	913,266	48,256
Elections	-	-	-	-	23,222	35,251	1,743	33,508
City treasurer	-	-	-	-	465,329	478,205	474,825	3,380
City manager	-	-	-	-	1,812,980	1,757,075	1,720,764	36,311
City auditor	-	-	-	-	566,509	705,458	685,046	20,412
Legal	-	-	-	-	1,868,634	1,938,484	1,766,423	172,061
Finance	-	-	-	-	2,627,307	2,738,547	2,620,388	118,159
Purchasing	-	-	-	-	394,885	407,021	379,668	27,353
Information services	-	-	-	-	3,792,516	3,899,422	3,909,236	(9,814)
Communications services	-	-	-	-	-	-	-	-
Planning	-	-	-	-	2,758,951	2,843,185	2,932,110	(88,925)
Personnel	-	16,000	-	16,000	1,487,955	1,521,928	1,368,539	153,389
Training	-	-	-	-	232,035	182,035	75,638	106,397
Total	5,000	21,000	-	21,000	17,354,851	17,901,158	17,284,727	616,431
Community promotion:								
Special Events	-	-	-	-	25,000	175,000	191,376	(16,376)
Membership and dues	-	-	-	-	58,789	58,789	53,543	5,246
Total	-	-	-	-	83,789	233,789	244,919	(11,130)
Public safety:								
Police	35,470	53,314	56,679	(3,365)	45,814,501	46,353,197	46,578,426	(225,229)
Fire	-	50,700	50,590	110	29,254,947	30,108,549	30,758,117	(649,568)
Fire prevention	-	-	-	-	1,364,903	1,384,699	1,466,860	(82,161)
Fire communications	-	-	-	-	769,669	769,669	786,714	(17,045)
Emergency services	-	-	-	-	167,451	169,231	177,327	(8,096)
Total	\$ 35,470	104,014	107,269	(3,255)	77,371,471	78,785,345	79,767,443	(982,098)

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures - Budget to Actual
General Fund
Year Ended June 30, 2006

	Salaries and Benefits				Maintenance and Operation			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
Public works:	\$							
Public works	484,717	502,611	478,842	23,769	57,934	57,934	54,813	3,121
Project management	220,102	235,956	315,036	(79,080)	21,762	21,762	28,666	(6,904)
Engineering	2,749,070	2,882,335	2,956,812	(74,477)	169,365	257,488	527,222	(269,734)
Building inspection	2,921,726	3,008,761	2,620,747	388,014	305,550	305,550	262,929	42,621
Corporation yard	-	-	-	-	104,535	104,535	142,604	(38,069)
Custodial services	846,272	884,865	624,814	260,051	97,063	97,063	69,683	27,380
Building services	1,242,738	1,104,679	1,104,566	113	1,059,420	983,420	971,720	11,700
Street administration	288,371	297,092	308,071	(10,979)	80,197	80,197	87,039	(6,842)
Street maintenance	1,244,726	1,285,112	1,193,374	91,738	202,202	275,552	306,236	(30,684)
Sidewalk maintenance	1,156,763	1,200,041	1,142,051	57,990	1,422,262	1,663,558	1,823,027	(159,469)
Street trees maintenance	868,258	900,163	853,903	46,260	320,663	320,663	341,876	(21,213)
Mechanical maintenance	609,822	652,021	342,261	309,760	787,096	787,096	1,300,139	(513,043)
Warehouse	122,847	127,598	107,152	20,446	6,563	6,563	5,613	950
Traffic engineering	684,655	715,949	731,789	(15,840)	408,478	505,658	408,223	97,435
Traffic signals	92,407	95,290	78,755	16,535	1,033,406	1,033,406	929,699	103,707
Traffic safety controls	354,078	365,664	323,809	41,855	106,030	106,030	86,774	19,256
Total	13,886,552	14,258,137	13,181,984	1,076,153	6,182,526	6,606,475	7,346,261	(739,786)
Housing, health and community development:								
Economic development	-	-	-	-	27,000	27,000	2,533	24,467
Neighborhood services	2,177,799	1,800,476	1,809,040	(8,564)	431,927	475,455	345,175	130,280
Total	2,177,799	1,800,476	1,809,040	(8,564)	458,927	502,455	347,709	154,746
Parks, recreation and community services:								
Parks administration	1,228,782	1,214,718	1,118,704	96,014	301,031	164,031	133,935	30,096
Parks	4,066,190	4,110,681	4,044,305	66,376	1,648,450	1,814,834	2,021,534	(206,700)
Facility & events services	1,065,862	1,124,091	1,100,638	23,453	209,766	219,766	203,436	16,330
Recreation & community services	1,631,925	1,608,361	1,566,746	41,615	494,883	514,757	574,124	(59,367)
Total	7,992,759	8,057,851	7,830,393	227,458	2,654,130	2,713,388	2,933,029	(219,641)
Library	5,500,918	5,498,692	5,457,095	41,597	1,611,335	1,891,325	1,945,760	(54,435)
Total expenditures	\$ 112,750,418	114,503,209	112,815,754	1,702,455	22,459,169	23,605,868	25,225,337	(1,619,469)

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2006

	Capital Outlay				Total			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
Public works:	\$							
Public works	-	-	-	-	542,651	560,545	533,655	26,890
Project management	-	-	-	-	241,864	257,718	343,702	(85,984)
Engineering	-	-	15,961	(15,961)	2,918,435	3,139,823	3,499,994	(360,171)
Building inspection	-	-	-	-	3,227,276	3,314,311	2,883,677	430,634
Corporation yard	-	-	-	-	104,535	104,535	142,604	(38,069)
Custodial services	-	-	43,026	(43,026)	943,335	981,928	737,523	244,405
Building services	-	15,000	14,563	437	2,302,158	2,103,099	2,090,848	12,251
Street administration	-	-	-	-	368,568	377,289	395,109	(17,820)
Street maintenance	-	-	26,308	(26,308)	1,446,928	1,560,664	1,525,918	34,746
Sidewalk maintenance	-	-	-	-	2,579,025	2,863,599	2,965,078	(101,479)
Street trees maintenance	-	-	-	-	1,188,921	1,220,826	1,195,779	25,047
Mechanical maintenance	-	-	-	-	1,396,918	1,439,117	1,642,400	(203,283)
Warehouse	-	-	-	-	129,410	134,161	112,765	21,396
Traffic engineering	-	24,950	-	24,950	1,093,133	1,246,557	1,140,012	106,545
Traffic signals	-	-	-	-	1,125,813	1,128,696	1,008,454	120,242
Traffic safety controls	-	-	-	-	460,108	471,694	410,584	61,110
Total	-	39,950	99,858	(59,908)	20,069,078	20,904,562	20,628,103	276,459
Housing, health and community development:								
Economic development	-	-	-	-	27,000	27,000	2,533	24,467
Neighborhood services	-	82,840	31,600	51,240	2,609,726	2,358,771	2,185,815	172,956
Total	-	82,840	31,600	51,240	2,636,726	2,385,771	2,188,348	197,423
Parks, recreation and community services:								
Parks administration	-	-	-	-	1,529,813	1,378,749	1,252,639	126,110
Parks	52,000	135,627	45,702	89,925	5,766,640	6,061,142	6,111,541	(50,399)
Facility & events services	-	25,000	-	25,000	1,275,628	1,368,857	1,304,073	64,784
Recreation & community services	-	55,000	-	55,000	2,126,808	2,178,118	2,140,871	37,247
Total	52,000	215,627	45,702	169,925	10,698,889	10,986,866	10,809,124	177,742
Library	-	-	-	-	7,112,253	7,390,017	7,402,855	(12,838)
Total expenditures	\$ 92,470	463,431	284,428	179,003	135,327,057	138,587,508	138,325,519	261,989

Exhibit E-1
CITY OF GLENDALE
Statement of Net Assets
Proprietary Funds
June 30, 2006

	Sewer Fund	Electric Fund	Water Fund	All Major Enterprise Fund	Nonmajor Enterprise Fund	Total	Governmental Activities Internal Service Fund
Assets							
Current assets:							
Cash and invested cash	\$ 71,629,078	64,118,796	4,088,027	139,835,901	12,289,243	152,125,144	45,886,836
Imprest cash	-	3,200	1,000	4,200	-	4,200	-
Cash with fiscal agent	-	2,558,601	-	2,558,601	-	2,558,601	(68)
Interest receivable	627,326	1,057,558	54,923	1,739,807	96,304	1,836,111	376,991
Investment in assessment bonds	-	-	-	-	-	-	-
Investment-gas/elec commodity	-	2,814,247	-	2,814,247	-	2,814,247	-
Accounts receivable, net	818,854	8,655,952	1,589,784	11,064,590	1,269,894	12,334,484	263,845
Unbilled receivable	1,301,802	15,259,810	3,058,015	19,619,627	1,062,087	20,681,714	-
Intergovernmental receivable	-	-	-	-	-	-	-
Due from other agencies	-	46,909	46,441	93,350	24,050	117,400	551
Due from other funds	-	1,331,140	-	1,331,140	-	1,331,140	-
Deposits	-	9,717	-	9,717	-	9,717	-
Inventories	-	5,510,638	-	5,510,638	-	5,510,638	-
Prepaid items	-	977,317	-	977,317	28,050	1,005,367	270,150
Total current assets	74,377,060	102,343,884	8,838,190	185,559,135	14,769,627	200,328,763	46,798,306
Noncurrent assets:							
Designated & invested cash	-	60,087,138	2,642,619	62,729,757	-	62,729,757	-
Deferred charges	-	898,635	-	898,635	-	898,635	-
	-	60,985,773	2,642,619	63,628,392	-	63,628,392	-
Capital assets:							
Land	578,447	6,083,674	1,033,999	7,696,120	7,289,848	14,985,968	-
Natural Gas Reserve	-	14,245,862	-	14,245,862	-	14,245,862	-
Buildings and improvements	153,613,390	56,519,076	76,396,475	286,528,941	48,642,192	335,171,133	-
Machinery and equipment	1,679,359	343,295,366	40,622,633	385,597,357	13,325,736	398,923,093	187,913
Infrastructure	-	-	-	-	-	-	-
Bldg & impro acem depreciation	(24,223,027)	(207,733,762)	(46,947,584)	(278,904,373)	(27,548,105)	(306,452,478)	(72,492)
Gas Depletion	-	(687,692)	-	(687,692)	-	(687,692)	-
Construction in progress	-	37,137,222	8,923,541	46,060,763	-	46,060,763	-
Total capital assets	131,648,169	248,859,746	80,029,064	460,536,978	41,709,672	502,246,649	115,421
Total non-current assets	131,648,169	309,845,519	82,671,683	524,165,370	41,709,672	565,875,041	115,421
Total assets	206,025,229	412,189,403	91,509,873	709,724,505	56,479,299	766,203,804	46,913,727
Liabilities and Net Assets							
Current liabilities:							
Accounts payable	1,780,641	9,835,706	1,911,871	13,528,218	687,973	14,216,191	808,398
Contracts-retained amount due	-	1,889,840	163,706	2,053,545	-	2,053,545	-
Accrued wages and withholding	66,870	1,127,582	145,579	1,340,032	336,622	1,676,654	271,268
Due to other agencies	-	-	-	-	58,085	58,085	-
Due to other funds	-	-	-	-	-	-	573,859
Interest payable	-	807,062	-	807,062	-	807,062	-
Claims Payable	-	-	-	-	-	-	4,864,711
Compensated absences	15,411	265,012	88,337	368,760	84,961	453,721	1,613,257
Long term debt, due in one year	-	1,383,611	-	1,383,611	-	1,383,611	-
Deferred revenues	-	158,100	-	158,100	-	158,100	-
Deposits	274,785	2,085,673	528,003	2,888,461	279,175	3,167,636	-
Total current liabilities	2,137,707	17,552,585	2,837,497	22,527,789	1,446,816	23,974,605	8,131,492
Noncurrent liabilities:							
Claims payable	-	-	-	-	-	-	20,866,278
Compensated absences	80,560	1,464,509	488,170	2,033,239	446,494	2,479,733	7,063,967
Post employment benefits	10,930	198,517	66,172	275,620	84,706	360,326	5,431,405
Long term debt	-	65,194,852	-	65,194,852	-	65,194,852	3,435,877
Total noncurrent liabilities	91,491	66,857,878	554,343	67,503,712	531,200	68,034,911	36,797,527
Total liabilities	2,229,198	84,410,463	3,391,840	90,031,501	1,978,016	92,009,516	44,929,019
Net assets:							
Investment in capital assets, net of related d	131,648,169	182,370,523	80,029,064	394,047,756	41,709,672	435,757,428	93,179
Restricted	-	-	-	-	-	-	-
Debt service	-	2,397,824	-	2,397,824	-	2,397,824	-
SCAQMD emission controls	-	6,254,725	-	6,254,725	-	6,254,725	-
Unrestricted	72,147,863	136,755,868	8,088,970	216,992,701	12,791,612	229,784,313	1,891,529
Total net assets	\$ 203,796,032	327,778,939	88,118,034	619,693,005	54,501,284	674,194,289	1,984,708

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds are reported with business-type activities.

(12,182,652)

Total net assets of business-type activities

\$ 662,011,637

Exhibit E-2
CITY OF GLENDALE
Statement of Revenues, Expenses and
Changes in Net Assets
Proprietary Funds
June 30, 2006

	Sewer Fund	Electric Fund	Water Fund	All Major Enterprise Funds	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating revenues:	\$						
Charges for services	16,610,496	170,207,430	31,188,695	218,006,621	26,486,080	244,492,701	28,661,074
Miscellaneous revenue	57,064	2,414,656	981,647	3,453,367	201,756	3,655,123	43,557
Total operating revenue	16,667,560	172,622,086	32,170,342	221,459,988	26,687,836	248,147,824	28,704,631
Operating expenses	4,956,916	167,863,486	23,951,161	196,771,563	21,227,419	217,998,982	21,794,893
Claims and settlement	-	-	-	-	-	-	(1,795,812)
Vehicle purchased	-	-	-	-	-	-	3,981,060
Depreciation	1,972,445	14,620,507	2,199,425	18,792,377	2,211,722	21,004,099	17,878
Gas depletion	-	687,692	-	687,692	-	687,692	-
Total operating expenses	6,929,361	183,171,685	26,150,586	216,251,632	23,439,141	239,690,773	23,998,019
Operating income (loss)	9,738,199	(10,549,599)	6,019,756	5,208,356	3,248,695	8,457,051	4,706,612
Non operating revenues (expenses):							
Use of money and property	1,697,335	4,531,640	222,768	6,451,742	196,843	6,648,585	1,129,078
Disaster Relief Reimb	-	839	9,548	10,387	-	10,387	-
Recyclables - State grant	-	-	-	-	56,120	56,120	-
Disaster Relief Reimb - State	-	2,097	9,294	11,391	-	11,391	-
County Grants	-	-	-	-	4,000	4,000	-
Proprietary Grants	-	-	171,089	171,089	269,789	440,878	-
Interest on Bonds	-	-	-	-	-	-	-
Interest on Loan	-	-	-	-	-	-	(147,033)
Interest on Bonds	-	(3,402,983)	-	(3,402,983)	-	(3,402,983)	-
Donations & Contribution	-	2,081,331	410,313	2,491,644	209,192	2,700,836	-
Designated Donation - Capital	-	-	-	-	-	-	29,571
Total non operating revenues, net	1,697,335	3,212,924	823,012	5,733,271	735,944	6,469,214	1,011,617
Income before transfers	11,435,534	(7,336,675)	6,842,768	10,941,627	3,984,639	14,926,265	5,718,229
Transfer in							
Transfer-General Fund	-	-	-	-	-	-	3,034,699
Transfer-Capital Funds	-	-	-	-	-	-	1,045,810
Transfer-Internal Service Fund	-	-	-	-	-	-	100,000
Transfer out							
Transfer-General Fund	-	(17,683,587)	(3,873,819)	(21,557,406)	(1,800,000)	(23,357,406)	-
Transfer-Special Revenue	(1,000,000)	-	-	(1,000,000)	-	(1,000,000)	-
Transfer-Int Service	-	-	-	-	-	-	(100,000)
Total transfers	(1,000,000)	(17,683,587)	(3,873,819)	(22,557,406)	(1,800,000)	(24,357,406)	4,080,509
Change in net assets	10,435,534	(25,020,262)	2,968,949	(11,615,779)	2,184,639	(9,431,141)	9,798,738
Total net asset, July 1	193,360,498	352,799,202	85,149,085	631,308,785	52,316,645	683,625,430	(7,814,031)
Total net assets, June 30	\$ 203,796,032	327,778,940	88,118,034	619,693,006	54,501,284	674,194,289	1,984,707
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds are reported with business-type activities.							(12,182,652)
Total net assets of business-type activities							\$ 662,011,637

Exhibit E-3
CITY OF GLENDALE
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds						Governmental Activities
	Sewer Fund	Electric Fund	Water Fund	Total All Major Enterprise Funds	Non Major Funds - Proprietary	Total	Internal Service Funds
Cash flows from operating activities:							
Cash from customers	\$ 16,609,914	169,966,011	31,930,630	218,506,555	26,524,881	245,031,436	29,738,140
Cash paid to employees	(1,709,168)	(33,697,600)	(3,367,445)	(38,774,213)	(10,350,224)	(49,124,437)	(7,395,929)
Cash paid to suppliers	(2,524,696)	(141,474,451)	(20,238,896)	(164,238,043)	(10,517,541)	(174,755,584)	(33,108,077)
Net cash provided (used) by operating activities	12,376,050	(5,206,040)	8,324,289	15,494,299	5,657,116	21,151,415	(10,765,866)
Cash flows from noncapital financing activities:							
Operating transfers out	(1,000,000)	(17,683,587)	(3,873,819)	(22,557,406)	(1,800,000)	(24,357,406)	(100,000)
Operating transfers in	-	-	-	-	-	-	4,180,509
Operating grant received	-	2,936	189,931	192,867	329,909	522,776	-
Net cash provided (used) by noncapital financing activities	(1,000,000)	(17,680,651)	(3,683,888)	(22,364,539)	(1,470,091)	(23,834,630)	4,080,509
Cash flows from capital and related financing activities:							
Interest on long term debt	-	(3,970,338)	-	(3,970,338)	-	(3,970,338)	(147,033)
Bond, premium and interest accrued	-	(1,179,721)	-	(1,179,721)	-	(1,179,721)	(306,415)
Capital Lease	-	-	-	-	-	-	-
Contribution in aid	-	2,081,331	410,313	2,491,644	209,192	2,700,836	29,571
Acquisition of property, plant, gas and equipment	(10,001,598)	(46,493,718)	(6,646,680)	(63,141,996)	(141,491)	(63,283,487)	(49,561)
Investment - gas/electric commodity	-	1,131,321	-	1,131,321	-	1,131,321	-
Net cash provided (used in) capital and related financing activities	(10,001,598)	(48,431,125)	(6,236,367)	(64,669,090)	67,701	(64,601,389)	(473,438)
Cash provided by investing activities - interest received	1,593,805	4,912,541	231,645	6,737,991	164,215	6,902,206	1,041,983
Net increase (decrease) in cash and cash equivalents	2,968,257	(66,405,275)	(1,364,321)	(64,801,339)	4,418,941	(60,382,398)	(6,116,812)
Cash and cash equivalents at beginning of year	68,660,821	193,173,010	8,095,967	269,929,798	7,870,302	277,800,100	52,003,580
Cash and cash equivalents at end of year	71,629,078	126,767,735	6,731,646	205,128,459	12,289,243	217,417,702	45,886,768
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	9,738,199	(10,549,600)	6,019,756	5,208,355	3,248,695	8,457,050	4,706,612
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	1,972,445	14,620,507	2,199,425	18,792,377	2,211,722	21,004,099	17,878
Gas Depletion	-	687,692	-	687,692	-	687,692	-
(Increase)Decrease Accounts receivable net	(22,447)	2,014,151	191,851	2,183,554	(298,214)	1,885,340	1,033,509
(Increase)Decrease Unbilled receivable	(35,199)	(4,623,316)	(459,878)	(5,118,393)	(124,646)	(5,243,039)	-
(Increase)Decrease Due from other agencies	-	(46,909)	28,315	(18,594)	259,906	241,312	-
(Increase)Decrease Due from other funds	-	-	-	-	-	-	-
(Increase)Decrease Inventories	-	(1,040,181)	-	(1,040,181)	-	(1,040,181)	-
(Increase)Decrease Prepaid expenses	-	(377,686)	-	(377,686)	(26,177)	(403,863)	-
(Increase)Decrease Deposits	-	-	-	-	-	-	-
(Increase)Decrease Deferred charges	-	251,513	-	251,513	-	251,513	-
Increase(Decrease) Accrued salaries and withholding	12,506	48,076	7,257	67,839	(27,219)	40,620	49,190
Increase(Decrease) Compensated absences	15,640	114,151	38,050	167,840	7,054	174,894	530,984
Increase(Decrease) Post employment benefit	-	-	-	-	-	-	(274,916)
Increase(Decrease) Accounts payable	630,910	(7,804,814)	341,826	(6,832,078)	261,942	(6,570,136)	(213,881)
Increase(Decrease) Deferred revenues	-	158,100	-	158,100	-	158,100	-
Increase(Decrease) Contracts - retention	-	1,170,190	(115,625)	1,054,565	-	1,054,565	-
Increase(Decrease) Due to other agencies	-	-	-	-	58,085	58,085	-
Increase(Decrease) Due to other funds	-	-	-	-	-	-	573,859
Increase(Decrease) Deposits	63,997	172,087	73,312	309,396	85,969	395,365	-
Increase(Decrease) Claims payable	-	-	-	-	-	-	(17,189,100)
Total adjustments	2,637,851	5,343,559	2,304,533	10,285,943	2,408,422	12,694,365	(15,472,478)
Net cash provided (used) by operating activities	\$ 12,376,050	(5,206,041)	8,324,289	15,494,298	5,657,117	21,151,415	(10,765,866)
Noncash investing, capital, and financing activities:							
Contributions of capital assets from government							
Increase in fair value of investments	(1,589,238)	(2,679,167)	(139,138)	(4,407,543)	(243,973)	(4,651,516)	(955,051)

Exhibit E-3
CITY OF GLENDALE
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2006

	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	\$ 16,609,914	169,966,011	31,930,630	218,506,555	26,524,881	245,031,436	29,738,140
Cash paid to employees	(1,709,168)	(33,697,600)	(3,367,445)	(38,774,213)	(10,350,224)	(49,124,437)	(7,395,929)
Cash paid to suppliers	(2,524,696)	(141,474,451)	(20,238,896)	(164,238,043)	(10,517,541)	(174,755,584)	(33,108,077)
Net cash provided (used) by operating activities	12,376,050	(5,206,040)	8,324,289	15,494,299	5,657,116	21,151,415	(10,765,866)
Cash flows from noncapital financing activities:							
Transfers out	(1,000,000)	(17,683,587)	(3,873,819)	(22,557,406)	(1,800,000)	(24,357,406)	(100,000)
Transfers in	-	-	-	-	-	-	4,180,509
Grant received	-	2,936	189,931	192,867	329,909	522,776	-
Net cash provided (used) by noncapital financing activities	(1,000,000)	(17,680,651)	(3,683,888)	(22,364,539)	(1,470,091)	(23,834,630)	4,080,509
Cash flows from capital and related financing activities:							
Interest on long term debt	-	(3,970,338)	-	(3,970,338)	-	(3,970,338)	(147,033)
Bond, premium and interest accrued	-	(1,179,721)	-	(1,179,721)	-	(1,179,721)	(306,415)
Capital Lease	-	-	-	-	-	-	-
Contribution in aid	-	2,081,331	410,313	2,491,644	209,192	2,700,836	29,571
Acquisition of property, plant, gas and equipment	(10,001,598)	(46,493,718)	(6,646,680)	(63,141,996)	(141,491)	(63,283,487)	(49,561)
Investment - gas/electric commodity	-	1,131,321	-	1,131,321	-	1,131,321	-
Net cash provided (used in) capital and related financing activities	(10,001,598)	(48,431,125)	(6,236,367)	(64,669,090)	67,701	(64,601,389)	(473,438)
Cash provided by investing activities - interest received	1,593,805	4,912,541	231,645	6,737,991	164,215	6,902,206	1,041,983
Net increase (decrease) in cash and cash equivalents	2,968,257	(66,405,275)	(1,364,321)	(64,801,339)	4,418,941	(60,382,398)	(6,116,812)
Cash and cash equivalents at beginning of year	68,660,821	193,173,010	8,095,967	269,929,798	7,870,302	277,800,100	52,003,580
Cash and cash equivalents at end of year	71,629,078	126,767,735	6,731,646	205,128,459	12,289,243	217,417,702	45,886,768
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	9,738,199	(10,549,600)	6,019,756	5,208,355	3,248,695	8,457,050	4,706,612
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	1,972,445	14,620,507	2,199,425	18,792,377	2,211,722	21,004,099	17,878
Gas Depletion	-	687,692	-	687,692	-	687,692	-
(Increase)Decrease Accounts receivable net	(22,447)	2,014,151	191,851	2,183,554	(298,214)	1,885,340	1,033,509
(Increase)Decrease Unbilled receivable	(35,199)	(4,623,316)	(459,878)	(5,118,393)	(124,646)	(5,243,039)	-
(Increase)Decrease Due from other agencies	-	(46,909)	28,315	(18,594)	259,906	241,312	-
(Increase)Decrease Due from other funds	-	-	-	-	-	-	-
(Increase)Decrease Inventories	-	(1,040,181)	-	(1,040,181)	-	(1,040,181)	-
(Increase)Decrease Prepaid expenses	-	(377,686)	-	(377,686)	(26,177)	(403,863)	-
(Increase)Decrease Deposits	-	-	-	-	-	-	-
(Increase)Decrease Deferred charges	-	251,513	-	251,513	-	251,513	-
Increase(Decrease) Accrued salaries and withholding	12,506	48,076	7,257	67,839	(27,219)	40,620	49,190
Increase(Decrease) Compensated absences	15,640	114,151	38,050	167,840	7,054	174,894	530,984
Increase(Decrease) Post employment benefit	-	-	-	-	-	-	(274,916)
Increase(Decrease) Accounts payable	630,910	(7,804,814)	341,826	(6,832,078)	261,942	(6,570,136)	(213,881)
Increase(Decrease) Deferred revenues	-	158,100	-	158,100	-	158,100	-
Increase(Decrease) Contracts - retention	-	1,170,190	(115,625)	1,054,565	-	1,054,565	-
Increase(Decrease) Due to other agencies	-	-	-	-	58,085	58,085	-
Increase(Decrease) Due to other funds	-	-	-	-	-	-	573,859
Increase(Decrease) Deposits	63,997	172,087	73,312	309,396	85,969	395,365	-
Increase(Decrease) Claims payable	-	-	-	-	-	-	(17,189,100)
Total adjustments	2,637,851	5,343,559	2,304,533	10,285,943	2,408,422	12,694,365	(15,472,478)
Nest cash provided (used) by operating activities	\$ 12,376,050	(5,206,041)	8,324,289	15,494,298	5,657,117	21,151,415	(10,765,866)
Noncash investing, capital, and financing activities:							
Contributions of capital assets from government							
Increase in fair value of investments	(1,589,238)	(2,679,167)	(139,138)	(4,407,543)	(243,973)	(4,651,516)	(955,051)

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CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2006

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 except the inter-fund services provided and used.. 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, 2006

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.

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, 3 Capital Project Funds, 8 Enterprise Funds and 17 Internal Service Funds.

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 two project areas as follows:

- i. Central Glendale Redevelopment Project
- ii. San Fernando Corridor Redevelopment Project

Other governmental funds consist of debt service funds which 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, special revenue funds which account for revenue derived from specific sources, which are usually required by law or regulation and 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.

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:

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

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

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

Additionally, 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.

C. 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 120 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 2004-05 property tax levy that was based on the assessed value of secured and unsecured property as of the lien date of January 1, 2004. 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.

D. 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.

E. Assets, Liabilities and Net Assets or Equity

1. *Cash and Investments*

The City values its cash and investments in accordance with the provisions of Government Accounting Standard Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investments Pools (GASB 31)," which requires governmental entities, including governmental external investment pools, to report certain investments at fair value in the statement of net assets/balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred. Fair value is determined using published market prices.

The City manages its pooled idle cash and investments under a formal investment policy that is reviewed by the Investment Committee and adopted 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 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.

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 investments 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, investments, imprest cash and cash with fiscal agents to be cash and cash equivalents.

2. *Designated Cash and Investments*

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, 2006, established a target of \$66,400,000 of designated cash in the following categories: \$40,400,000 for contingency reserve; \$10,000,000 for rate stabilization reserve; and \$16,000,000 for Reserve for Gas Reserve Project. As of June 30, 2006, \$60,087,138 is designated with the goal of meeting the remaining balance of \$6,312,862 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, 2006, established a target of \$7,500,000 of designated cash in the following categories: \$6,500,000 for contingency reserve; and \$1,000,000 for rate stabilization reserve. As of June 30, 2006, \$2,642,619 is designated with the goal of meeting the remaining \$4,857,381 with future available cash. .

3 *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, 2006, carrying value and market value of the options are \$510,000 and \$219,050, respectively.

4 *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, 2006.

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,

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2006

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	4-10
Sewer improvements (infrastructure)	100
Infrastructure (non-sewer)	20-60

In June 2005, the City elected to participate in the Natural Gas Reserve Project through SCPPA for up to 2,000 mmBtu per day. The project calls for the acquisitions and development of gas resources, reserves, fields, wells, and related facilities to provide a long-term supply of natural gas for its participants. The first acquisition was completed on July 1, 2005 with the total cost to the participants at \$306.1 million. The City's share in the project is \$13.1 million or 4.2553%, with estimated peak daily volume between 1,600 to 1,800 mmBtu.

GWP has reserved \$16 million for future additional gas field acquisitions and drilling programs to achieve the estimated peak daily volume of 2,000 mmBtu per day. Costs of the drilling program that result in producing wells are capitalized as a component of Natural Gas Reserve. Costs of the drilling program that resulted in non-producing wells are expensed. As of June 30, 2006, \$1,068,358 was capitalized from the drilling program.

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, 2006, \$5,431,404.51 had been set-aside in the Internal Service Fund-Employee Benefits Fund related to such benefits.

For GCEA and Management employees that retired prior to July 2001, GPOA employees that retired prior to December 2001 and GFFA employees that retired prior to September 2002, the number of sick leave days, accumulated over the number of sick leave days specified in their respective MOU or Ordinance, are multiplied by the value of those days based on the benefit of their respective bargaining units. There are 77 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.

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.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

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, 2006:

General Fund:	Amount Over Expended
Planning	\$ 88,925
Police	225,229
Fire	649,568
Fire prevention	82,161
Project management	85,984
Engineering	360,171
Public works yard	38,069
Street maintenance	101,479
Mechanical maintenance	203,283
Parks	50,399
	<u>\$ 1,885,268</u>

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2006

III. Detailed Notes on All Funds

A. Cash and Investments

Cash and investments at fiscal year end consist of the following:

Investments	\$	466,122,189
Cash with fiscal agents		<u>16,387,567</u>
		482,509,756
Cash on hand		<u>(2,922,632)</u>
Total	\$	<u>479,587,124</u>

The following amounts are reflected in the government-wide statement of net assets:

Cash and investments	\$	394,819,567
Imprest cash		29,480
Cash with fiscal agents		16,387,567
Investment-gas/electric commodity		2,814,247
Designated cash and investments		<u>65,536,263</u>
Total	\$	<u>479,587,124</u>

Authorized Investments

Under provisions of the City's investment policy, and in accordance with California Government Code Section 53601, the City Treasurer may invest or deposit in the following types of investments:

	<u>Maximum Maturity</u>	<u>Maximum % of Portfolio</u>
U.S. Treasuries	5 years	100%
Federal Agencies	5 years	100%
Medium Term Corporate Notes	5 years	15%
Commercial Paper (A1,P1 minimum rating)	180 days	15%
Bankers Acceptance	180 Days	30%
Negotiable Certificates of Deposit	1 year	30%
Local Agency Investment Fund (State Pool)	N/A	LAIF maximum
Money Market Mutual Funds	90 days	5%
Time Deposits	1 year	10%

Investments in Medium Term Corporate Notes may be invested in Securities rated AA or better by Moody's or Standard and Poor's rating services and no more than 5% of the market value of the portfolio may be invested in one corporation. Maximum participation in Bankers Acceptance is limited to 10% per bank.

Investments Authorized by Debt Agreements

The Provisions of debt agreements, rather than the general provisions of the California Government Code or the City's investment policy, governs investments of debt proceeds held by bond fiscal agents. Permitted investments are specified in related trust agreements and include the following:

- 1) Federal Securities
- 2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

- 3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by non-full faith and credit U.S. Government agencies
- 4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard and Poor's of AAAm-G, AAA-m, or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2
- 5) Certificates of deposits secured at all times by collateral described in (1) and (2)
- 6) Certificates of deposits savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF
- 7) Investment Agreements
- 8) Commercial papers rated, at the time of purchase, Prime-1 by Moody's and A-1 or better by Standard and Poor's.
- 9) Bonds or notes issued by any state or municipality which are rated by Moody's and Standard and Poor's in one of the two highest rating categories assigned by such agencies
- 10) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of Prime-1 or A3 or better by Moody's and A-1 or A or better by Standard and Poor's
- 11) Repurchase Agreements
- 12) Local Agency Investment Fund of the State of California.

No maximum percentage of the related debt issue or maximum investment in one issuer is specified.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that fluctuations in market rates may adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The City manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

			Remaining Maturity (in Months)			
			12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Commercial Paper	\$	27,364,310	27,364,310	-	-	-
Federal Agency Term Notes		88,295,418	81,478,514	6,816,904	-	-
Federal Agency Callable Bonds		306,674,280	76,158,671	170,833,799	59,681,810	-
Corporate Notes		12,256,334	2,990,754	2,937,285	6,328,295	-
State Investment Pool		28,947,389	28,947,389	-	-	-
Money Market		2,584,458	2,584,458	-	-	-
Held by Fiscal Agents						
Federal Agency Term Notes		8,772,148	8,772,148	-	-	-
Guaranteed Investment Contracts		7,325,020	-	-	-	7,325,020
Money Market		290,399	290,399	-	-	-
	\$	482,509,756	228,586,643	180,587,988	66,010,105	7,325,020

The City assumes that callable investments will not be called.

Disclosures Relating to Credit Risks

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City invests only in the most risk-adverse instruments, such as AAA-rate government securities, and AAA or AA-rate corporate securities.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

		Rating as of Year End				
		AAA	AA	Aa2	A1,P1	Unrated
Commercial Paper	\$ 27,364,310	-	-	-	27,364,310	-
Federal Agency Term Notes	88,295,418	88,295,418	-	-	-	-
Federal Agency Callable Bonds	306,674,280	306,674,280	-	-	-	-
Corporate Notes	12,256,334	4,916,750	7,339,584	-	-	-
State Investment Pool	28,947,389	-	-	-	-	28,947,389
Money Market	2,584,458	2,584,458	-	-	-	-
Held by Fiscal Agent						
Federal Agency Term Notes	8,772,148	8,772,148	-	-	-	-
Guaranteed Investment Contracts	7,325,020	-	-	7,325,020	-	-
Money Market	290,399	290,399	-	-	-	-
	\$ 482,509,756	414,453,613	7,339,584	7,325,020	27,364,310	28,947,389

Concentration on Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stated above. Investments in any one issuer that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
LAIF	State Investment Pool	\$ 28,947,389
FHLB	Federal Agency Term Notes	38,453,125
FHLB	Federal Agency Callable Bonds	201,056,234
	Total	239,509,359
FHLMC	Federal Agency Term Notes	30,622,450
FHLMC	Federal Agency Callable Bonds	47,219,052
	Total	77,841,502
FNMA	Federal Agency Term Notes	9,889,062
FNMA	Federal Agency Callable Bonds	48,616,182
	Total	\$ 58,505,244

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Entity's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

At June 30, 2006, the carrying amount of the City's deposits was (\$2,922,632) and the corresponding bank balance was \$2,039,505. The difference of \$4,962,137 was principally due to outstanding warrants, wires and deposits in transit. Of the Bank balance, \$100,000 was insured by the FDIC depository insurance and \$1,939,505 was uncollateralized and not insured by FDIC depository insurance.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair market value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio)

D. Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

	Balance at July 1	Increases / CIP Reclass	Decreases / Reclass	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	340,453,410	21,299,681	-	361,753,091
Construction in progress	139,028,255	(76,841,389)	-	62,186,866
Total assets not being depreciated	479,481,665	(55,541,708)	-	423,939,957
Other capital assets				
Building and improvements	135,384,286	85,773,741	129,043	221,287,070
Machinery and equipment	83,577,338	5,824,038	(13,301,862)	76,099,514
Infrastructure	202,700,232	8,182,296	5,406,452	216,288,980
Total other capital assets at cost	421,661,856	99,780,075	(7,766,367)	513,675,564
Less accumulated depreciation:				
Building and improvements	49,041,397	3,822,164	38,713	52,902,273
Machinery and equipment	42,644,594	8,175,710	(5,735,674)	45,084,630
Infrastructure	85,214,716	5,356,058	(4,916,037)	85,654,737
Total accumulated depreciation	176,900,707	17,353,932	(10,612,998)	183,641,640
Total assets being depreciated	244,761,150	82,426,143	2,846,631	330,033,924
Governmental activities capital assets, net	724,242,815	26,884,435	2,846,631	753,973,881
Business-type activities:				
Capital assets not being depreciated:				
Land	14,877,968	108,000	-	14,985,968
Construction in progress	42,828,346	3,232,417	-	46,060,763
Total assets not being depreciated	57,706,314	3,340,417	-	61,046,731
Other capital assets:				
Natural Gas	-	14,245,862	-	14,245,862
Building and improvements	319,173,150	15,432,865	565,116	335,171,131
Machinery and equipment	373,733,846	30,406,485	(5,217,237)	398,923,094
Total other capital assets at cost	692,906,996	60,085,212	(4,652,121)	748,340,087

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

	Balance at July 1	Increases / CIP Reclass	Decreases / Reclass	Ending Balance
Less accumulated depreciation:				
Gas Depletion		687,692		687,692
Building and improvements	82,347,913	5,385,745	565,116	88,298,774
Machinery and equipment	207,058,721	15,595,290	(4,500,307)	218,153,704
Total accumulated depreciation	289,406,634	21,668,727	(3,935,191)	307,140,170
Total assets being depreciated	403,500,362	38,416,485	(716,930)	441,199,917
Business-type activities capital assets, net	461,206,676	41,756,902	(716,930)	502,246,650

*\$187,913 of Machinery & Equipment from Internal Service Funds is included in the Governmental Activities.

**\$72,493 of depreciation from Internal Service Funds is included in the Governmental Activities.

Depreciation expense was charged to functions of the City for the year ended June 30, 2006 as follows:

Governmental activities:	
General Government	\$ 5,044,901
Public Safety	2,894,934
Public Works	6,974,737
Parks	1,877,141
Library	285,775
Housing & Com Dev	276,444
Total governmental activities depreciation expense	<u>17,353,932</u>
Business-type activities:	
Sewer	1,972,446
Electric	15,308,199
Water	2,199,425
Recreation	7,539
Hazardous Disposal	40,539
Parking	1,111,462
Refuse	1,029,117
Total business-type activities depreciation expense	<u>\$ 21,668,727</u>

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2006

E. Long-Term Debt

The City's long-term debt as of June 30, 2006 consists of the following:

	Outstanding at June 30, 2005	Additions	Retirements	Amount outstanding at June 30, 2006	Due within one year
Governmental Activities					
Bonds Payable					
Police Facility Certificates of Participation	\$ 60,800,000	-	1,200,000	58,300,000	1,300,000
2002 Tax Allocation Bond	44,340,000	-	1,920,000	42,420,000	1,980,000
2003 Tax Allocation Bond	56,880,000	-	2,315,000	54,565,000	2,435,000
Bond Premium	4,115,138	-	250,870	3,864,268	250,870
Deferred amount on refunding - 2003 Tax Allocation Bond	(3,068,714)	-	(200,134)	(2,868,580)	(200,134)
Total bonds payable	163,066,424	-	5,485,736	156,280,688	5,765,736
Landfill closure and postclosure care liability	18,452,720	1,468,263	-	19,920,983	-
Capital lease	4,989,115	-	716,232	4,272,883	743,633
Arbitrage rebate liability	-	124,250	-	124,250	-
Section 108	1,590,000	-	140,000	1,450,000	170,000
Notes payable	3,692,000	-	923,000	2,769,000	923,000
Compensated absences	8,146,242				
Claims payable	42,920,089				
Post employment benefits	5,706,321		-		-
Total governmental long term liabilities	248,562,910				
Business Type Activities					
Bonds Payable:					
Electric Revenue Bonds, 2000 Series	37,000,000	-	37,000,000	-	-
Electric Revenue Bonds, 2003 Series	30,050,000	-	795,000	29,255,000	795,000
Electric Revenue Bonds, 2006 Refunding Series	-	38,830,000	-	38,830,000	725,000
Accrued interest	130,662	-	4,900	125,762	4,900
Bond Premium	577,522	302,228	161,897	717,853	31,214
Deferred Amount on Refunding	-	2,394,772	44,619	2,350,153	172,504
Total bonds payable	67,758,184	41,527,000	38,006,416	71,278,768	1,728,618
Compensated absences	2,894,989				
Total business type long term liabilities	\$ 70,653,173				

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

THE CITY OF GLENDALE FINANCING AUTHORITYVariable 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 BONDS2002 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 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 2022. 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.

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

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. 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, 2006 was 8.15 million tons. The total permitted capacity remains 14.75 million tons. Therefore, the City has 6.60 million tons unfilled capacity remaining. Based on an estimated average annual filled capacity of 460,000 tons the Scholl Canyon Landfill has a remaining life of approximately 15 years. Using an inflation factor from the U.S. Department of Commerce, Bureau of Economic Analysis of 1.028, the revised postclosure cost was \$36,071,017. Using the data above, the amount of \$19,920,983, is recognized as a long-term liability on the Statement of Net Assets. Accordingly, the portion of the estimated total obligation for landfill closure and post closure costs that has not been recognized in the financial statements is \$16,150,034. The City records the annual provision for the required landfill deposits as expenditure in the Capital Project Fund-Capital Improvement Fund. At the end of June 30, 2006 the City has set aside \$17,000,000 of this in the Capital Projects Fund.

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 total principal of the lease is \$2,000,000 payable in five years from September 1, 2002 to September 1, 2007. The annual payment of \$448,813, due on September 1 of each year, will include an additional 3.965% of interest for the duration of the lease agreement.

Suntrust Leasing Corporation. The City entered into a Master Lease Agreement with Suntrust Leasing Corporation to provide funds for acquisition of fire equipment, which includes two 2004 Pierce Quantum Tiller Truck, four Pierce Quantum Pumper Truck with CAFS Foam System, four fabrication and installation of equipment brackets into Pierce Pumper Truck, two fabrication and installation of equipment brackets into Pierce Ladder Trucks, one Brush Patrol Truck 2005 GMC Sierra, and one Battalion Chief Command Vehicle 2005 GMC Yukon. The cost of the equipment funded is \$3,742,791 with an annual interest rate of 3.65%. The City will make lease payments each consisting of principal and interest for a term of ten years. The annual lease payment is \$453,447 and the first payment is due on April 20, 2006. The subsequent payments are due on April 20 annually.

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 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.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

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, 2006 Refunding Series

The Electric Revenue Bonds issued in 2000 were fully defeased by April 19, 2006 by refunding with 2006 Electric Revenue Bonds.

The Electric utility of Glendale Water and Power issued \$38,830,000 Electric Revenue Bonds, 2006 Refunding Series with an average rate of 4.6% in April 2006 for the purpose of providing moneys for the refunding of all of the City's outstanding Electric Revenue Bonds, 2000 Series. The terms of the 2006 Electric Revenue Bonds' (2006 Refunding Bonds) indenture requires the trustee to establish and maintain a reserve account equal to the Reserve Fund Requirement.

The Bonds mature in regularly increasing amounts ranging from \$725,000 to \$2,570,000 annually from 2007 to 2030.

Current Year Defeasance of Debt

The current refunding of the Electric Revenue Bonds, 2000 Series resulted in a difference between the reacquisition price and the net carrying amount of the old debt of (\$2,394,772). This difference is reported in the accompanying financial statements as an addition to bonds payable and is being amortized through the year 2030.

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. 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.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

The annual debt service requirements to amortize long-term bonded debt at June 30, 2006 are as follows:

Fiscal Year	Certificates of Participation		Tax Allocation Bonds		Revenue Bonds	
	Governmental		Governmental		Business-type	
	Interest	Principal	Interest	Principal	Interest	Principal
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	2,131,200	1,500,000	3,599,090	4,980,000	3,259,726	1,720,000
2011-2015	9,715,200	9,000,000	14,664,413	28,085,000	15,012,075	9,095,000
2016-2020	7,810,560	11,400,000	7,931,559	34,155,000	12,484,480	11,495,000
2021-2025	5,387,520	14,600,000	781,575	15,980,000	9,069,065	15,035,000
2026-2030	2,265,600	19,000,000	-	-	4,391,500	19,900,000
2031-2032	-	-	-	-	275,250	3,640,000
	\$ 36,357,120	60,800,000	43,344,321	101,220,000	58,303,070	67,050,000

Fiscal Year	Capital Lease		Section 108		Notes Payable	
	Governmental		Governmental		Governmental	
	Interest	Principal	Interest	Principal	Interest	Principal
2006	\$ 186,029	716,231	65,826	140,000	-	923,000
2007	158,628	743,632	60,801	170,000	-	923,000
2008	130,177	772,082	54,448	180,000	-	923,000
2009	100,637	352,811	46,868	200,000	-	923,000
2010	87,759	365,688	38,057	210,000	-	-
2011-2015	228,567	2,038,671	51,810	690,000	-	-
	\$ 891,797	4,989,115	317,809	1,590,000	-	3,692,000

Fiscal Year	Total		Total
	Interest	Principal	Debt Service
2006	\$ 10,533,228	8,699,231	19,232,459
2007	10,190,096	9,071,632	19,261,728
2008	9,831,010	9,425,082	19,256,092
2009	9,474,780	9,255,811	18,730,591
2010	9,115,831	8,775,688	17,891,519
2011-2015	39,672,064	48,908,671	88,580,735
2016-2020	28,226,599	57,050,000	85,276,599
2021-2025	15,238,160	45,615,000	60,853,160
2026-2030	6,657,100	38,900,000	45,557,100
2031-2032	275,250	3,640,000	3,915,250
	\$ 139,214,117	239,341,115	378,555,232

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

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, 2006
City of Glendale Insured Hospital Refunding Bonds, Series 1991A (Adventist Health System/West)	6.00% - 6.75%	\$50,000,000	\$25,640,000
City of Glendale Insured Hospital Revenue Bonds Verdugo Hills Hospital, 1994 Series	6.375% - 8%	27,140,000	14,061,000
City of Glendale Mountain Road Assessment District Limited Obligation Refunding Bonds, Series 2003	2% - 4.5%	8,850,000	6,695,000

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. \$26,334,579 is restricted for debt service and bond indenture requirements. The City Charter requires \$15,520,694 in restricted net assets for contingencies, wherein 24% of the projected General Fund's current revenue estimate must be restricted to maintain liquidity. Pursuant to redevelopment laws of the State of California, \$20,114,577 is restricted for low and moderate housing.

The Electric Fund restricted \$6,254,725 for excess capital surcharge revenue to retrofit the City's Grayson Power Plant as mandated by the Air Quality Management District.

G. Net Deficits of Individual Funds

As of June 30, 2006, the following internal service funds have deficit net assets:

Uninsurable Litigation Fund	\$ 1,508,636
Compensation Insurance Fund	3,965,572
Employee Benefit	4,077,975
Liability Insurance Fund	11,431,829

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 2006.

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.

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

Wireless Communications System Fund – The City started this city-wide funding of the wireless communication equipments. It is the City's believe over time the deficit will turn around.

Fire Grant Fund – The City is reviewing the deficit, and plans to come up with a solution in the near future.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City retains risks for the following types of liabilities: workers' compensation insurance (up to \$3,000,000 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.

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, 2005 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 the prior fiscal year are as follows:

Fiscal Year	Beginning Balance	Claims and Changes	Claim Payments	Ending Balance
2004-05	37,531,000	23,514,000	18,125,000	42,920,000
2005-06	42,920,000	(1,795,000)	15,394,000	25,731,000

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, 2005, 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 \$73,330,000. 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 first participated in Boulder Canyon Project for electric service from the Hoover Power Plant in 1937 for a term of 50-year, expired on May 31, 1987. The plant was operated by Southern California Edison and Los Angeles Department of Water and Power under the supervision of the Bureau of Reclamation during the contract term.

Before the expiration of the contract, Hoover Powerplant Act of 1984 authorized the uprating of the 17 main generating units and provided long-term contingent capacity and firm energy to the participants in a renewal contract. The uprating

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

program replaced all 17 original turbines in the Hoover Dam Power Plant began in 1986. When the program was finished in 1993, it increased the capacity of the plant from 1,344 MW to 2,079 MW.

In January 1987, the City renewed the contract with the United States Bureau of Reclamation providing for the advancement of funds for the Hoover Upgrading Project and Western Area Power Administration for the purchase of power from the project. The renewed contract is for a term of 30-year from 1987 to 2017. The Bureau of Reclamation also assumed control of operation and maintenance of the plant in 1987. Under this renewed contract, the City is entitled to 21 MW or 1.0251% of the capacity and 1.5874% of the firm energy.

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 2005-06 was approximately 1,162,317 mmBtu and the average purchase price was \$13.79 per mmBtu.

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

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 June 2005, the City entered into a power sales agreement with SCPPA for the Ormat Geothermal Energy Project for purchase of up to 3 megawatts or 15% of the total project electric energy at \$57.50 per MWh with escalating factor of 1.5% per annum. The project began commercial operation in January 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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

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 require 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 48% of its total energy requirements during fiscal year 2005-06. This energy will displace some of the energy that was to have been supplied by the local generating plant. The City is obligated to pay the amortized cost of indebtedness regardless of the ability of the contracting agency to provide electricity. The original indebtedness will be amortized by adding the financing costs to purchase energy over the life of the contract. All of these agreements contain "step-up" provisions obligating the City to pay a share of the obligations of any defaulting participant.

The Intermountain Power Project, a subdivision of the State of Utah, was formed in January 1974 to finance the construction of a 1,400 megawatt coal-fired generating plant, consisting of two generating units located near Delta, Utah.

The project began uprating of the two generating units in early 2003. When the uprating was finished in March 2004, it increased the capacity of the plant from 1,400 MW to 1,800 MW.

The City through contract is obligated for 30 megawatts or 1.704% of the generation. In addition, the City entered into an "Excess Power Sales Agreement" with the ICPA, agent for the Utah Municipal Purchasers and the Cooperative Purchasers, which entitles the City to an additional share of 9 megawatts or 0.501% beginning March 24, 2004. The total City's obligation from Intermountain Power Project (IPP) is 39 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 4.400% of SCPPA's entitlement. As of June 30, 2006, 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 \$133,100,000 at June 30, 2005. Based on the most recent (2004) 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 fund SCPPA's share of decommissioning costs. SCPPA anticipates receiving a new estimate of decommissioning costs every three years. Waiting for numbers

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 2.2740% or approximately 44 megawatts. As of June 30, 2006, Glendale's share is 2.2740% (STS).

A third project financed through SCPPA is the acquisition of a 41.80% ownership interest in a coal-fired 497 megawatt unit in San Juan Generating Station, Unit 3, located in New Mexico. SCPPA members are entitled to 208 megawatts. The City

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

is obligated for 20 megawatts or 9.8047% of the SCPPA entitlement. As of June 30, 2006, Glendale's share is 9.8046% (SJ).

A fourth project financed through SCPPA is Mead-Adelanto Project. The project 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, 2006, Glendale's share is 11.0430% (MA).

A fifth project financed through SCPPA is Mead Phoenix Project. The project 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, 2006, Glendale's share is 14.8000% (MP).

A sixth project financed through SCPPA is the Magnolia Power Project located on Burbank Water & Power's generation station complex adjacent to Magnolia Boulevard in Burbank, California. The project consists of a combined cycle natural gas-fired generating plant with a nominally rated net base capacity of 242 megawatts. The City is obligated for 40 megawatts or 16.5289% of the project's output. As of June 30, 2006, Glendale's share is 16.5289% (MPP).

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

Project	Final Maturity Date	Glendale's Share
Intermountain Power Project (IPP)	2027	2.1889%
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	14.8000%
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, 2006 is as follows (in thousands):

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

	IPP	SJ	PV	STS	MA	MP	MPP	Total
2007	\$5,750	\$1,845	\$721	\$1,642	\$2,337	\$973	\$3,100	\$16,368
2008	6,117	1,845	717	1,619	2,333	972	3,100	16,703
2009	5,755	1,845	712	1,563	2,338	970	3,100	16,284
2010	6,126	1,845	596	1,575	2,395	1,114	3,100	16,751
2011	7,183	1,845	592	1,592	2,387	1,110	3,100	17,809
2012-2016	27,611	10,154	2,897	9,073	11,873	5,032	15,500	82,139
2017-2021	25,886	4,893	566	9,366	9,504	3,807	15,501	69,523
2022-2026	6,502			2,976			15,500	24,979
2027-2031							15,499	15,499
2032-2036							20,975	20,975
2037-2041								
Total	\$90,930	\$24,271	\$6,802	\$29,406	\$33,167	\$13,978	\$98,476	\$297,029

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 2005-06 and budgets for fiscal year 2006-07 are as follows (in thousands):

Fiscal Year	IPA	SJ	PV	STS	MA	MP	MPP	Total
2006	\$ 4,951	\$ 5,412	\$ 1,886	\$ 393	\$ 178	\$ 170	\$ 1,923	\$ 14,913
2007	7,362	6,402	1,729	435	204	195	4,201	20,528

D. Employee Retirement System and Plans

Plan Description

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

All full-time employees are required to participate in CalPERS, and related benefits vest after five years of service. Upon five years of service, employees who retire at age 50 or older are entitled to receive an annual retirement benefit. The benefit is payable monthly for life. The benefit is calculated as follows: years of credited service multiplied by their highest twelve consecutive months of salary multiplied by a percentage factor. This factor is age-based – public safety employees use the 3% at age 50 factor while all others use the 2% at age 55 factor. Effective December 1, 2005 the general employees will use the 2.5% 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 and employer contributions as well as earnings from investments. According to the plan, City employees were required to contribute 7% of annual salary for general members and 9% of annual salary for public safety members. Effective December 1, 2005, the general members contribution rate increased to 8% of reportable earnings. The City is also required to contribute at an actuarially determined rate; the public safety and the general employee rates were 24.99% and 0% of the annual covered payroll, respectively. As of July 1, 2005, the City's contribution rate for safety members decreased from 24.99% to 24.577% while the City's contribution rate for general members increased from 0% to 6.289%. The City's contribution rate for general members increased again as of

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

12/1/06 to 9.591%. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

Contributions to CalPERS totaling \$17,792,610 were made during the fiscal year ended June 30, 2006 in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2005. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.75% a year compounded annually (net of administrative expenses), (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45%, (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
6/30/04	\$ 2,090,971	100%	0
6/30/05	\$ 9,832,076	100%	0
6/30/06	\$17,792,610	100%	0

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2006

Schedule of Funding Progress (Unaudited)

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>
06/30/2003	\$770,652,222	795,007,184	(24,354,962)	96.9 %	114,964,463	(21.2 %)
6/30/2004	\$806,230,814	864,127,882	(57,897,068)	93.3%	122,073,007	(47.4%)
6/30/2005	\$854,260,613	929,960,421	(75,699,808)	91.9%	131,264,713	57.7%

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 2004-05 consisted of the following:

Due to general fund from:	
Nonmajor governmental funds	\$ 7,842,939
Internal service funds	<u>573,859</u>
	<u>9,495,409</u>
Due to electric fund from:	
Capital improvement fund	\$ <u>1,331,140</u>

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

The City reports 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.

	Amount	Purpose
Transfer to general fund from:		
Electric fund	\$ 17,683,587	Fund general fund operations
Water fund	3,873,819	Fund general fund operations
Nonmajor proprietary fund	<u>2,800,000</u>	Fund general fund operations
	<u>24,357,406</u>	
Transfers to capital improvement fund from:		
General fund	6,000,000	Purchase Flint Canyon for open space
General fund	<u>75,000</u>	Modify apparatus bay at Fire Station 26
	<u>6,075,000</u>	
Transfers to nonmajor governmental funds from:		
General fund	136,911	Fund nutritional meals operations
General fund	<u>798,000</u>	Fund fire paramedics operations
	<u>934,911</u>	
Transfers to internal service funds from:		
General fund	200,000	Fund application software replacement
General fund	95,000	Fund citywide document management system
General fund	580,000	Fund financial system operations
General fund	675,000	Fund police technology equipment replacement
General fund	290,000	Fund police CAD RMS replacement
General fund	1,194,699	Fund wireless communication equipment replacement
Capital improvement fund	<u>1,045,810</u>	Fund financial system operations
	<u>\$ 4,080,509</u>	

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

F. Pronouncement Issued but Not yet Adopted

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 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 periods beginning after December 15, 2006.

In November 2003, the GASB issued Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries. This statement establishes accounting and financial reporting standards for impairment of capital assets and also clarifies and establishes accounting requirements for insurance recoveries. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2004. Management does not expect implementation of this Statement to have a material effect on the financial statements.

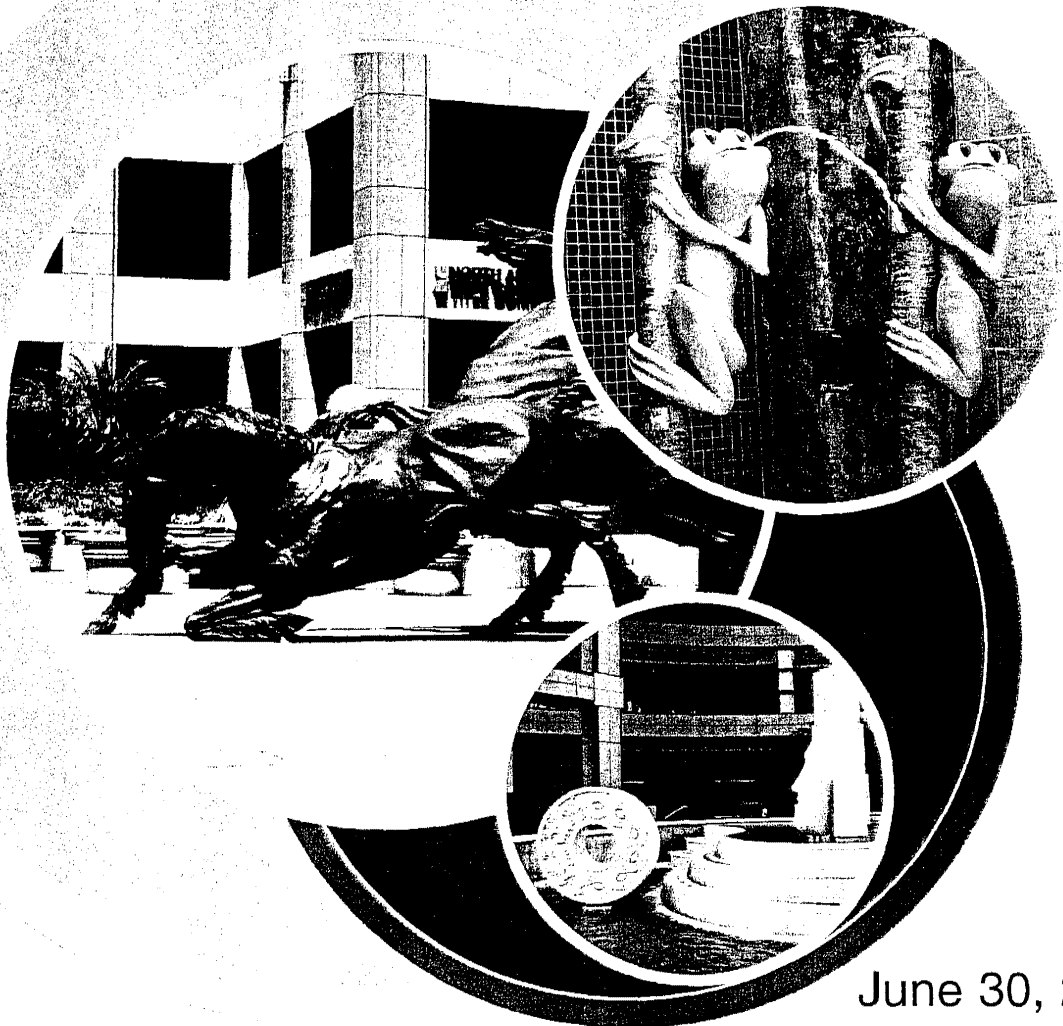
In October 2004, the GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The basic premise of the statement is that Other Postemployment Benefits (OPEB) are earned by employees and should be recognized by the employer as the employee provides services. GASB 45 requires employers to account for and report the annual cost of OPEB and the outstanding obligations and commitments related to them in the same manner as they currently do for pensions. All of the City's retirees continue their life insurance and continue to receive health insurance benefits at various percentages of the City's cost. Currently, the City is financing OPEB on a pay-as-you-go basis with expenditures recorded in the General Fund. Accounting for OPEB under GASB No. 45 will result in the City reporting a significant actuarially-based liability for benefits. The City will be required to implement GASB No. 45 in the fiscal year beginning October 1, 2008. The City has not yet determined the impact on the financial statements of implementing this statement, whether to retroactively implement the statement, or whether to change retiree benefits.

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Non-Major Funds

Comprehensive Annual Financial Report

The City of Glendale, California



June 30, 2006

Exhibit F-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Governmental Funds
Assets				
Cash and invested cash	\$ 42,160,044	43,203,679	10,274,197	95,637,920
Imprest cash	-	-	-	-
Cash with fiscal agent	-	13,829,035	-	13,829,035
Interest receivable	344,193	373,120	100,248	817,561
Investment in assessment bonds	-	-	-	-
Accounts receivable, net	2,963,194	-	259,723	3,222,917
Unbilled receivable	381,110	-	-	381,110
Intergovernmental receivable	-	-	-	-
Due from other agencies	8,311,731	-	607,341	8,919,072
Due from other funds	-	-	-	-
Deposits	-	-	-	-
Inventories	-	-	-	-
Prepaid items	1,758,107	-	-	1,758,107
Loans receivable	-	-	-	-
Property held for resale	7,436,024	-	-	7,436,024
Total assets	63,354,404	57,405,834	11,241,509	132,001,746
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	2,041,835	196,822	117,661	2,356,318
Contracts-retained amount due	34,268	-	-	34,268
Due to other funds	9,788,743	-	-	9,788,743
Due to other agencies	148,285	-	587,567	735,852
Bond issuance costs	-	-	-	-
Matured principal and interest	-	-	-	-
Accrued wages and withholding	698,624	-	20,604	719,228
Interest payable	-	32,856	-	32,856
Compensated absences	-	-	-	-
Deferred revenues	915,349	-	-	915,349
Deposits	155,628	-	-	155,628
Intergovernmental payable	-	-	-	-
Total liabilities	13,782,732	229,678	725,831	14,738,242
Fund Balances:				
Reserved:				
Prepaid	1,758,107	-	-	1,758,107
Debt service	-	12,192,618	-	12,192,618
Encumbrances	6,926,000	-	3,057,000	9,983,000
Property Resale	7,436,024	-	-	7,436,024
Unreserved	33,451,540	44,983,538	7,458,678	85,893,756
Total fund balances	49,571,671	57,176,155	10,515,678	117,263,505
Total liabilities and fund balances	\$ 63,354,404	57,405,834	11,241,509	132,001,746

Exhibit F-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Capital Projects

For Fiscal Year Ended June 30, 2006

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 5,586,152	8,601,228	-	14,187,380
Other taxes	3,002,192	-	-	3,002,192
Revenue from other agencies	36,750,344	-	5,014,355	41,764,699
Licenses and permits	-	-	-	-
Fines and forfeitures	329,092	-	-	329,092
Charges for services	12,579,378	-	-	12,579,378
Use of money and property	1,076,064	1,548,420	217,803	2,842,287
Intergovernmental revenue	-	-	-	-
Interfund revenue	-	-	-	-
Miscellaneous revenue	9,322,615	-	99,260	9,421,875
Total Revenues	68,645,837	10,149,647	5,331,418	84,126,903
Expenditures:				
Operating expenditures				
General government	682,469	-	-	682,469
Community promotion	-	-	-	-
Public safety	15,575,903	220,019	3,420	15,799,342
Public works	7,962,173	-	708,799	8,670,972
Housing, health and community development	25,039,256	4,975	-	25,044,231
Employment programs	6,129,225	-	-	6,129,225
Public service	3,931,324	-	-	3,931,324
Parks, recreation and community services	453,983	-	-	453,983
Library	288,094	-	-	288,094
Capital	9,154,273	-	3,934,441	13,088,715
Debt service				
Interest on Loan	92,381	-	-	92,381
Interest on Bonds	-	6,286,609	-	6,286,609
Principal	140,000	5,435,000	-	5,575,000
Total expenditures	69,449,080	11,946,603	4,646,661	86,042,345
Excess of revenues over (under) expenditures	(803,243)	(1,796,956)	684,757	(1,915,442)
Other financing sources (uses):				
Transfer from				
Transfer-General Fund	934,911	-	-	934,911
Transfer-Special Revenue	100,000	-	-	100,000
Transfer to				
Transfer-Special Revenue	(100,000)	-	-	(100,000)
Total financing sources (uses)	934,911	-	-	934,911
Net change in fund balances	131,668	(1,796,956)	684,757	(980,531)
Fund balance, July 1	49,440,004	58,973,111	9,830,921	118,244,036
Fund Balance, June 30	\$ 49,571,672	57,176,155	10,515,678	117,263,505

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
- 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.
- 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 Paramedic Fund- To account for operations of the emergency transport and paramedic service in the City.
- 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.
- ICIS (Interagency Communications Interoperability System) Fund-To account for monies received and expended for the ICIS joint power authority for regional radio communications.

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2006

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Shelter Grant Fund
Assets					
Cash and invested cash	\$ -	-	-	-	-
Imprest cash	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
Interest receivable	-	-	-	-	-
Investment in assessment bonds	-	-	-	-	-
Accounts receivable, net	915,349	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Unbilled receivable	-	-	-	-	-
Due from other agencies	938,472	731,835	3,458,288	520,892	44,455
Due from other funds	-	-	-	-	-
Prepaid items	-	1,690,969	-	34,648	-
Property held for resale	-	-	-	-	-
Total assets	1,853,822	2,422,804	3,458,288	555,540	44,455
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	185,007	14,471	3,111	18,328	7,559
Contracts-retained amount due	-	-	-	-	-
Due to other funds	697,715	99,646	3,449,268	482,368	35,896
Due to other agencies	-	28,648	-	-	-
Matured principal and interest	-	-	-	-	-
Accrued wages and withholding	55,750	62,886	5,908	18,003	1,000
Accrued interest	-	-	-	-	-
Deferred revenues	915,349	-	-	-	-
Deposits	-	150,166	-	-	-
Intergovernmental payable	-	-	-	-	-
Total liabilities	1,853,822	355,816	3,458,288	518,699	44,455
Fund Balances:					
Reserved:					
Prepaid	-	1,690,969	-	34,648	-
Encumbrances	-	59,000	-	-	-
Property Resale	-	-	-	-	-
Unreserved	-	317,019	-	2,193	-
Total fund balances	-	2,066,988	-	36,841	-
Total liabilities and fund balances	\$ 1,853,822	2,422,804	3,458,288	555,540	44,455

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2006

	Workforce Investment Fund	Code Enforcement	Low & Moderate Housing Fund	Local Transit Assistance Fund	Air Quality Improvement
Assets					
Cash and invested cash	\$ -	147	12,983,091	12,098,435	498,663
Imprest cash	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
Interest receivable	-	-	98,804	105,860	3,866
Investment in assessment bonds	-	-	-	-	-
Accounts receivable, net	-	-	-	108,901	-
Intergovernmental receivable	-	-	-	-	-
Unbilled receivable	-	-	-	-	-
Due from other agencies	1,054,270	-	988,351	329,398	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	32,490	-	-
Property held for resale	-	-	7,436,024	-	-
Total assets	1,054,270	147	21,538,761	12,642,594	502,529
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	154,772	-	24,417	781,234	19,745
Contracts-retained amount due	-	-	-	-	-
Due to other funds	484,792	-	-	-	-
Due to other agencies	-	-	-	7,222	-
Matured principal and interest	-	-	-	-	-
Accrued wages and withholding	100,691	147	70,591	27,979	309
Accrued interest	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Deposits	3,360	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Total liabilities	743,614	147	95,008	816,435	20,054
Fund Balances:					
Reserved:					
Prepaid	-	-	32,490	-	-
Encumbrances	-	-	3,863,000	806,000	4,000
Property Resale	-	-	7,436,024	-	-
Unreserved	310,656	-	10,112,238	11,020,159	478,475
Total fund balances	310,656	-	21,443,753	11,826,159	482,475
Total liabilities and fund balances	\$ 1,054,270	147	21,538,761	12,642,594	502,529

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2006

	Narcotic Forfeiture Fund	Special Grant Fund	Supplemental Law Enforcement	Police Staff Augmentation Fund	Fire Grant Fund
Assets					
Cash and invested cash	\$ 268,036	63,487	174,260	7,610,756	-
Imprest cash	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
Interest receivable	3,247	1,213	1,595	54,840	-
Investment in assessment bonds	-	-	-	-	-
Accounts receivable, net	-	78,881	-	-	8,874
Intergovernmental receivable	-	-	-	-	-
Unbilled receivable	-	-	-	-	-
Due from other agencies	2,030	64,955	-	-	36,695
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Property held for resale	-	-	-	-	-
Total assets	273,313	208,536	175,855	7,665,596	45,569
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	12,412	36,284	2,043	132,208	135,977
Contracts-retained amount due	-	-	-	-	-
Due to other funds	-	-	-	-	504,946
Due to other agencies	112,416	-	-	-	-
Matured principal and interest	-	-	-	-	-
Accrued wages and withholding	7,161	7,551	7,116	90,734	22,453
Accrued interest	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Deposits	-	(161)	-	-	-
Intergovernmental payable	-	-	-	-	-
Total liabilities	131,988	43,674	9,160	222,942	663,376
Fund Balances:					
Reserved:					
Prepaid	-	-	-	-	-
Encumbrances	5,000	133,000	-	80,000	333,000
Property Resale	-	-	-	-	-
Unreserved	136,325	31,862	166,695	7,362,654	(950,807)
Total fund balances	141,325	164,862	166,695	7,442,654	(617,807)
Total liabilities and fund balances	\$ 273,313	208,536	175,855	7,665,596	45,569

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2006

	Nutritional Meals Grant Fund	Library Fund	Cable Access Fund	Electric Public Benefit Fund	Fire Paramedic Fund
Assets					
Cash and invested cash	\$ 71,138	821,769	840,302	4,810,360	-
Imprest cash	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
Interest receivable	-	7,129	7,521	42,871	-
Investment in assessment bonds	-	-	-	-	-
Accounts receivable, net	-	-	125,254	171,323	1,537,652
Intergovernmental receivable	-	-	-	-	-
Unbilled receivable	-	-	-	375,668	5,442
Due from other agencies	98,242	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Property held for resale	-	-	-	-	-
Total assets	169,380	828,898	973,077	5,400,222	1,543,095
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	31,067	15,060	17,411	172,764	267,849
Contracts-retained amount due	-	-	-	-	34,268
Due to other funds	7,368	-	-	-	4,026,744
Due to other agencies	-	-	-	-	-
Matured principal and interest	-	-	-	-	-
Accrued wages and withholding	7,592	7,695	17,839	8,859	112,554
Accrued interest	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Deposits	-	-	-	-	1,006
Intergovernmental payable	-	-	-	-	-
Total liabilities	46,027	22,756	35,250	181,623	4,442,421
Fund Balances:					
Reserved:					
Prepaid	-	-	-	-	-
Encumbrances	27,000	22,000	-	1,237,000	-
Property Resale	-	-	-	-	-
Unreserved	96,353	784,142	937,827	3,981,598	(2,899,326)
Total fund balances	123,353	806,142	937,827	5,218,598	(2,899,326)
Total liabilities and fund balances	\$ 169,380	828,898	973,077	5,400,222	1,543,095

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2006

	Fire Communication Fund	ICIS	Total Nonmajor Special Revenue Funds
Assets			
Cash and invested cash	\$ 1,731,796	187,803	42,160,044
Imprest cash	-	-	-
Cash with fiscal agent	-	-	-
Interest receivable	15,812	1,435	344,193
Investment in assessment bonds	-	-	-
Accounts receivable, net	16,959	-	2,963,194
Intergovernmental receivable	-	-	-
Unbilled receivable	-	-	381,110
Due from other agencies	43,849	-	8,311,731
Due from other funds	-	-	-
Prepaid items	-	-	1,758,107
Property held for resale	-	-	7,436,024
Total assets	1,808,416	189,238	63,354,404
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	8,280	1,835	2,041,835
Contracts-retained amount due	-	-	34,268
Due to other funds	-	-	9,788,743
Due to other agencies	-	-	148,285
Matured principal and interest	-	-	-
Accrued wages and withholding	65,807	-	698,624
Accrued interest	-	-	-
Deferred revenues	-	-	915,349
Deposits	-	1,257	155,628
Intergovernmental payable	-	-	-
Total liabilities	74,087	3,092	13,782,732
Fund Balances:			
Reserved:			
Prepaid	-	-	1,758,107
Encumbrances	357,000	-	6,926,000
Property Resale	-	-	7,436,024
Unreserved	1,377,329	186,146	33,451,540
Total fund balances	1,734,329	186,146	49,571,671
Total liabilities and fund balances	\$ 1,808,416	189,238	63,354,404

Exhibit G-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

	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	4,482,149	12,672,763	3,319,596	1,495,595	131,568
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	-	439	-	-	-
Intergovernmental revenue	-	-	-	-	-
Interfund revenue	-	-	-	-	-
Miscellaneous revenue	-	851,234	(10,575)	162,870	-
Total Revenues	4,482,149	13,524,436	3,309,021	1,658,465	131,568
Expenditures:					
Operating expenditures					
General government	-	-	-	-	-
Community promotion	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Housing, health and community development	1,475,969	13,257,702	329,524	1,621,624	131,568
Employment programs	756,033	-	236,558	-	-
Public service	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-
Library	-	-	-	-	-
Capital	2,017,765	(4,000)	2,742,939	-	-
Debt service	232,381	-	-	-	-
Total expenditures	4,482,149	13,253,702	3,309,021	1,621,624	131,568
Excess of revenues over (under) expenditures	-	270,734	-	36,841	-
Other financing sources (uses):					
Transfer from:					
Transfer-General Fund	-	-	-	-	-
Transfer-Special Revenue	-	-	-	-	-
Transfer to:					
Transfer-Special Revenue	-	-	-	-	-
Total financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	270,734	-	36,841	-
Fund balance, July 1	-	1,796,254	-	-	-
Fund Balance, June 30	\$ -	2,066,988	-	36,841	-

Exhibit G-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

	Workforce Investment Fund	Code Enforcement	Low & Moderate Housing Fund	Local Transit Assistance Fund	Air Quality Improvement
Revenues:					
Property taxes	\$ -	-	5,586,152	-	-
Other taxes	-	-	-	-	-
Revenue from other agencies	4,244,884	-	-	6,812,425	249,695
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	1,379,675	51,789
Use of money and property	-	-	369,228	294,934	11,041
Intergovernmental revenue	-	-	-	-	-
Interfund revenue	-	-	-	-	-
Miscellaneous revenue	41,926	-	5,864,580	27,917	441
Total Revenues	4,286,809	-	11,819,960	8,514,952	312,965
Expenditures:					
Operating expenditures					
General government	-	-	-	-	-
Community promotion	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	7,674,480	287,693
Housing, health and community development	-	17,239	8,205,631	-	-
Employment programs	4,188,717	-	947,916	-	-
Public service	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-
Library	-	-	-	-	-
Capital	22,071	-	1,367,238	867,298	-
Debt service	-	-	-	-	-
Total expenditures	4,210,788	17,239	10,520,785	8,541,778	287,693
Excess of revenues over (under) expenditures	76,021	(17,239)	1,299,175	(26,826)	25,272
Other financing sources (uses):					
Transfer from:					
Transfer-General Fund	-	-	-	-	-
Transfer-Special Revenue	-	-	-	-	-
Transfer to:					
Transfer-Special Revenue	-	-	-	-	-
Total financing sources (uses)	-	-	-	-	-
Net change in fund balances	76,021	(17,239)	1,299,175	(26,826)	25,272
Fund balance, July 1	234,635	17,239	20,144,577	11,852,986	457,203
Fund Balance, June 30	\$ 310,656	-	21,443,752	11,826,160	482,475

Exhibit G-2

CITY OF GLENDALECombining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

	Narcotic Forfeiture Fund	Special Grant Fund	Supplemental Law Enforcement	Police Staff Augmentation Fund	Fire Grant Fund
Revenues:					
Property taxes	\$ -	-	-	-	-
Other taxes	-	-	-	-	-
Revenue from other agencies	-	228,693	298,687	-	2,188,703
Licenses and permits	-	-	-	-	-
Fines and forfeitures	329,092	-	-	-	-
Charges for services	-	321,110	-	-	-
Use of money and property	4,684	8,094	4,875	206,997	15,661
Intergovernmental revenue	-	-	-	-	-
Interfund revenue	-	-	-	-	-
Miscellaneous revenue	-	58,175	-	1,283,914	31,438
Total Revenues	333,776	616,073	303,562	1,490,911	2,235,802
Expenditures:					
Operating expenditures					
General government	-	-	-	-	-
Community promotion	-	-	-	-	-
Public safety	356,405	545,759	251,639	2,908,635	798,380
Public works	-	-	-	-	-
Housing, health and community development	-	-	-	-	-
Employment programs	-	-	-	-	-
Public service	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-
Library	-	-	-	-	-
Capital	68,515	170,826	-	296,752	380,153
Debt service	-	-	-	-	-
Total expenditures	424,920	716,585	251,639	3,205,387	1,178,533
Excess of revenues over (under) expenditures	(91,144)	(100,512)	51,923	(1,714,476)	1,057,269
Other financing sources (uses):					
Transfer from:					
Transfer-General Fund	-	-	-	-	-
Transfer-Special Revenue	-	-	-	100,000	-
Transfer to:					
Transfer-Special Revenue	(100,000)	-	-	-	-
Total financing sources (uses)	(100,000)	-	-	100,000	-
Net change in fund balances	(191,144)	(100,512)	51,923	(1,614,476)	1,057,269
Fund balance, July 1	332,469	265,374	114,773	9,057,130	(1,675,076)
Fund Balance, June 30	\$ 141,325	164,862	166,696	7,442,654	(617,807)

Exhibit G-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

	Nutritional Meals Grant Fund	Library Fund	Cable Access Fund	Electric Public Benefit Fund	Fire Paramedic Fund
Revenues:					
Property taxes	\$ -	-	-	-	-
Other taxes	-	-	-	3,002,192	-
Revenue from other agencies	310,084	315,502	-	-	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	62,580	476,312	-	7,799,841
Use of money and property	387	15,875	23,020	136,126	-
Intergovernmental revenue	-	-	-	-	-
Interfund revenue	-	-	-	-	-
Miscellaneous revenue	83,620	64,985	1,929	413,371	1,100
Total Revenues	394,090	458,942	501,262	3,551,688	7,800,941
Expenditures:					
Operating expenditures					
General government	-	-	512,319	-	40
Community promotion	-	-	-	-	-
Public safety	-	-	-	-	8,627,429
Public works	-	-	-	-	-
Housing, health and community development	-	-	-	-	-
Employment programs	-	-	-	-	-
Public service	-	-	-	3,931,324	-
Parks, recreation and community services	453,983	-	-	-	-
Library	-	288,094	-	-	-
Capital	21,798	13,000	77,763	-	551,721
Debt service	-	-	-	-	-
Total expenditures	475,781	301,094	590,082	3,931,324	9,179,190
Excess of revenues over (under) expenditures	(81,691)	157,848	(88,820)	(379,636)	(1,378,249)
Other financing sources (uses):					
Transfer from:					
Transfer-General Fund	136,911	-	-	-	798,000
Transfer-Special Revenue	-	-	-	-	-
Transfer to:					
Transfer-Special Revenue	-	-	-	-	-
Total financing sources (uses)	136,911	-	-	-	798,000
Net change in fund balances	55,220	157,848	(88,820)	(379,636)	(580,249)
Fund balance, July 1	68,133	648,295	1,026,647	5,598,234	(2,319,076)
Fund Balance, June 30	\$ 123,353	806,143	937,827	5,218,598	(2,899,325)

Exhibit G-2

CITY OF GLENDALECombining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

	Fire Communication Fund	ICIS	Total Nonmajor Special Revenue Funds
Revenues:			
Property taxes	\$ -	-	5,586,152
Other taxes	-	-	3,002,192
Revenue from other agencies	-	-	36,750,344
Licenses and permits	-	-	-
Fines and forfeitures	-	-	329,092
Charges for services	2,288,070	200,000	12,579,378
Use of money and property	(15,492)	197	1,076,064
Intergovernmental revenue	-	-	-
Interfund revenue	-	-	-
Miscellaneous revenue	443,066	2,625	9,322,615
Total Revenues	2,715,644	202,822	68,645,837
Expenditures:			
Operating expenditures			
General government	-	170,110	682,469
Community promotion	-	-	-
Public safety	2,087,655	-	15,575,903
Public works	-	-	7,962,173
Housing, health and community development	-	-	25,039,256
Employment programs	-	-	6,129,225
Public service	-	-	3,931,324
Parks, recreation and community services	-	-	453,983
Library	-	-	288,094
Capital	560,433	-	9,154,273
Debt service	-	-	232,381
Total expenditures	2,648,088	170,110	69,449,080
Excess of revenues over (under) expenditures	67,556	32,712	(803,243)
Other financing sources (uses):			
Transfer from:			
Transfer-General Fund	-	-	934,911
Transfer-Special Revenue	-	-	100,000
Transfer to:			
Transfer-Special Revenue	-	-	(100,000)
Total financing sources (uses)	-	-	934,911
Net change in fund balances	67,556	32,712	131,668
Fund balance, July 1	1,666,773	153,434	49,440,004
Fund Balance, June 30	\$ 1,734,329	186,146	49,571,672

Exhibit G-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Community Development Fund:				
Use of money and property	\$ —	—	—	—
Revenue from other agencies	3,824,000	3,824,000	4,482,149	(658,149)
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	—	—
Total	3,824,000	3,824,000	4,482,149	(658,149)
Housing Assistance Fund:				
Use of money and property	2,000	2,000	439	1,561
Revenue from other agencies	12,491,600	12,491,600	12,672,763	(181,163)
Charges for services	—	—	—	—
Miscellaneous revenue	856,523	856,523	851,234	5,289
Total	13,350,123	13,350,123	13,524,436	(174,313)
Home Grant Fund:				
Use of money and property	—	—	—	—
Revenue from other agencies	2,352,100	2,352,100	3,319,596	(967,496)
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	(10,575)	10,575
Total	2,352,100	2,352,100	3,309,021	(956,921)
Supportive Housing Grant Fund:				
Use of money and property	—	—	—	—
Revenue from other agencies	2,107,000	2,107,000	1,495,595	611,405
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	162,870	(162,870)
Total	2,107,000	2,107,000	1,658,465	448,535
Emergency Shelter Grant Fund:				
Use of money and property	—	—	—	—
Revenue from other agencies	145,000	145,000	131,568	13,432
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	—	—
Total	145,000	145,000	131,568	13,432
Workforce Investment Act Fund:				
Use of money and property	—	—	—	—
Revenue from other agencies	4,807,723	5,322,723	4,244,884	1,077,839
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	41,926	(41,926)
Transfers	—	—	—	—
Total	4,807,723	5,322,723	4,286,809	1,035,914

Exhibit G-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Low & Moderate Housing Fund:				
Property taxes	5,336,000	5,336,000	5,586,152	(250,152)
Use of money and property	468,000	468,000	369,228	98,772
Revenue from other agencies	—	—	—	—
Charges for services	—	—	—	—
Miscellaneous revenue	580,000	4,705,000	5,864,580	(1,159,580)
Transfers	—	—	—	—
Total	6,384,000	10,509,000	11,819,960	(1,310,960)
Local Transit Assistance Fund:				
Use of money and property	355,000	355,000	294,934	60,066
Revenue from other agencies	6,060,000	6,060,000	6,812,425	(752,425)
Charges for services	1,652,000	1,652,000	1,379,675	272,325
Miscellaneous revenue	—	—	27,917	(27,917)
Transfers	—	—	—	—
Total	8,067,000	8,067,000	8,514,952	(447,952)
Air Quality Improvement Fund:				
Use of money and property	15,000	15,000	11,041	3,959
Revenue from other agencies	230,000	230,000	249,695	(19,695)
Charges for services	45,000	45,000	51,789	(6,789)
Miscellaneous revenue	—	—	441	(441)
Transfers	—	—	—	—
Total	290,000	290,000	312,965	(22,965)
Public Works Special Grant Fund:				
Use of money and property	—	—	—	—
Revenue from other agencies	—	84,000	—	84,000
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	—	—
Transfers	—	—	—	—
Total	—	84,000	—	84,000
Narcotic Forfeiture Fund:				
Fines and forfeitures	—	—	329,092	(329,092)
Use of money and property	—	—	4,684	(4,684)
Revenue from other agencies	—	—	—	—
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	—	—
Transfers	—	—	—	—
Total	—	—	333,776	(333,776)
Special Grant Fund:				
Use of money and property	10,000	10,000	8,094	1,906
Revenue from other agencies	125,000	241,225	228,693	12,532
Charges for services	94,000	94,000	321,110	(227,110)
Miscellaneous revenue	105,000	183,239	58,175	125,064
Transfers	—	—	—	—
Total	334,000	528,464	616,073	(87,609)
Supplemental Law Enforcement Fund:				
Use of money and property	3,000	3,000	4,875	(1,875)
Revenue from other agencies	300,000	300,000	298,687	1,313
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	—	—
Transfers	—	—	—	—
Total	303,000	303,000	303,562	(562)

Exhibit G-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Police Staff Augmentation Fund				
Use of money and property	300,000	300,000	206,997	93,003
Revenue from other agencies	100,000	100,000	—	100,000
Miscellaneous revenue	500,000	500,000	1,283,914	(783,914)
Charges for services	—	—	—	—
Transfers	100,000	100,000	100,000	—
Total	\$ 1,000,000	1,000,000	1,590,911	(590,911)
Nutritional Meals Grant Fund:	\$			
Use of money and property	—	—	387	(387)
Revenue from other agencies	310,500	310,500	310,084	416
Charges for services	—	—	—	—
Miscellaneous revenue	110,000	110,000	83,620	26,380
Transfers	136,911	136,911	136,911	—
Total	557,411	557,411	531,001	26,410
Library Grant Fund:				
Use of money and property	10,000	10,000	15,875	(5,875)
Revenue from other agencies	209,500	351,713	315,502	36,211
Charges for services	—	42,000	62,580	(20,580)
Miscellaneous revenue	114,000	114,000	64,985	49,015
Transfers	—	—	—	—
Total	333,500	517,713	458,942	58,771
Cable Access Fund:				
Use of money and property	35,000	35,000	23,020	11,980
Revenue from other agencies	—	—	—	—
Charges for services	430,000	430,000	476,312	(46,312)
Miscellaneous revenue	1,000	1,000	1,929	(929)
Transfers	—	—	—	—
Total	466,000	466,000	501,262	(35,262)
Electric Public Benefit Fund:				
Other taxes	3,280,000	3,280,000	3,002,192	277,808
Use of money and property	220,000	220,000	136,126	83,874
Revenue from other agencies	—	—	—	—
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	413,371	(413,371)
Transfers	—	—	—	—
Total	3,500,000	3,500,000	3,551,688	(51,688)
Fire Grant Fund				
Use of money and property	—	—	15,661	(15,661)
Revenue from other agencies	1,606,000	7,219,541	2,188,703	5,030,838
Charges for services	—	—	—	—
Miscellaneous revenue	16,000	16,000	31,438	(15,438)
Transfers	—	—	—	—
Total	1,622,000	7,235,541	2,235,802	4,999,739
Fire Paramedic Fund				
Use of money and property	—	—	—	—
Revenue from other agencies	—	—	—	—
Charges for services	6,401,000	6,401,000	7,799,841	(1,398,841)
Miscellaneous revenue	—	—	1,100	(1,100)
Transfers	—	798,000	798,000	—
Total	6,401,000	7,199,000	8,598,941	(1,399,941)

Exhibit G-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Fire Communications Fund				
Use of money and property	—	—	(15,492)	15,492
Revenue from other agencies	—	—	—	—
Charges for services	2,032,000	2,032,000	2,288,070	(256,070)
Miscellaneous revenue	244,000	244,000	443,066	(199,066)
Transfers	—	—	—	—
Total	<u>2,276,000</u>	<u>2,276,000</u>	<u>2,715,644</u>	<u>(439,644)</u>
ICIS Fund				
Use of money and property	—	—	197	(197)
Revenue from other agencies	—	—	—	—
Charges for services	200,000	200,000	200,000	—
Miscellaneous revenue	10,000	10,000	2,625	7,375
Transfers	—	—	—	—
Total	<u>210,000</u>	<u>210,000</u>	<u>202,822</u>	<u>7,178</u>
Total revenues and other financing sources	<u><u>\$ 58,329,857</u></u>	<u><u>69,844,075</u></u>	<u><u>69,680,748</u></u>	<u><u>163,327</u></u>

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual
Nonmajor Governmental Funds - Special Revenue
Year Ended June 30, 2006

	Original	Final	Actual	Variance (Over)/Under
Code Enforcement Fund:				
Housing, health and community development:				
Salaries and benefits	18,306	18,306	17,239	1,067
Maintenance and operations	—	—	—	—
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	18,306	18,306	17,239	1,067
Low & Moderate Housing Fund:				
Housing, health and community development:				
Salaries and benefits	1,114,639	1,189,639	1,895,206	(705,567)
Maintenance and operations	9,400,611	17,765,218	7,258,340	10,506,877
Capital	—	—	—	—
Capital projects	—	2,082,445	1,367,238	715,207
Transfer to other funds	551,815	—	—	—
Total	11,067,065	21,037,301	10,520,785	10,516,517
Local Transit Assistance Fund:				
Public works:				
Salaries and benefits	1,002,420	1,002,420	785,348	217,072
Maintenance and operations	6,512,309	6,627,309	6,889,132	(261,823)
Capital	—	—	757,422	(757,422)
Capital projects	7,067,754	6,977,287	109,877	6,867,410
Transfer to other funds	—	—	—	—
Total	14,582,483	14,607,016	8,541,778	6,065,237
Air Quality Improvement Fund:				
Public works:				
Salaries and benefits	179,252	179,252	199,530	(20,278)
Maintenance and operations	110,229	110,229	88,163	22,066
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	289,481	289,481	287,693	1,788
Public Works Special Grant Fund				
Public works:				
Salaries and benefits	—	—	—	—
Maintenance and operations	—	84,000	—	84,000
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	—	84,000	—	84,000
Narcotic Forfeiture Fund:				
Public safety:				
Salaries and benefits	247,575	247,575	251,353	(3,778)
Maintenance and operations	126,279	126,279	105,053	21,226
Capital	—	55,660	68,515	(12,855)
Capital projects	—	—	—	—
Transfer to other funds	100,000	100,000	100,000	—
Total	473,854	529,514	524,920	4,594
Special Grant Fund:				
Public safety:				
Salaries and benefits	379,153	934,260	397,773	536,487
Maintenance and operations	79,926	242,598	147,986	94,612
Capital	—	39,488	170,826	(131,338)
Transfer to other funds	—	—	—	—
Total	459,079	1,216,346	716,585	499,762

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

	Original	Final	Actual	Variance (Over)/Under
Community Development Fund:				
Housing, health and community development:				
Salaries and benefits	1,203,706	1,203,706	1,290,329	(86,623)
Maintenance and operations	1,307,441	1,307,441	941,673	365,768
Capital	—	—	—	—
Capital projects	—	—	2,017,765	(2,017,765)
Debt Service	—	—	232,381	(232,381)
Transfer to other funds	—	—	—	—
Total	2,511,147	2,511,147	4,482,149	(1,971,002)
Housing Assistance Fund:				
Housing, health and community development:				
Salaries and benefits	1,727,361	1,727,361	1,849,216	(121,855)
Maintenance and operations	15,015,744	15,015,744	11,408,486	3,607,258
Capital	—	—	(4,000)	4,000
Debt Service	—	—	—	—
Transfer to other funds	—	—	—	—
Total	16,743,105	16,743,105	13,253,702	3,489,403
Home Grant Fund:				
Housing, health and community development:				
Salaries and benefits	187,345	187,345	212,077	(24,732)
Maintenance and operations	7,780,784	7,780,784	354,005	7,426,779
Capital	—	—	2,742,939	(2,742,939)
Debt Service	—	—	—	—
Transfer to other funds	—	—	—	—
Total	7,968,129	7,968,129	3,309,021	4,659,108
Supportive Housing Grant Fund:				
Housing, health and community development:				
Salaries and benefits	515,760	515,760	424,920	90,840
Maintenance and operations	4,423,662	4,423,662	1,196,704	3,226,958
Capital	—	—	—	—
Debt Service	—	—	—	—
Transfer to other funds	—	—	—	—
Total	4,939,422	4,939,422	1,621,624	3,317,798
Emergency Shelter Grant Fund:				
Housing, health and community development:				
Salaries and benefits	—	—	20,471	(20,471)
Maintenance and operations	148,000	148,000	111,097	36,903
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	148,000	148,000	131,568	16,432
Workforce Investment Act Fund:				
Employment and job training services:				
Salaries and benefits	2,741,466	2,812,466	3,026,572	(214,106)
Maintenance and operations	2,075,512	2,519,512	1,162,145	1,357,367
Capital	60,000	60,000	22,071	37,929
Transfer to other funds	—	—	—	—
Total	\$ 4,876,978	\$ 5,391,978	\$ 4,210,788	\$ 1,181,190

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

	Original	Final	Actual	Variance (Over)/Under
Supplemental Law Enforcement Fund:				
Public safety:				
Salaries and benefits	244,017	244,017	246,029	(2,012)
Maintenance and operations	19,568	19,568	5,610	13,958
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	\$ 263,585	263,585	251,639	11,946
Police Staff Augmentation Fund	\$			
Public safety:				
Salaries and benefits	2,506,892	2,506,892	2,825,665	(318,773)
Maintenance and operations	148,000	148,000	82,970	65,030
Capital	218,858	299,717	296,752	2,965
Transfer to other funds	—	—	—	—
Total	2,873,750	2,954,609	3,205,387	(250,778)
Nutritional Meals Grant Fund:				
Parks, recreation and community services:				
Salaries and benefits	344,778	344,778	263,721	81,057
Maintenance and operations	206,133	206,133	190,262	15,871
Capital	—	—	21,798	(21,798)
Transfer to other funds	—	—	—	—
Total	550,911	550,911	475,781	75,130
Cable Access Fund:				
General government:				
Salaries and benefits	431,280	458,153	448,716	9,437
Maintenance and operations	42,441	82,818	63,602	19,216
Capital	35,000	57,000	77,763	(20,763)
Capital projects	230,000	—	—	—
Other financing uses	—	—	—	—
Total	738,721	597,971	590,082	7,889
Library Grant Fund:				
Library:				
Salaries and benefits	254,901	209,300	174,962	34,338
Maintenance and operations	1,191,164	304,185	113,131	191,054
Capital	—	—	13,000	(13,000)
Transfer to other funds	—	—	—	—
Total	1,446,065	513,485	301,094	212,391
Electric Public Benefit Fund:				
Public service:				
Salaries and benefits	238,200	238,200	206,044	32,156
Maintenance and operations	6,083,300	6,083,300	3,725,280	2,358,020
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	6,321,500	6,321,500	3,931,324	2,390,176
Fire Grant Fund				
Public safety:				
Salaries and benefits	—	1,111,518	516,154	595,364
Maintenance and operations	500,002	716,873	282,226	434,647
Capital	1,464,120	(151,238)	380,153	(531,391)
Transfer to other funds	—	—	—	—
Total	1,964,122	1,677,153	1,178,533	498,620

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Fire Paramedic Fund				
Public safety:				
Salaries and benefits	3,815,526	3,513,526	3,211,574	301,952
Maintenance and operations	3,951,213	3,951,213	5,415,895	(1,464,682)
Capital	220,000	220,000	551,721	(331,721)
Transfer to other funds	—	—	—	—
Total	<u>7,986,739</u>	<u>7,684,739</u>	<u>9,179,190</u>	<u>(1,494,451)</u>
Fire Communications Fund				
Public safety:				
Salaries and benefits	1,530,787	1,676,737	1,870,154	(193,417)
Maintenance and operations	251,699	251,699	217,501	34,198
Capital	1,256,116	1,256,116	560,433	695,683
Debt Service	—	—	—	—
Transfer to other funds	—	—	—	—
Total	<u>3,038,602</u>	<u>3,184,552</u>	<u>2,648,088</u>	<u>536,464</u>
ICIS Fund				
General government:				
Salaries and benefits	—	—	—	—
Maintenance and operations	188,000	438,000	170,110	267,890
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	<u>188,000</u>	<u>438,000</u>	<u>170,110</u>	<u>267,890</u>
Total expenditures and other financing uses \$	<u>89,449,044</u>	<u>99,670,250</u>	<u>69,549,080</u>	<u>30,121,171</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:

- 2003 GRA 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.
- 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 GRA 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.

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Exhibit H-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds - Debt Service

June 30, 2006

	2003 Gra Tax Allocation Bonds	Police Building Project	2002 GRA Tax Allocation Bonds	Total Nonmajor Debt Service Funds
Assets				
Cash and invested cash	\$ 447,903	42,388,290	367,486	43,203,679
Imprest cash	-	-	-	-
Cash with fiscal agent	4,948,506	5,032,857	3,847,671	13,829,035
Interest receivable	-	373,120	-	373,120
Investment in assessment bonds	-	-	-	-
Accounts receivable, net	-	-	-	-
Intergovernmental receivable	-	-	-	-
Due from other agencies	-	-	-	-
Due from other funds	-	-	-	-
Deposits	-	-	-	-
Inventories	-	-	-	-
Loans receivable	-	-	-	-
Property held for resale	-	-	-	-
Total assets	5,396,409	47,794,268	4,215,157	57,405,834
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	196,822	-	196,822
Contracts-retained amount due	-	-	-	-
Due to other funds	-	-	-	-
Due to other agencies	-	-	-	-
Matured principal and interest	-	-	-	-
Accrued wages and withholding	-	-	-	-
Accrued interest	-	-	-	-
Interest payable	-	32,856	-	32,856
Compensated absences	-	-	-	-
Deferred revenues	-	-	-	-
Deposits	-	-	-	-
Intergovernmental payable	-	-	-	-
Total liabilities	-	229,678	-	229,678
Fund Balances:				
Reserved:				
Debt service	4,784,240	3,588,640	3,819,738	12,192,618
Unreserved	612,169	43,975,950	395,419	44,983,538
Total fund balances	5,396,409	47,564,590	4,215,157	57,176,155
Total liabilities and fund balances	\$ 5,396,409	47,794,268	4,215,157	57,405,834

Exhibit H-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2006

	2003 Gra Tax Allocation Bonds	Police Building Project	2002 GRA Tax Allocation Bonds	Total Nonmajor Special Debt Service Funds
Revenues:				
Property taxes	\$ 4,782,990	-	3,818,238	8,601,228
Other taxes	-	-	-	-
Revenue from other agencies	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	226,438	1,254,721	67,261	1,548,420
Intergovernmental revenue	-	-	-	-
Interfund revenue	-	-	-	-
Miscellaneous revenue	-	-	-	-
Total Revenues	5,009,428	1,254,721	3,885,498	10,149,647
Expenditures:				
Operating expenditures				
General government	-	-	-	-
Community promotion	-	-	-	-
Public safety	-	220,019	-	220,019
Public works	-	-	-	-
Housing, health and community development	2,750	-	2,225	4,975
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital	-	-	-	-
Debt service				
Interest on Bonds	2,467,990	1,920,381	1,898,238	6,286,609
Principal	2,315,000	1,200,000	1,920,000	5,435,000
Total expenditures	4,785,740	3,340,400	3,820,463	11,946,603
Excess of revenues over (under) expenditures	223,688	(2,085,679)	65,036	(1,796,956)
Other financing sources (uses):				
Transfer from:				
Transfer to:				
Total financing sources (uses)	-	-	-	-
Net change in fund balances	223,688	(2,085,679)	65,036	(1,796,956)
Fund balance, July 1	5,172,721	49,650,269	4,150,121	58,973,111
Fund Balance, June 30	\$ 5,396,409	47,564,590	4,215,157	57,176,155

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2006

	Original	Final	Actual	Variance (Over)/Under
Police Facility COPs Funds				
Interest and invest. revenue	\$ 1,390,000	1,390,000	1,254,721	135,279
Rental income	—	—	—	—
Other financing sources	—	—	—	—
Total	<u>1,390,000</u>	<u>1,390,000</u>	<u>1,254,721</u>	<u>135,279</u>
2003 Tax Allocation Bonds Fund				
Property taxes	4,782,990	4,782,990	4,782,990	—
Interest and invest. revenue	—	—	226,438	(226,438)
Issuance of debt	—	—	—	—
Bond premium	—	—	—	—
Total	<u>4,782,990</u>	<u>4,782,990</u>	<u>5,009,428</u>	<u>(226,438)</u>
2002 Tax Allocation Bonds Fund				
Property taxes	3,767,237	3,767,237	3,818,238	(51,001)
Interest and invest. revenue	<u>55,000</u>	<u>55,000</u>	<u>67,261</u>	<u>(12,261)</u>
Total	<u>3,822,237</u>	<u>3,822,237</u>	<u>3,885,498</u>	<u>(63,261)</u>
Total revenues and other financing sources	<u>\$ 9,995,227</u>	<u>9,995,227</u>	<u>10,149,647</u>	<u>(154,420)</u>

Exhibit H-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2006

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Police Facility COPS Fund				
Administration	\$ —	2,000	220,019	(218,019)
Debt service	<u>2,796,000</u>	<u>2,796,000</u>	<u>3,120,381</u>	<u>(324,381)</u>
Total	<u>2,796,000</u>	<u>2,798,000</u>	<u>3,340,400</u>	<u>(542,400)</u>
2003 Tax Allocation Bonds fund				
Administration	—	—	2,750	(2,750)
Debt service	<u>4,782,990</u>	<u>4,782,990</u>	<u>4,782,990</u>	<u>—</u>
Total	<u>4,782,990</u>	<u>4,782,990</u>	<u>4,785,740</u>	<u>(2,750)</u>
2002 Tax Allocation Bonds Fund				
Administration	4,000	4,000	2,225	1,775
Debt service	<u>3,818,237</u>	<u>3,818,237</u>	<u>3,818,238</u>	<u>(1)</u>
Total	<u>3,822,237</u>	<u>3,822,237</u>	<u>3,820,463</u>	<u>1,775</u>
Total expenditures and other financing uses	\$ <u>11,401,227</u>	<u>11,403,227</u>	<u>11,946,603</u>	<u>(543,375)</u>

CAPITAL PROJECTS FUNDS

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

- Capital Improvement Fund-To account for financial resources used for major capital projects of the general government operations and include an annual provision for the ultimate post closure and clean up of the Scholl Canyon landfill site.
- State Gas Tax Fund-To account for monies received and expended from state gas tax allocations for street improvement purposes.
- 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
Nonmajor Governmental Funds - Capital Projects
June 30, 2006

	State Gas Tax Fund	Police Facility Construction	Total Nonmajor Capital Projects
Assets			
Cash and invested cash	\$ 8,293,787	1,980,411	10,274,197
Imprest cash	-	-	-
Cash with fiscal agent	-	-	-
Interest receivable	83,360	16,888	100,248
Investment in assessment bonds	-	-	-
Accounts receivable, net	259,723	-	259,723
Intergovernmental receivable	-	-	-
Due from other agencies	607,341	-	607,341
Due from other funds	-	-	-
Deposits	-	-	-
Inventories	-	-	-
Loans receivable	-	-	-
Property held for resale	-	-	-
Total assets	9,244,211	1,997,299	11,241,509
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	115,975	1,686	117,661
Contracts-retained amount due	-	-	-
Due to other funds	-	-	-
Due to other agencies	587,567	-	587,567
Matured principal and interest	-	-	-
Accrued wages and withholding	20,604	-	20,604
Accrued interest	-	-	-
Compensated absences	-	-	-
Deferred revenues	-	-	-
Deposits	-	-	-
Intergovernmental payable	-	-	-
Total liabilities	724,146	1,686	725,831
Fund Balances:			
Reserved:			
Encumbrances	2,892,000	165,000	3,057,000
Unreserved	5,628,065	1,830,613	7,458,678
Total fund balances	8,520,065	1,995,613	10,515,678
Total liabilities and fund balances	\$ 9,244,211	1,997,299	11,241,509

Exhibit I-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Capital Projects

For Fiscal Year Ended June 30, 2006

	State Gas Tax Fund	Police Facility Construction	Total Nonmajor Capital Projects
Revenues:			
Property taxes	\$ -	-	-
Other taxes	-	-	-
Revenue from other agencies	5,014,355	-	5,014,355
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Use of money and property	158,338	59,465	217,803
Intergovernmental revenue	-	-	-
Interfund revenue	-	-	-
Miscellaneous revenue	99,260	-	99,260
Total Revenues	5,271,953	59,465	5,331,418
Expenditures:			
Operating expenditures			
General government	-	-	-
Community promotion	-	-	-
Public safety	-	3,420	3,420
Public works	708,799	-	708,799
Housing, health and community development	-	-	-
Employment programs	-	-	-
Public service	-	-	-
Parks, recreation and community services	-	-	-
Library	-	-	-
Capital	3,942,686	(8,245)	3,934,441
Debt service	-	-	-
Total expenditures	4,651,486	(4,825)	4,646,661
Excess of revenues over (under) expenditures	620,467	64,290	684,757
Other financing sources (uses):			
Transfer from:			
Transfer to:			
Total financing sources (uses)	-	-	-
Net change in fund balances	620,467	64,290	684,757
Fund balance, July 1	7,899,598	1,931,323	9,830,921
Fund Balance, June 30	\$ 8,520,065	1,995,613	10,515,678

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.
- Parking Fund-To account for operations of City-owned public parking lots and garages.
- Refuse Disposal Fund- To account for operations of the City-owned refuse collection and disposal service.

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Exhibit J-1

CITY OF GLENDALE

Combining Statement of Net Assets

Proprietary Fund Type - Nonmajor Enterprise Funds

June 30, 2006

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Refuse Disposal Fund	Non Major Funds - Proprietary
Assets					
Current assets:					
Cash and invested cash	\$ 1,284,251	901,413	4,052,294	6,051,285	12,289,243
Imprest cash	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
Interest receivable	9,582	7,471	32,552	46,699	96,304
Investment in assessment bonds	-	-	-	-	-
Investment-gas/elec commodity	-	-	-	-	-
Accounts receivable, net	-	59,325	274,879	935,689	1,269,894
Unbilled receivable	-	70,307	-	991,779	1,062,087
Intergovernmental receivable	-	-	-	-	-
Due from other agencies	24,050	-	-	-	24,050
Due from other funds	-	-	-	-	-
Deposits	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid items	-	-	28,050	-	28,050
Total current assets	1,317,883	1,038,516	4,387,776	8,025,452	14,769,627
Noncurrent assets:					
Designated & invested cash	-	-	-	-	-
Deferred charges	-	-	-	-	-
Capital assets:					
Land	-	-	5,651,021	1,638,827	7,289,848
Buildings and improvements	-	597,868	41,319,793	6,724,532	48,642,192
Machinery and equipment	60,624	266,151	1,491,079	11,507,883	13,325,736
Infrastructure	-	-	-	-	-
Bldg & impro accm depreciation	(52,179)	(639,980)	(15,459,941)	(11,396,005)	(27,548,105)
Construction in progress	-	-	-	-	-
Total capital assets	8,444	224,038	33,001,952	8,475,237	41,709,672
Total noncurrent assets	8,444	224,038	33,001,952	8,475,237	41,709,672
Total assets	1,326,327	1,262,554	37,389,728	16,500,689	56,479,299
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	63,662	54,594	241,559	328,158	687,973
Contracts-retained amount due	-	-	-	-	-
Accrued wages and withholding	44,833	28,680	70,344	192,765	336,622
Due to other agencies	-	-	58,085	-	58,085
Due to other funds	-	-	-	-	-
Accrued interest	-	-	-	-	-
Matured principal and interest	-	-	-	-	-
Long term debt, due in one year	-	-	-	-	-
Compensated absences	6,870	6,698	25,798	45,595	84,961
Deferred revenues	-	-	-	-	-
Deposits	66,185	22,106	-	190,884	279,175
Intergovernmental payable	-	-	-	-	-
Total current liabilities	181,550	112,079	395,786	757,402	1,446,816
Noncurrent liabilities:					
Claims payable	-	-	-	-	-
Compensated absences	46,373	39,869	102,406	257,846	446,494
Post employment benefits	7,665	7,310	18,722	51,010	84,706
Long term debt	-	-	-	-	-
Total noncurrent liabilities	54,038	47,179	121,127	308,855	531,200
Total liabilities	235,588	159,258	516,913	1,066,257	1,978,016
Net assets:					
Investment in capital assets, net of related de	8,444	224,038	33,001,952	8,475,237	41,709,672
Restricted	-	-	-	-	-
Unrestricted	1,082,296	879,258	3,870,863	6,959,195	12,791,612
Total net assets	\$ 1,090,740	1,103,296	36,872,815	15,434,432	54,501,284

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, 2006

		Hazardous		Refuse Disposal	
		Disposal Fund	Parking Fund	Fund	Total
	Recreation Fund				
Operating revenues	\$				
Charges for services	1,943,315	1,403,386	7,024,251	16,115,129	26,486,080
Miscellaneous revenues	194,341	5,721	1,695	-	201,756
Total operating revenues	2,137,655	1,409,107	7,025,946	16,115,129	26,687,836
Operating expenses:					
Salaries and benefits	1,131,568	944,308	1,952,932	6,301,251	10,330,059
Maintenance and operations	728,327	446,575	2,573,133	7,149,325	10,897,360
Depreciation	7,539	40,539	1,111,462	1,052,183	2,211,722
Total operating expenses	1,867,434	1,431,422	5,637,527	14,502,759	23,439,141
Operating income (loss)	270,221	(22,315)	1,388,419	1,612,370	3,248,695
Non operating revenues (expenses):					
Interest revenue	11,190	19,758	79,733	86,162	196,843
Grant revenue	264,000	9,789	-	56,120	329,909
Other revenue	-	-	-	-	-
Interest expense	-	-	-	-	-
Contribution in aid	19,000	-	-	190,192	209,192
Total non operating revenues, net	294,190	29,546	79,733	332,474	735,944
Income before transfers	564,411	7,231	1,468,152	1,944,844	3,984,639
Transfer in:					
Transfer out:					
Transfer-General Fund	-	-	(1,800,000)	-	(1,800,000)
Total transfer	-	-	(1,800,000)	-	(1,800,000)
Change in net assets	564,411	7,231	(331,848)	1,944,844	2,184,639
Total Net asset, July 1	526,329	1,096,066	37,204,662	13,489,588	52,316,645
Total net assets, June 30	\$ 1,090,740	1,103,297	36,872,814	15,434,432	54,501,284

Exhibit J-3

CITY OF GLENDALE

Combining Statement of Cash Flows

Proprietary FundType - Nonmajor Enterprise Funds

Year Ended June 30, 2006

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Refuse Disposal Fund	Non Major Funds - Proprietary
Cash flows from operating activities:					
Cash from customers	\$ 2,113,605	1,401,209	7,073,542	15,936,525	26,524,881
Cash paid to employees	(1,128,691)	(956,146)	(1,943,084)	(6,322,302)	(10,350,224)
Cash paid to suppliers	(678,256)	(403,806)	(2,367,180)	(7,068,299)	(10,517,541)
Net Cash provided (used) by operating activities	306,658	41,257	2,763,278	2,545,924	5,657,116
Cash flows from noncapital financing activities:					
Operating transfers out					
Transfer-General Fund	-	-	(1,800,000)	-	(1,800,000)
Operating transfers in					
Operating grant received	264,000	9,789	-	56,120	329,909
Net Cash provided (used) by noncapital financing activities	264,000	9,789	(1,800,000)	56,120	(1,470,091)
Cash flows from capital and related financing activities:					
Interest on long term debt	-	-	-	-	-
Bond, premium and interest accrued	-	-	-	-	-
Contribution in aid	19,000	-	-	190,192	209,192
Acquisition of property, plant, and equipment	-	-	(69,692)	(71,799)	(141,491)
Investment - gas/electric commodity	-	-	-	-	-
Net cash provided (used in) capital and related financing activities	19,000	-	(69,692)	118,393	67,701
Cash provided by investing activities - interest received	2,591	25,138	69,483	67,003	164,215
Net increase (decrease) in cash and cash equivalents	592,249	76,184	963,069	2,787,440	4,418,941
Cash and cash equivalents at July 1	692,002	825,230	3,089,225	3,263,844	7,870,302
Cash and cash equivalents at June 30	1,284,251	901,414	4,052,294	6,051,284	12,289,243
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	270,221	(22,315)	1,388,419	1,612,370	3,248,695
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	7,539	40,539	1,111,462	1,052,183	2,211,722
(Increase)Decrease Accounts receivable net	-	(4,535)	(236,360)	(57,320)	(298,214)
(Increase)Decrease Unbilled receivable	-	(3,362)	-	(121,284)	(124,646)
(Increase)Decrease Due from other agencies	(24,050)	-	283,956	-	259,906
(Increase)Decrease Due from other funds	-	-	-	-	-
(Increase)Decrease Inventories	-	-	-	-	-
(Increase)Decrease Prepaid expenses	-	-	(26,177)	-	(26,177)
Increase(Decrease) Accrued salaries and withholding	(1,085)	(2,259)	(2,046)	(21,829)	(27,219)
Increase(Decrease) Compensated absences	3,962	(9,579)	11,894	778	7,054
Increase(Decrease) Post Employment benefit	-	-	-	-	-
Increase(Decrease) Accounts payable	15,334	35,066	174,045	37,497	261,942
Increase(Decrease) Contracts - retention	-	-	-	-	-
Increase(Decrease) Due to other agencies	-	-	58,085	-	58,085
Increase(Decrease) Due to other funds	-	-	-	-	-
Increase(Decrease) Deposits	34,738	7,703	-	43,529	85,969
Increase(Decrease) Claims payable	-	-	-	-	-
Total adjustments	36,438	63,573	1,374,859	933,554	2,408,422
Net cash provided (used) by operating activities	\$ 306,659	41,258	2,763,278	2,545,924	5,657,117
Noncash investing, capital, and financing activities:					
Contributions of capital assets from government					
Increase in fair value of investments	(24,275)	(18,928)	(82,465)	(118,305)	(243,973)

Exhibit J-4
CITY OF GLENDALE
Schedule of Investment in Capital Assets
Nonmajor Enterprise Funds
Year Ended June 30, 2006

	Land	Construction in Progress	Infrastructure	Buildings and Improvements	Machinery and Equipment	Total
Recreation Fund	\$ -	-	-	-	60,624	60,624
Hazardous Disposal Fund	-	-	-	597,868	266,151	864,018
Parking Fund	5,651,021	-	-	41,319,793	1,491,079	48,461,893
Refuse Disposal Fund	1,638,827	-	-	6,724,532	11,507,883	19,871,242
Total capital assets	\$ 7,289,848	-	-	48,642,192	13,325,736	69,257,777

Exhibit J-5

CITY OF GLENDALE

Schedule of Changes in Capital Assets

Non Major Enterprise Funds

Year Ended June 30, 2006

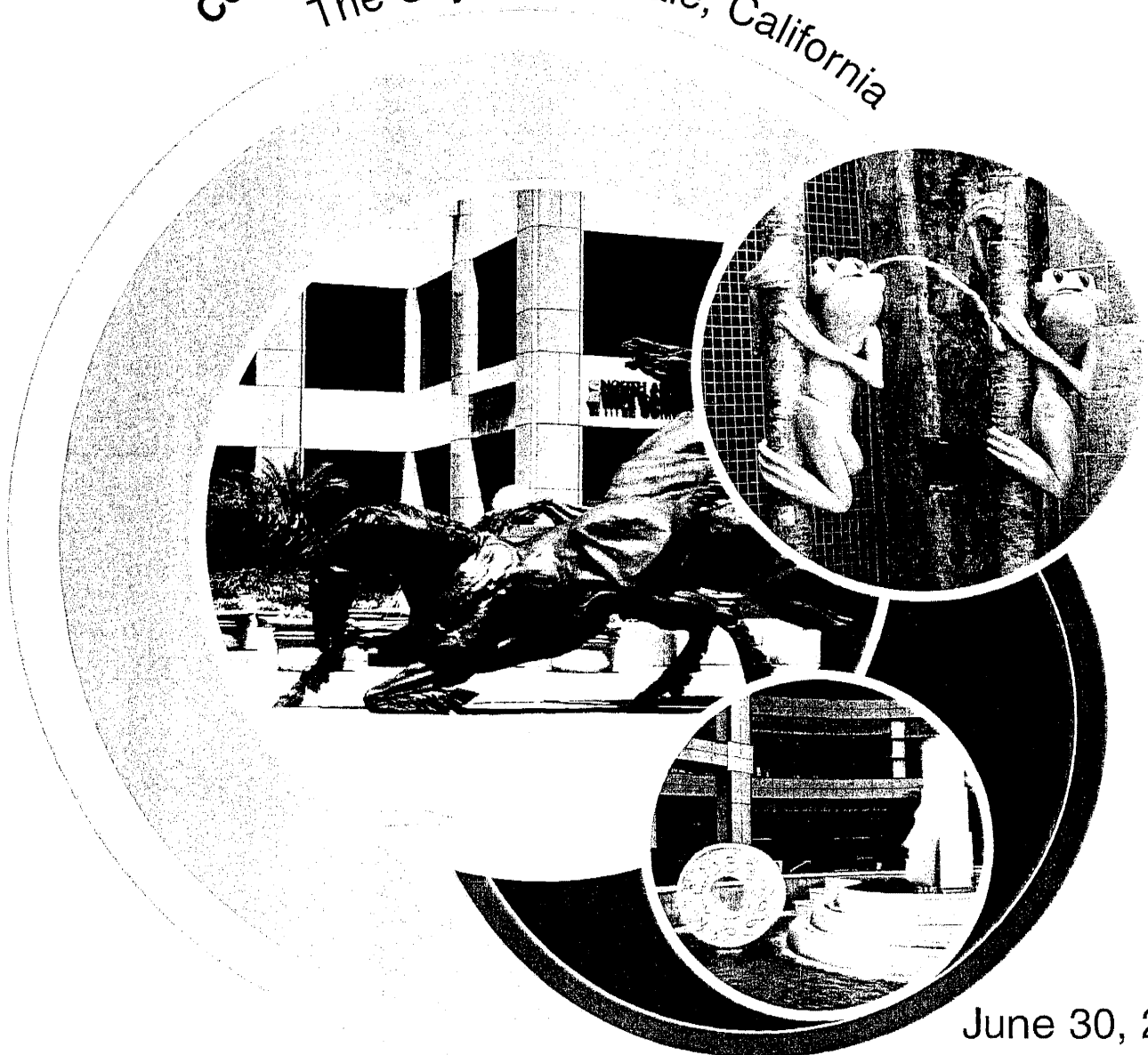
	<u>Balance at July1</u>	<u>Additions/Reclass</u>	<u>Retirements/ Reclass</u>	<u>Total</u>
Recreation Fund	\$ 60,624	-	-	60,624
Hazardous Disposal Fund	880,405		(16,387)	864,018
Fire Paramedic Fund	1,118,374		(1,118,374)	-
Parking Fund	48,654,209	237,227	(429,544)	48,461,893
Refuse Disposal Fund	20,383,417	39,324	(551,499)	19,871,242
Total capital assets	\$ <u>71,097,029</u>	<u>276,551</u>	<u>(2,115,804)</u>	<u>69,257,776</u>

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Internal Service Funds

Comprehensive Annual Financial Report

The City of Glendale, California



June 30, 2006

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.
- Tech Equipment Replacement Fund-To account for technological equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of the technological equipment.
- Application Software Replacement Fund- To account for major application software replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of the major application software.
- Police CAD RMS Replacement Fund- To account for the Police CAD RMS replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of the Police CAD RMS.
- Citywide Document Management System Fund- To account for set-aside funds to maintain and/or replace citywide document management system.
- 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.
- Graphics Operation Fund-To finance and account for the City's graphic department's service usage.
- Wireless Communication Fund-To account for the operation of the citywide radio system.
- Financial System Operation Fund-To account for the support operation of the PeopleSoft financial system.

Exhibit K-1

CITY OF GLENDALE

Combining Statement of Net Assets

Internal Service Funds

June 30, 2006

	Equipment Reserve Fund	Helicopter Depreciation Fund	Tech Equipment Replacement Fd	Application Software Repl Fund	Police CAD RMS Replacemnt Fund
Assets					
Current assets:					
Cash and invested cash	\$ 13,225,101	2,078,464	94,387	105,064	597,415
Imprest cash	-	-	-	-	-
Cash with fiscal agent	(68)	-	-	-	-
Interest receivable	114,017	18,257	-	1,097	2,621
Accounts receivable, net	-	-	-	-	-
Unbilled receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Deposits	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	13,339,051	2,096,721	94,387	106,161	600,036
Noncurrent assets:					
Designated & invested cash	-	-	-	-	-
Deferred charges	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Capital assets:					
Land	-	-	-	-	-
Buildings and improvements	-	-	-	-	-
Machinery and equipment	-	-	22,242	-	-
Infrastructure	-	-	-	-	-
Bldg & impro accm depreciation	-	-	-	-	-
Construction in progress	-	-	-	-	-
Total capital assets	-	-	22,242	-	-
Total assets	13,339,051	2,096,721	116,629	106,161	600,036
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	41,364	-	9,588	9,169	-
Contracts-retained amount due	-	-	-	-	-
Accrued wages and withholding	-	-	-	-	-
Due to other agencies	-	-	-	-	-
Due to other funds	-	-	181,536	-	-
Interest payable	-	-	-	-	-
Claims Payable	-	-	-	-	-
Compensated absences	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Deposits	-	-	-	-	-
Total current liabilities	41,364	-	191,124	9,169	-
Noncurrent liabilities:					
Claims payable	-	-	-	-	-
Compensated absenses	-	-	-	-	-
Post employment benefits	-	-	-	-	-
Long term debt	3,435,877	-	-	-	-
Total noncurrent liabilities	3,435,877	-	-	-	-
Total liabilities	3,477,241	-	191,124	9,169	-
Net assets:					
Investment in capital assets, net of related debt	-	-	-	-	-
Restricted	-	-	-	-	-
Unrestricted	9,861,810	2,096,721	(74,495)	96,992	600,036
Total net assets	9,861,810	2,096,721	(74,495)	96,992	600,036

CITY OF GLENDALE

Combining Statement of Net Assets

Internal Service Funds

June 30, 2006

	Citywide Document Mgt Sys Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund	Liability Insurance Fund	Auto Insurance Fund
Assets					
Current assets:					
Cash and invested cash	\$ 95,000	409,607	5,406,555	1,387,344	2,308,056
Imprest cash	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
Interest receivable	-	3,386	44,513	12,015	18,056
Accounts receivable, net	-	-	-	-	-
Unbilled receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Deposits	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	95,000	412,993	5,451,068	1,399,359	2,326,112
Noncurrent assets:					
Designated & invested cash	-	-	-	-	-
Deferred charges	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Capital assets:					
Land	-	-	-	-	-
Buildings and improvements	-	-	-	-	-
Machinery and equipment	-	-	-	-	-
Infrastructure	-	-	-	-	-
Bldg & impro acm depreciation	-	-	-	-	-
Construction in progress	-	-	-	-	-
Total capital assets	-	-	-	-	-
Total assets	95,000	412,993	5,451,068	1,399,359	2,326,112
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	-	-	71,989	62,398	2,985
Contracts-retained amount due	-	-	-	-	-
Accrued wages and withholding	-	-	-	18,786	-
Due to other agencies	-	-	-	-	-
Due to other funds	-	-	-	-	-
Interest payable	-	-	-	-	-
Claims Payable	-	-	614,949	1,410,993	238,769
Compensated absences	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Deposits	-	-	-	-	-
Total current liabilities	-	-	686,938	1,492,177	241,754
Noncurrent liabilities:					
Claims payable	-	-	2,459,796	5,643,971	955,076
Compensated absences	-	-	-	-	-
Post employment benefits	-	-	-	-	-
Long term debt	-	-	-	-	-
Total noncurrent liabilities	-	-	2,459,796	5,643,971	955,076
Total liabilities	-	-	3,146,734	7,136,148	1,196,830
Net assets:					
Investment in capital assets, net of related debt	-	-	-	-	-
Restricted	-	-	-	-	-
Unrestricted	95,000	412,993	2,304,334	(5,736,789)	1,129,282
Total net assets	95,000	412,993	2,304,334	(5,736,789)	1,129,282

Exhibit K-1
CITY OF GLENDALE
Combining Statement of Net Assets
Internal Service Funds
June 30, 2006

	Compensation Insurance Fund	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund
Assets					
Current assets:					
Cash and invested cash	\$ 8,884,362	311,684	1,534,248	40,983	8,267,603
Imprest cash	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
Interest receivable	75,087	2,675	12,440	340	71,194
Accounts receivable, net	263,170	-	-	-	-
Unbilled receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Due from other agencies	551	-	-	-	-
Due from other funds	-	-	-	-	-
Deposits	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid items	5,000	43,100	217,250	4,800	-
Total current assets	9,228,170	357,459	1,763,938	46,123	8,338,797
Noncurrent assets:					
Designated & invested cash	-	-	-	-	-
Deferred charges	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Capital assets:					
Land	-	-	-	-	-
Buildings and improvements	-	-	-	-	-
Machinery and equipment	75,803	-	-	-	-
Infrastructure	-	-	-	-	-
Bldg & impro acm depreciation	(38,460)	-	-	-	-
Construction in progress	-	-	-	-	-
Total capital assets	37,344	-	-	-	-
Total assets	9,265,514	357,459	1,763,938	46,123	8,338,797
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	57,381	86,125	418,935	4,691	2,806
Contracts-retained amount due	-	-	-	-	-
Accrued wages and withholding	122,085	-	1,509	-	63,322
Due to other agencies	-	-	-	-	-
Due to other funds	-	-	-	-	-
Interest payable	-	-	-	-	-
Claims Payable	2,500,000	-	100,000	-	-
Compensated absences	-	-	-	-	1,613,257
Deferred revenues	-	-	-	-	-
Deposits	-	-	-	-	-
Total current liabilities	2,679,465	86,125	520,444	4,691	1,679,384
Noncurrent liabilities:					
Claims payable	11,355,328	24,000	424,107	4,000	-
Compensated absences	-	-	-	-	7,063,967
Post employment benefits	-	-	-	-	5,431,405
Long term debt	-	-	-	-	-
Total noncurrent liabilities	11,355,328	24,000	424,107	4,000	12,495,371
Total liabilities	14,034,793	110,125	944,551	8,691	14,174,755
Net assets:					
Investment in capital assets, net of related debt	37,344	-	-	-	-
Restricted	-	-	-	-	-
Unrestricted	(4,806,623)	247,334	819,386	37,431	(5,835,958)
Total net assets	(4,769,279)	247,334	819,386	37,431	(5,835,958)

Exhibit K-1
CITY OF GLENDALE
Combining Statement of Net Assets
Internal Service Funds
June 30, 2006

	Graphics Operation Fund	Wireless Communications Sys Fd	Financial System Operation Fd	Internal Service Funds
Assets				
Current assets:				
Cash and invested cash	\$ 152,324	-	988,640	45,886,836
Imprest cash	-	-	-	-
Cash with fiscal agent	-	-	-	(68)
Interest receivable	1,293	-	-	376,991
Accounts receivable, net	-	675	-	263,845
Unbilled receivable	-	-	-	-
Intergovernmental receivable	-	-	-	-
Due from other agencies	-	-	-	551
Due from other funds	-	-	-	-
Deposits	-	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	-	270,150
Total current assets	153,617	675	988,640	46,798,306
Noncurrent assets:				
Designated & invested cash	-	-	-	-
Deferred charges	-	-	-	-
Total noncurrent assets	-	-	-	-
Capital assets:				
Land	-	-	-	-
Buildings and improvements	-	-	-	-
Machinery and equipment	-	89,868	-	187,913
Infrastructure	-	-	-	-
Bldg & impro acm depreciation	-	(34,033)	-	(72,492)
Construction in progress	-	-	-	-
Total capital assets	-	55,835	-	115,421
Total assets	153,617	56,510	988,640	46,913,727
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	11,948	27,331	1,688	808,398
Contracts-retained amount due	-	-	-	-
Accrued wages and withholding	15,544	25,423	24,599	271,268
Due to other agencies	-	-	-	-
Due to other funds	-	392,322	-	573,859
Interest payable	-	-	-	-
Claims Payable	-	-	-	4,864,711
Compensated absences	-	-	-	1,613,257
Deferred revenues	-	-	-	-
Deposits	-	-	-	-
Total current liabilities	27,493	445,076	26,287	8,131,492
Noncurrent liabilities:				
Claims payable	-	-	-	20,866,278
Compensated absenses	-	-	-	7,063,967
Post employment benefits	-	-	-	5,431,405
Long term debt	-	-	-	3,435,877
Total noncurrent liabilities	-	-	-	36,797,527
Total liabilities	27,493	445,076	26,287	44,929,019
Net assets:				
Investment in capital assets, net of related debt	-	55,835	-	93,179
Restricted	-	-	-	-
Unrestricted	126,124	(444,401)	962,353	1,891,529
Total net assets	126,124	(388,566)	962,353	1,984,708

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets
Internal Services
Year ended June 30, 2006

	Equipment Reserve Fund	Helicopter Depreciation Fund	Tech Equipment Replacement Fd	Application Software Repl Fund	Police CAD RMS Replacemnt Fund
Operating revenues	\$				
Charges for services	1,596,341	300,363	180,000	-	-
Miscellaneous revenues	-	-	7,353	-	-
Total operating revenues	1,596,341	300,363	187,353	-	-
Operating Expenses					
Salaries and benefits	-	-	-	-	-
Maintenance and operations	-	24,731	1,108,737	158,091	-
Equipment purchased	973,634	-	-	-	-
Claims and settlements	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	973,634	24,731	1,108,737	158,091	-
Operating income (loss)	622,707	275,632	(921,384)	(158,091)	-
Non operating revenues (expenses):					
	353,500	41,699	1,109	3,645	7,162
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	(147,033)	-	-	-	-
	-	-	-	-	-
Total non operating revenues, net	206,468	41,699	1,109	3,645	7,162
Income before transfers	829,175	317,331	(920,275)	(154,446)	7,162
Transfer in:					
Transfer-General Fund	-	-	675,000	200,000	290,000
Transfer-Capital Funds	-	-	-	-	-
Transfer-Intenal Service Fund	-	-	100,000	-	-
Transfer out					
Transfer-Int Service	-	-	-	(100,000)	-
Total transfer	-	-	775,000	100,000	290,000
Change in net assets	829,175	317,331	(145,275)	(54,446)	297,162
Total net assets, July 1	9,032,635	1,779,390	70,780	151,437	302,874
Total net assets, June 30	\$ 9,861,810	2,096,721	(74,495)	96,991	600,036

CITY OF GLENDALECombining Statement of Revenues, Expenses
and Changes in Net Assets

Internal Services

Year ended June 30, 2006

	Citywide Document Mgt Sys Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund	Liability Insurance Fund	Auto Insurance Fund
Operating revenues	\$				
Charges for services	-	147,089	2,500,430	591,708	814,008
Miscellaneous revenues	-	-	-	-	-
Total operating revenues	-	147,089	2,500,430	591,708	814,008
Operating Expenses					
Salaries and benefits	-	-	-	556,185	-
Maintenance and operations	-	104,968	3,039,530	1,207,255	156,321
Equipment purchased	-	-	-	-	-
Claims and settlements	-	-	(4,213,068)	(6,916,212)	(37,033)
Depreciation	-	-	-	-	-
Total operating expenses	-	104,968	(1,173,538)	(5,152,772)	119,288
Operating income (loss)	-	42,121	3,673,968	5,744,480	694,720
Non operating revenues (expenses):					
	-	8,761	139,002	68,060	38,421
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total non operating revenues, net	-	8,761	139,002	68,060	38,421
Income before transfers	-	50,882	3,812,970	5,812,540	733,141
Transfer in:					
Transfer-General Fund	95,000	-	-	-	-
Transfer-Capital Funds	-	-	-	-	-
Transfer-Internal Service Fund	-	-	-	-	-
Transfer out					
Transfer-Int Service	-	-	-	-	-
Total transfer	95,000	-	-	-	-
Change in net assets	95,000	50,882	3,812,970	5,812,540	733,141
Total net assets, July 1	-	362,110	(1,508,636)	(11,549,329)	396,141
Total net assets, June 30	\$ 95,000	412,992	2,304,334	(5,736,789)	1,129,282

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses

and Changes in Net Assets

Internal Services

Year ended June 30, 2006

	Compensation Insurance Fund	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund
Operating revenues	\$				
Charges for services	8,586,420	1,210,543	9,983,767	98,546	2,126,320
Miscellaneous revenues	33,216	-	-	-	-
Total operating revenues	8,619,637	1,210,543	9,983,767	98,546	2,126,320
Operating Expenses					
Salaries and benefits	1,339,334	-	40,067	-	4,044,805
Maintenance and operations	551,555	1,168,520	8,285,221	82,342	46,238
Equipment purchased	9,083	-	-	-	-
Claims and settlements	7,743,074	-	1,622,735	4,691	-
Depreciation	7,261	-	-	-	-
Total operating expenses	9,650,306	1,168,520	9,948,023	87,033	4,091,042
Operating income (loss)	(1,030,669)	42,023	35,744	11,513	(1,964,722)
Non operating revenues (expenses):					
	226,961	6,338	21,682	859	206,739
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total non operating revenues, net	226,961	6,338	21,682	859	206,739
Income before transfers	(803,708)	48,361	57,426	12,372	(1,757,983)
Transfer in:					
Transfer-General Fund	-	-	-	-	-
Transfer-Capital Funds	-	-	-	-	-
Transfer-Internal Service Fund	-	-	-	-	-
Transfer out					
Transfer-Int Service	-	-	-	-	-
Total transfer	-	-	-	-	-
Change in net assets	(803,708)	48,361	57,426	12,372	(1,757,983)
Total net assets, July 1	(3,965,572)	198,973	761,959	25,060	(4,077,975)
Total net assets, June 30	\$ (4,769,280)	247,334	819,385	37,432	(5,835,958)

Exhibit K-2

CITY OF GLENDALECombining Statement of Revenues, Expenses
and Changes in Net Assets

Internal Services

Year ended June 30, 2006

	Graphics Operation Fund	Wireless Communications Sys Fd	Financial System Operation Fd	Total
Operating revenues	\$			
Charges for services	518,062	7,478	-	28,661,074
Miscellaneous revenues	-	2,987	-	43,557
Total operating revenues	518,062	10,465	-	28,704,631
Operating Expenses				
Salaries and benefits	417,546	782,685	520,566	7,701,187
Maintenance and operations	164,951	715,875	277,716	17,092,050
Equipment purchased	-	-	-	982,716
Claims and settlements	-	-	-	(1,795,812)
Depreciation	-	10,617	-	17,878
Total operating expenses	582,497	1,509,177	798,282	23,998,019
Operating income (loss)	(64,435)	(1,498,712)	(798,282)	4,706,612
Non operating revenues (expenses):				
	3,651	-	1,487	1,129,078
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	(147,033)
	-	29,571	-	29,571
Total non operating revenues, net	3,651	29,571	1,487	1,011,617
Income before transfers	(60,784)	(1,469,141)	(796,795)	5,718,229
Transfer in:				
Transfer-General Fund	-	1,194,699	580,000	3,034,699
Transfer-Capital Funds	-	-	1,045,810	1,045,810
Transfer-Internal Service Fund	-	-	-	100,000
Transfer out				
Transfer-Int Service	-	-	-	(100,000)
Total transfer	-	1,194,699	1,625,810	4,080,509
Change in net assets	(60,784)	(274,442)	829,015	9,798,738
Total net assets, July 1	186,908	(114,124)	133,337	(7,814,031)
Total net assets, June 30	\$ 126,124	(388,566)	962,352	1,984,707

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2006

	Equipment Reserve Fund	Helicopter Depreciation Fund	Tech Equipment Replacement Fd	Application Software Repl Fund
Cash flows from operating activities:				
Cash from customers	\$ 1,596,341	300,363	187,353	-
Cash paid to employees	-	-	-	-
Cash paid to suppliers	(1,104,359)	(24,731)	(940,612)	(148,922)
Net Cash provided (used) by operating activities	491,982	275,632	(753,259)	(148,922)
Cash flows from noncapital financing activities:				
Operating transfers out				
Transfer-Int Service	-	-	-	(100,000)
Operating transfers in				
Transfer-General Fund	-	-	675,000	200,000
Transfer-Capital Funds	-	-	-	-
Transfer-Internal Service Fund	-	-	100,000	-
Operating grant received	-	-	-	-
Net Cash provided (used) by noncapital financing activities	-	-	775,000	100,000
Cash flows from capital and related financing activities:				
Interest on long term debt	(147,033)	-	-	-
Bond, premium and interest accrued	(306,415)	-	-	-
Capital Lease	-	-	-	-
Contribution in aid	-	-	-	-
Acquisition of property, plant, and equipment	-	-	(22,242)	-
Investment - gas/electric commodity	-	-	-	-
Net cash provided (used in) capital and related financing activities	(453,448)	-	(22,242)	-
Cash provided by investing activities - interest received	284,731	35,826	2,201	3,585
Net increase (decrease) in cash and cash equivalents	323,265	311,458	1,700	(45,337)
Cash and cash equivalents at July 1	12,901,768	1,767,006	92,687	150,400
Cash and cash equivalents at June 30	13,225,033	2,078,464	94,387	105,063
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	622,707	275,632	(921,383)	(158,091)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-	-
(Increase)Decrease Unbilled receivable	-	-	-	-
(Increase)Decrease Due from other agencies	-	-	-	-
(Increase)Decrease Due from other funds	-	-	-	-
(Increase)Decrease Inventories	-	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-	-
Increase(Decrease) Accrued salaries and withholding	-	-	-	-
Increase(Decrease) Compensated absences	-	-	-	-
Increase(Decrease) Post Employment benefit	-	-	-	-
Increase(Decrease) Accounts payable	(130,725)	-	(13,412)	9,169
Increase(Decrease) Contracts - retention	-	-	-	-
Increase(Decrease) Due to other agencies	-	-	-	-
Increase(Decrease) Due to other funds	-	-	181,536	-
Increase(Decrease) Deposits	-	-	-	-
Increase(Decrease) Claims payable	-	-	-	-
Total adjustments	(130,725)	-	168,124	9,169
Net cash provided (used) by operating activities	\$ 491,982	275,632	(753,259)	(148,922)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government	(288,845)	(46,251)	-	(2,779)
Increase in fair value of investments				

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2006

	Police CAD RMS Replacemnt Fund	Citywide Document Mgt Sys Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund
Cash flows from operating activities:				
Cash from customers	-	-	147,089	3,766,430
Cash paid to employees	-	-	-	-
Cash paid to suppliers	-	-	(104,968)	(9,293,212)
Net Cash provided (used) by operating activities	-	-	42,121	(5,526,782)
Cash flows from noncapital financing activities:				
Operating transfers out				
Transfer-Int Service	-	-	-	-
Operating transfers in				
Transfer-General Fund	290,000	95,000	-	-
Transfer-Capital Funds	-	-	-	-
Transfer-Internal Service Fund	-	-	-	-
Operating grant received	-	-	-	-
Net Cash provided (used) by noncapital financing activities	290,000	95,000	-	-
Cash flows from capital and related financing activities:				
Interest on long term debt	-	-	-	-
Bond, premium and interest accrued	-	-	-	-
Capital Lease	-	-	-	-
Contribution in aid	-	-	-	-
Acquisition of property, plant, and equipment	-	-	-	-
Investment - gas/electric commodity	-	-	-	-
Net cash provided (used in) capital and related financing activities	-	-	-	-
Cash provided by investing activities - interest received	6,616	-	7,980	173,891
Net increase (decrease) in cash and cash equivalents	296,616	95,000	50,101	(5,352,891)
Cash and cash equivalents at July 1	300,799	-	359,505	10,759,446
Cash and cash equivalents at June 30	597,415	95,000	409,606	5,406,555
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	-	-	42,121	3,673,968
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-	1,266,000
(Increase)Decrease Unbilled receivable	-	-	-	-
(Increase)Decrease Due from other agencies	-	-	-	-
(Increase)Decrease Due from other funds	-	-	-	-
(Increase)Decrease Inventories	-	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-	-
Increase(Decrease) Accrued salaries and withholding	-	-	-	-
Increase(Decrease) Compensated absences	-	-	-	-
Increase(Decrease) Post Employment benefit	-	-	-	-
Increase(Decrease) Accounts payable	-	-	-	71,719
Increase(Decrease) Contracts - retention	-	-	-	-
Increase(Decrease) Due to other agencies	-	-	-	-
Increase(Decrease) Due to other funds	-	-	-	-
Increase(Decrease) Deposits	-	-	-	-
Increase(Decrease) Claims payable	-	-	-	(10,538,469)
Total adjustments	-	-	-	(9,200,750)
Net cash provided (used) by operating activities	-	-	42,121	(5,526,782)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government	(6,640)	-	(8,577)	(112,768)
Increase in fair value of investments				

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2006

	Liability Insurance Fund	Auto Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
Cash flows from operating activities:				
Cash from customers	591,708	814,008	8,386,368	1,210,543
Cash paid to employees	(555,130)	-	(1,325,430)	-
Cash paid to suppliers	(1,716,135)	(153,599)	(7,569,255)	(1,163,776)
Net Cash provided (used) by operating activities	(1,679,557)	660,409	(508,317)	46,767
Cash flows from noncapital financing activities:				
Operating transfers out				
Transfer-Int Service	-	-	-	-
Operating transfers in				
Transfer-General Fund	-	-	-	-
Transfer-Capital Funds	-	-	-	-
Transfer-Internal Service Fund	-	-	-	-
Operating grant received	-	-	-	-
Net Cash provided (used) by noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Interest on long term debt	-	-	-	-
Bond, premium and interest accrued	-	-	-	-
Capital Lease	-	-	-	-
Contribution in aid	-	-	-	-
Acquisition of property, plant, and equipment	-	-	3,484	-
Investment - gas/electric commodity	-	-	-	-
Net cash provided (used in) capital and related financing activities	-	-	3,484	-
Cash provided by investing activities - interest received	85,503	29,135	220,515	5,085
Net increase (decrease) in cash and cash equivalents	(1,594,054)	689,544	(284,318)	51,852
Cash and cash equivalents at July 1	2,981,398	1,618,513	9,168,680	259,832
Cash and cash equivalents at June 30	1,387,344	2,308,057	8,884,362	311,684
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	5,744,480	694,720	(1,030,669)	42,023
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	7,261	-
(Increase)Decrease Accounts receivable net	-	-	(233,269)	-
(Increase)Decrease Unbilled receivable	-	-	-	-
(Increase)Decrease Due from other agencies	-	-	-	-
(Increase)Decrease Due from other funds	-	-	-	-
(Increase)Decrease Inventories	-	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-	-
Increase(Decrease) Accrued salaries and withholding	1,054	-	(10,570)	-
Increase(Decrease) Compensated absences	-	-	-	-
Increase(Decrease) Post Employment benefit	-	-	24,474	-
Increase(Decrease) Accounts payable	(71,226)	2,985	(6,074)	4,744
Increase(Decrease) Contracts - retention	-	-	-	-
Increase(Decrease) Due to other agencies	-	-	-	-
Increase(Decrease) Due to other funds	-	-	-	-
Increase(Decrease) Deposits	-	-	-	-
Increase(Decrease) Claims payable	(7,353,865)	(37,297)	740,531	-
Total adjustments	(7,424,037)	(34,312)	522,353	4,744
Net cash provided (used) by operating activities	(1,679,557)	660,408	(508,316)	46,767
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government	(30,437)	(45,743)	(190,222)	(6,778)
Increase in fair value of investments				

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2006

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Graphics Operation Fund
Cash flows from operating activities:				
Cash from customers	9,983,767	98,546	2,126,320	518,062
Cash paid to employees	(39,626)	-	(3,763,540)	(415,676)
Cash paid to suppliers	(10,023,951)	(91,192)	(43,432)	(153,588)
Net Cash provided (used) by operating activities	(79,810)	7,354	(1,680,652)	(51,202)
Cash flows from noncapital financing activities:				
Operating transfers out				
Transfer-Int Service	-	-	-	-
Operating transfers in				
Transfer-General Fund	-	-	-	-
Transfer-Capital Funds	-	-	-	-
Transfer-Internal Service Fund	-	-	-	-
Operating grant received	-	-	-	-
Net Cash provided (used) by noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Interest on long term debt	-	-	-	-
Bond, premium and interest accrued	-	-	-	-
Capital Lease	-	-	-	-
Contribution in aid	-	-	-	-
Acquisition of property, plant, and equipment	-	-	-	-
Investment - gas/electric commodity	-	-	-	-
Net cash provided (used in) capital and related financing activities	-	-	-	-
Cash provided by investing activities - interest received	9,242	763	171,554	2,946
Net increase (decrease) in cash and cash equivalents	(70,568)	8,117	(1,509,098)	(48,256)
Cash and cash equivalents at July 1	1,604,815	32,866	9,776,701	200,579
Cash and cash equivalents at June 30	1,534,247	40,983	8,267,603	152,323
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	35,744	11,512	(1,964,723)	(64,435)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-	-
(Increase)Decrease Unbilled receivable	-	-	-	-
(Increase)Decrease Due from other agencies	-	-	-	-
(Increase)Decrease Due from other funds	-	-	-	-
(Increase)Decrease Inventories	-	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-	-
Increase(Decrease) Accrued salaries and withholding	441	-	49,672	1,870
Increase(Decrease) Compensated absences	-	-	530,984	-
Increase(Decrease) Post Employment benefit	-	-	(299,390)	-
Increase(Decrease) Accounts payable	(115,995)	(4,158)	2,806	11,364
Increase(Decrease) Contracts - retention	-	-	-	-
Increase(Decrease) Due to other agencies	-	-	-	-
Increase(Decrease) Due to other funds	-	-	-	-
Increase(Decrease) Deposits	-	-	-	-
Increase(Decrease) Claims payable	-	-	-	-
Total adjustments	(115,554)	(4,158)	284,072	13,234
Net cash provided (used) by operating activities	(79,810)	7,354	(1,680,651)	(51,201)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government	(31,514)	(863)	(180,359)	(3,275)
Increase in fair value of investments				

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2006

	Wireless Communications Sys Fd	Financial System Operation Fd	Internal Service Funds
Cash flows from operating activities:			
Cash from customers	11,243	-	29,738,140
Cash paid to employees	(785,080)	(511,447)	(7,395,929)
Cash paid to suppliers	(300,318)	(276,028)	(33,108,077)
Net Cash provided (used) by operating activities	(1,074,155)	(787,475)	(10,765,866)
Cash flows from noncapital financing activities:			
Operating transfers out			
Transfer-Int Service	-	-	-100000
Operating transfers in			
Transfer-General Fund	1,194,699	580,000	3034699
Transfer-Capital Funds	-	1,045,810	1045810.47
Transfer-Internal Service Fund	-	-	100000
Operating grant received	-	-	-
Net Cash provided (used) by noncapital financing activities	1,194,699	1,625,810	4,080,509
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	(147,033)
Bond, premium and interest accrued	-	-	(306,415)
Capital Lease	-	-	-
Contribution in aid	29,571	-	29,571
Acquisition of property, plant, and equipment	(30,804)	-	(49,561)
Investment - gas/electric commodity	-	-	-
Net cash provided (used in) capital and related financing activities	(1,233)	-	(473,438)
Cash provided by investing activities - interest received	-	2,408	1,041,983
Net increase (decrease) in cash and cash equivalents	119,311	840,743	(6,116,812)
Cash and cash equivalents at July 1	(119,312)	147,896	52,003,580
Cash and cash equivalents at June 30	(1)	988,639	45,886,768
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	(1,498,712)	(798,282)	4,706,612
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	10,617	-	17,878
(Increase)Decrease Accounts receivable net	778	-	1,033,509
(Increase)Decrease Unbilled receivable	-	-	-
(Increase)Decrease Due from other agencies	-	-	-
(Increase)Decrease Due from other funds	-	-	-
(Increase)Decrease Inventories	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Accrued salaries and withholding	(2,395)	9,119	49,190
Increase(Decrease) Compensated absences	-	-	530,984
Increase(Decrease) Post Employment benefit	-	-	(274,916)
Increase(Decrease) Accounts payable	23,235	1,688	(213,881)
Increase(Decrease) Contracts - retention	-	-	-
Increase(Decrease) Due to other agencies	-	-	-
Increase(Decrease) Due to other funds	392,322	-	573,859
Increase(Decrease) Deposits	-	-	-
Increase(Decrease) Claims payable	-	-	(17,189,100)
Total adjustments	424,557	10,807	(15,472,477)
Net cash provided (used) by operating activities	(1,074,155)	(787,475)	(10,765,865)
Noncash investing, capital, and financing activities:			
Contributions of capital assets from government	-	-	(955,051)
Increase in fair value of investments	-	-	-

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Exhibit L-1

CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2006

	Construction in					
	Land	Progress	Infrastructure	Buildings	Equipment	Total
General government						
City Council	-	148,234	-	-	1,781,111	1,929,345
City Clerk	-	9,788	-	-	0	9,788
City Treasurer	-	-	-	-	6,245	6,245
City Manager	-	-	-	-	428,516	428,516
Legal	-	-	-	10,000	40,578	50,578
Finance	-	0	-	-	6,130,204	6,130,204
Purchasing	-	-	-	-	-	-
Graphics	-	-	-	-	300,829	300,829
Information Technology	-	630,776	12,221,370	325,000	14,616,256	27,793,402
Planning	-	-	-	-	39,097	39,097
Personnel	-	-	-	-	233,418	233,418
Total	-	788,798	12,221,370	335,000	23,576,254	36,921,422
Public Safety						
Police	5,226,855	2,979,166	-	68,723,552	12,240,759	89,170,332
Fire	5,924,956	69,228	-	18,111,296	13,565,650	37,671,130
Fire Communications	-	-	-	12,507	3,839,901	3,852,408
Fire Paramedics	-	-	-	-	1,118,374	1,118,374
Emergency Services	-	-	-	-	140,008	140,008
Total	11,151,811	3,048,394	-	86,847,356	30,904,691	131,952,252
Public Works						
Public works	14,191,930	24,708,607	5,259,111	1,207,042	1,358,645	46,725,335
Engineering	-	-	-	-	241,783	241,783
Permit services/building inspection	-	445,017	-	-	535,461	980,478
Corporation yard	306,974	65,351	-	1,778,315	34,682	2,185,322
Building services	5,044,007	1,021,315	57,039	43,258,381	412,114	49,792,857
Streets	269,148,435	6,704,332	185,564,821	(1)	4,386,863	465,804,449
Mechanical maintenance	-	-	-	-	488,258	488,258
Traffic engineering	-	-	-	-	-	-
Traffic safety control	-	2,176,509	12,860,640	1	167,432	15,204,582
Transit administration	15,440,916	-	-	2,204,913	8,231,018	25,876,847
Air quality improvement	-	596,149	-	-	-	596,149
Total	304,132,262	35,717,280	203,741,611	48,448,652	15,856,256	607,896,060
Housing, health, and community development						
Housing administration	6,194,390	-	-	-	283,024	6,477,414
Community dev admin	424,866	10,763,700	326,000	14,160,175	132,425	25,807,166
Neighborhood services	-	-	-	-	227,852	227,852
WIA	-	-	-	-	-	-
Glendale redevelopment agency	1,918,312	3,434,086	-	8,639,952	557,015	14,549,365
Total	8,537,568	14,197,785	326,000	22,800,127	1,200,317	47,061,797
Parks, recreation and community services						
services	37,483,504	7,157,385	-	53,741,378	2,539,169	100,921,436
Library	447,945	1,277,223	-	9,114,557	1,834,916	12,674,640
Total capital assets	361,753,090	62,186,865	216,288,981	221,287,070	75,911,603	937,427,607
Accumulated depreciation			(85,654,739)	(52,902,273)	(45,012,137)	(183,569,148)
Net capital assets	361,753,090	62,186,865	130,634,242	168,384,797	30,899,466	753,858,459

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 L-2

CITY OF GLENDALE

Capital Assets used in the Operation of Governmental Funds
Schedule by Function and Activity
Year Ended June 30, 2006

	Balance at July 1	Additions	Retirements	Reclass	Total
General government:					
City council	\$ 1,861,246	51,449	-	16,650	1,929,345
City clerk	9,693	95	-	-	9,788
City treasurer	6,245	-	-	-	6,245
City manager	480,519	-	-	(52,003)	428,516
Legal	67,327	-	-	(16,749)	50,578
Finance	6,130,204	-	-	-	6,130,204
Purchasing	-	-	-	-	-
Graphics	333,054	-	(32,225)	-	300,829
Information services	26,835,640	1,007,629	(66,626)	16,759	27,793,402
Planning	39,097	-	-	-	39,097
Personnel	233,418	-	-	-	233,418
Total	35,996,441	1,059,174	(98,851)	(35,342)	36,921,422
Public safety:					
Police	83,497,383	5,878,609	(912,249)	706,589	89,170,332
Fire	37,912,669	588,668	(373,124)	(457,082)	37,671,130
Fire communications	3,740,788	111,620	-	-	3,852,408
Fire paramedics	-	-	-	1,118,374	1,118,374
Emergency services	140,008	-	-	-	140,008
Total	125,290,847	6,578,897	(1,285,373)	1,367,881	131,952,252
Public works:					
Public works	29,912,824	16,762,362	-	50,150	46,725,335
Engineering	261,168	-	(7,457)	(11,928)	241,783
Permit services	897,598	82,880	-	-	980,478
Corporation yard	2,185,322	-	-	-	2,185,322
Building services	49,682,533	470,766	(24,711)	(335,731)	49,792,857
Street	467,906,265	4,806,684	(6,939,566)	31,067	465,804,449
Mechanical maintenance	582,015	-	(16,215)	(77,543)	488,258
Traffic engineering	-	-	-	-	-
Traffic safety controls	14,895,873	311,871	(3,162)	-	15,204,582
Transit Administration	25,423,268	757,422	(303,843)	-	25,876,847
Air quality improvement	596,159	-	-	(10)	596,149
Total	592,343,025	23,191,985	(7,294,954)	(343,996)	607,896,060
Housing, health and community development:					
Housing administration	3,928,817	2,590,075	(68,918)	27,440	6,477,414
Community dev admin	25,557,190	334,788	-	(84,812)	25,807,166
Neighborhood services	196,498	43,213	(6,851)	(5,008)	227,852
Electric benefit	-	-	-	-	-
Glendale redevelopment agency	13,848,345	726,808	(25,788)	-	14,549,365
Total	43,530,850	3,694,885	(101,557)	(62,380)	47,061,797
Parks, recreation and community services:					
Parks administration	91,107,842	9,503,812	(218,229)	528,011	100,921,436
Total	91,107,842	9,503,812	(218,229)	528,011	100,921,436
Library					
	12,502,113	187,372	-	(14,845)	12,674,640
Total capital assets	\$ 900,771,118	44,216,125	(8,998,964)	1,439,329	937,427,607

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.

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

Comprehensive Annual Financial Report

The City of Glendale, California



June 30, 2006

Schedule 1

CITY OF GLENDALE

Net Assets by Component,

Last Five Fiscal Years

(accrual basis of accounting)

		Fiscal Year				
		2006	2005	2004	2003	2002
Governmental activities						
Invested in capital assets, net of related debt	\$	679,204,502	658,444,661	635,754,391	607,259,731	507,880,535
Restricted		61,878,240	60,899,466	51,899,739	95,244,662	152,983,113
Unrestricted		159,129,733	151,155,039	150,126,704	131,816,563	70,119,629
Total governmental activities net assets		900,212,475	870,499,166	837,780,834	834,320,956	730,983,277
Business-type activities						
Invested in capital assets, net of related debt		435,757,427	393,341,990	371,934,174	347,098,897	387,742,819
Restricted		8,652,549	12,460,324	11,947,183	4,813,514	56,758,155
Unrestricted		221,229,536	261,248,290	282,328,096	302,302,313	146,757,261
Total business-type activities net assets		665,639,512	667,050,604	666,209,453	654,214,724	591,258,235
Primary government						
Invested in capital assets, net of related debt		1,114,961,929	1,051,786,651	1,007,688,565	954,358,628	895,623,354
Restricted		70,530,789	73,359,790	63,846,922	100,058,176	209,741,268
Unrestricted		380,359,269	412,403,329	432,454,800	434,118,876	216,876,890
Total primary government net assets	\$	1,565,851,987	1,537,549,770	1,503,990,287	1,488,535,680	1,322,241,512

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 2
CITY OF GLENDALE
Changes in Net Assets,
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Expenses					
Governmental activities:					
General government	\$ 20,288,977	17,536,301	11,120,654	20,470,968	17,312,420
Public safety	94,722,874	83,073,619	50,085,239	67,710,304	73,553,870
Public works	37,021,583	39,261,265	46,434,742	37,845,995	33,002,905
Housing, health, and comm dev	47,579,613	39,683,369	49,923,044	29,670,727	29,565,756
Employment programs	6,101,639	5,136,068	4,824,151	5,472,648	5,479,175
Public service	3,897,611	5,023,909	5,693,244	5,216,198	3,356,978
Parks, recreation and community services	15,588,477	10,065,778	25,219,090	24,428,978	9,516,116
Library	7,913,125	7,002,416	1,544,076	6,959,472	6,968,227
Interest and fiscal charges on bonds	8,251,413	7,284,073	6,728,374	1,754,409	4,753,104
Total governmental activities expenses	<u>241,365,312</u>	<u>214,066,798</u>	<u>201,572,614</u>	<u>199,529,699</u>	<u>183,508,551</u>
Business-type activities:					
Recreation	1,851,420	2,078,111	2,267,888	2,013,220	1,946,339
Hazardous disposal	1,419,147	1,350,207	1,715,400	1,705,597	1,429,576
Fire paramedic	-	8,150,014	7,455,906	6,576,605	3,719,364
Parking	5,589,183	5,913,574	5,704,504	7,236,084	5,502,362
Sewer	6,869,938	8,111,849	9,790,039	3,588,226	6,479,740
Refuse disposal	14,378,390	14,636,096	14,638,968	13,023,662	11,975,653
Electric	184,761,996	147,377,059	141,988,922	141,798,777	168,388,851
Water	26,150,586	25,607,770	25,605,566	23,623,578	23,815,732
Total business-type activities expenses	<u>241,020,660</u>	<u>213,224,680</u>	<u>209,167,193</u>	<u>199,565,749</u>	<u>223,257,617</u>
Total primary government expenses	<u>\$ 482,385,972</u>	<u>427,291,478</u>	<u>410,739,807</u>	<u>399,095,448</u>	<u>406,766,168</u>

Notes:

- (1) City of Glendale implemented GASB Statement 34 in fiscal year 2002.
- (2) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.

Not covered by independent auditor's report

Schedule 2
CITY OF GLENDALE
Changes in Net Assets,
Last Five Fiscal Years, continued
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 8,762,201	8,599,712	9,167,221.00	8,270,990	7,846,676
Public safety	12,169,254	3,757,348	3,949,372.00	5,684,897	5,401,658
Public works	12,673,911	11,255,858	10,833,546.00	8,786,285	6,960,323
Housing, health, and comm dev	110,157	98,407	104,401.00	130,263	780,585
Employment programs	1,154,398	937,334	806,376.00	346,113	-
Parks, recreation and community services	28,414	31,234	94,477.00	35,522	34,900
Library	201,576	150,409	192,994.00	148,301	137,520
Operating grants and contributions	40,616,748	33,854,952	36,000,980.00	44,369,195	32,812,220
Capital grants and contributions	15,536,062	6,859,992	9,503,962.00	13,766,472	23,652,782
Total governmental activities program revenues	91,252,721	65,545,246	70,653,329.00	81,538,038	77,626,664
Business-type activities:					
Charges for services:					
Recreation	1,943,315	1,736,065	1,617,037	1,552,402	1,628,997
Hazardous disposal	1,403,386	1,402,711	1,437,485	1,508,424	1,304,327
Fire paramedic	-	6,886,791	6,389,735	6,067,908	4,201,104
Parking	7,024,251	7,139,345	6,159,057	6,058,328	5,464,878
Sewer	16,610,496	16,323,362	16,036,332	19,040,614	18,252,337
Refuse disposal	16,115,129	15,403,846	13,758,613	13,132,318	11,432,177
Electric	170,207,430	148,798,618	151,718,142	178,631,530	188,297,461
Water	31,188,695	29,752,971	31,377,023	31,633,490	28,467,545
Operating grants and contributions	511,385	658,669	714,908	1,542,480	1,112,852
Capital grants and contributions	2,712,227	1,376,259	3,344,256	1,471,846	5,974,204
Total business-type activities program revenues	247,716,314	229,478,637	232,552,588	260,639,340	266,135,882
Total primary government program revenues	338,969,035	295,023,883	303,205,917	342,177,378	343,762,546
Net (Expense) / Revenue					
Governmental activities	(150,112,591)	(148,521,552)	(130,919,285)	(117,991,661)	(105,881,887)
Business-type activities	6,695,654	16,253,957	23,385,395	61,073,591	42,878,265
Total primary government net expense	\$ (143,416,937)	(132,267,595)	(107,533,890)	(56,918,070)	(63,003,622)

Notes:

- (1) City of Glendale implemented GASB Statement 34 in fiscal year 2002.
- (2) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.

Not covered by independent auditor's report

Schedule 2
CITY OF GLENDALE
Changes in Net Assets,
Last Five Fiscal Years, continued
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 60,960,571	55,715,841	39,491,452	39,180,640	32,515,435
Sales taxes	23,984,472	22,350,550	28,327,671	30,316,912	27,546,950
Utility users tax	24,386,420	23,772,356	22,666,281	19,488,127	18,699,935
Other taxes	19,216,137	18,561,727	11,920,357	10,914,956	9,957,957
Investment income	6,888,268	9,057,355	2,695,593	13,354,054	18,415,113
Other	22,351,705	15,461,239	14,194,165	19,485,092	23,091,895
Transfers	24,357,406	27,126,871	21,986,833	19,170,585	14,642,469
Contributions	-	-	-	-	(7,747,000)
Total governmental activities	182,144,979	172,045,939	141,282,352	151,910,366	137,122,754
Business-type activities:					
Investment income	6,420,738	8,250,726	2,696,808	10,588,925	13,196,106
Other	7,510,846	3,463,339	5,948,859	10,464,558	6,886,469
Transfers	(24,357,406)	(27,126,871)	(21,986,833)	(19,170,585)	(14,642,469)
Contributions	-	-	-	-	7,747,000
Total business-type activities	(10,425,822)	(15,412,806)	(13,341,166)	1,882,898	13,187,106
Total primary government	171,719,157	156,633,133	127,941,186	153,793,264	150,309,860
Change in Net Assets					
Governmental activities	32,032,388	23,524,387	10,363,067	33,918,705	31,240,867
Business-type activities	(3,730,168)	841,151	10,044,229	62,956,489	56,065,371
Total primary government	\$ 28,302,220	24,365,538	20,407,296	96,875,194	87,306,238

(1) City of Glendale implemented GASB Statement 34 in fiscal year 2002.

(2) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.

Not covered by independent auditor's report

Schedule 3

CITY OF GLENDALE

Fund Balances, Governmental Funds,

Last Five Fiscal Years

(accrual basis of accounting)

		Fiscal Year				
		2006	2005	2004	2003	2002
General Fund						
Reserved	\$	85,584,977	83,852,172	80,144,635	78,283,090	77,300,951
Unreserved		<u>30,598,318</u>	<u>33,998,485</u>	<u>43,138,383</u>	<u>48,132,941</u>	<u>44,094,861</u>
Total general fund		<u><u>116,183,295</u></u>	<u><u>117,850,657</u></u>	<u><u>123,283,018</u></u>	<u><u>126,416,031</u></u>	<u><u>121,395,812</u></u>
All Other Governmental Funds						
Reserved		130,957,466	158,662,978	210,280,587	143,494,066	104,347,001
Unreserved, reported in:						
Glendale redevelopment agency fund		(32,769,597)	(24,234,365)	(76,576,266)	3,367,505	(41,368,709)
Special revenue funds		33,451,540	21,339,056	19,177,683	23,355,973	36,849,150
Debt service funds		44,983,538	45,178,348	46,890,553	-	-
Capital project funds		<u>12,030,298</u>	<u>1,703,148</u>	<u>283,213</u>	<u>36,074,869</u>	<u>54,598,434</u>
Total all other governmental funds	\$	<u><u>188,653,245</u></u>	<u><u>202,649,165</u></u>	<u><u>200,055,770</u></u>	<u><u>206,292,413</u></u>	<u><u>154,425,876</u></u>

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 4

CITY OF GLENDALE

Changes in Fund Balances, Governmental Funds,

Last Five Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Revenues					
Property taxes	\$ 60,960,571	55,715,841	39,491,452	39,180,640	32,515,435
Other taxes	69,172,321	66,178,382	64,277,231	62,095,758	57,389,360
Revenue from other agencies	56,246,893	45,578,712	54,001,109	60,288,829	65,307,956
Licenses and permits	6,247,516	5,303,096	4,698,326	3,924,707	3,045,465
Fines and forfeitures	1,671,181	1,822,191	1,031,667	2,256,706	1,571,118
Charges for services	21,078,844	12,036,406	12,004,530	11,522,159	10,955,713
Use of money and property	8,914,282	10,821,080	5,259,400	16,363,459	19,791,565
Intergovernmental revenue	1,500,000	1,250,000	1,000,000	-	-
Interfund revenue	7,773,550	7,490,799	8,445,531	7,640,762	5,916,913
Miscellaneous revenue	10,899,088	4,688,826	4,728,408	3,323,677	8,671,241
Total revenues	244,464,246	210,885,333	194,937,654	206,596,697	205,164,766
Expenditures					
General government	17,984,333	16,729,750	16,430,751	14,941,501	13,865,233
Community promotion	244,919	116,288	55,789	63,163	62,305
Public safety	97,465,709	82,324,253	68,452,749	62,727,802	58,827,518
Public works	29,767,155	25,968,096	22,828,915	22,293,403	21,230,878
Housing, health and community development	37,746,572	35,587,996	45,043,645	33,826,832	24,310,362
Employment programs	6,129,225	4,968,111	4,869,807	5,372,957	5,423,572
Public service	3,931,324	4,859,416	5,474,212	5,118,860	3,356,978
Parks, recreation and community services	11,966,341	10,286,410	9,329,411	9,003,763	8,090,339
Library	7,667,599	6,815,400	6,409,179	6,392,455	6,534,562
Capital outlay	53,228,177	41,255,317	34,383,554	65,872,657	62,019,580
Debt service					
Interest	6,378,990	5,706,641	6,967,915	6,313,921	4,648,390
Principal	5,575,000	6,482,164	2,910,000	3,400,000	3,215,000
Fiscal agent fees	-	-	2,119,724	1,274,967	18,494
Total expenditures	278,085,344	241,099,842	225,275,651	236,602,281	211,603,211
Excess of revenues over (under) expenditures	\$ (33,621,098)	(30,214,509)	(30,337,997)	(30,005,584)	(6,438,445)

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 4

CITY OF GLENDALE

Changes in Fund Balances, Governmental Funds,

Last Five Fiscal Years, continued

(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Other Financing Sources (Uses)					
Proceeds from borrowing	\$ -	-	61,494,516	52,521,755	-
Payments to escrow agent	-	-	(62,110,058)	-	-
Transfers in	33,684,317	31,423,778	55,860,497	46,814,788	19,772,036
Transfers out	<u>(13,407,420)</u>	<u>(13,242,178)</u>	<u>(40,403,664)</u>	<u>(25,644,203)</u>	<u>(4,813,845)</u>
Total other financing sources (uses)	<u>20,276,897</u>	<u>18,181,600</u>	<u>14,841,291</u>	<u>73,692,340</u>	<u>14,958,191</u>
Net change in fund balances	\$ (13,344,201)	(12,032,909)	(15,496,706)	43,686,756	8,519,746
Debt service as a percentage of noncapital expenditures	5.3%	6.1%	5.2%	5.7%	5.3%

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 5

CITY OF GLENDALE

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
1997	\$ 7,661,335,934	\$ 2,018,156,052	\$ 374,348,413	\$ 1,030,915,034	\$ 88,443,474	\$ 10,996,311,959	0.24407%
1998	7,643,079,793	2,011,184,484	363,630,707	1,070,003,955	90,986,415	10,996,912,524	0.24173%
1999	7,797,808,813	2,006,777,373	431,184,588	1,274,402,844	89,547,135	11,420,626,483	0.25132%
2000	8,201,508,030	2,116,108,478	530,753,472	1,399,081,689	87,718,225	12,159,733,444	0.25815%
2001	8,774,022,346	2,201,476,234	554,572,450	1,428,681,435	89,130,465	12,869,622,000	0.25005%
2002	9,331,024,169	2,540,254,851	585,095,804	1,407,193,492	124,524,862	13,739,043,454	0.25169%
2003	9,930,375,052	2,644,888,768	613,641,859	1,305,607,484	95,408,999	14,399,104,164	0.24921%
2004	10,798,578,356	2,951,683,831	635,830,929	1,258,783,015	101,791,165	15,543,084,966	0.25012%
2005	11,756,804,494	3,078,835,750	645,595,604	1,589,154,198	496,524,354	16,573,865,692	0.24192%
2006	12,775,594,872	3,551,225,216	631,047,725	1,152,535,394	105,209,122	18,005,194,085	0.25043%

Notes:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is assessed at the purchased price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

(2) Total direct tax rate is the weighted average of all individual direct rates, calculated by HdL Coren & Cone.

Not covered by independent auditor's report

Schedule 6

CITY OF GLENDALE

Direct and Overlapping Property Tax Rates

Fiscal Year 2006

Fiscal Year				Overlapping Rates				
	City Basic Rate	Redevelopment Agency Rate	Total Direct Tax Rate	City of Glendale Area	Flood Control District	Detention Facilities	Glendale Community College District	Glendale Unified School District
2006	0.13687%	1.00600%	0.25043%	0.0052%	0.00005%	0.0008%	0.01858%	0.0522%

Notes:

(1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the property resides within. Due to the passage of the Proposition 13, the City of Glendale levies no tax but receives a portion (0.13687%) of the County's 1% rate apportioned on a complex formula. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the various voter-approved bonds.

(2) The rates are calculated by HdL Coren & Cone.

Not covered by independent auditor's report

Schedule 7

CITY OF GLENDALE

Principal Property Tax Payers

Last Two Fiscal Years

Taxpayer	Fiscal Year 2006			Fiscal Year 2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
GGP Homart II	392,312,847	1	2.11%			
Walt Disney World Company	247,489,422	2	1.33%	254,944,894	1	1.49%
Glendale Adventist Medical Center	178,654,059	3	0.96%	150,689,481	4	0.88%
Wells Reit Glendale California LLC	163,129,811	4	0.88%	159,931,189	3	0.94%
Glendale Plaza Realty Holding Company	139,127,369	5	0.75%	136,399,382	5	0.80%
Metropolitan Life Insurance Company	119,340,000	6	0.64%			
CLPF-500 Brand	108,000,000	7	0.58%			
Maguire Properties 611 N. Brand LLC	92,106,000	8	0.50%			
Glendale Memorial Hospital & Health Center	89,150,834	9	0.48%	112,154,115	6	0.66%
DW Statuary Trust 2002	84,786,054	10	0.46%	83,123,584	8	0.49%
Maguire Partners				165,494,929	2	0.97%
NBB Associates Limited Partnership				105,000,000	7	0.62%
TST Glendale City Center				80,474,930	9	0.47%
Glendale I Mall Associates LLC				71,870,806	10	0.42%
Total	<u>1,614,096,396</u>		<u>8.69%</u>	<u>1,320,083,310</u>		<u>7.74%</u>

Not covered by independent auditor's report

Schedule 8

CITY OF GLENDALE

Property Tax Levies and Collections

Last Two Fiscal Years

Fiscal Year Ended June 30,	City						Redevelopment Agency					
	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy		Amount	Percentage of Levy			
2002	15,106,000	13,648,755	90.4%	861,952	14,510,707	96.1%	20,012,000	17,532,343	87.6%	472,385	18,004,728	90.0%
2003	15,847,000	15,871,773	100.2%	1,094,062	16,965,835	107.1%	21,931,000	21,704,431	99.0%	510,374	22,214,805	101.3%
2004	17,032,000	16,253,151	95.4%	1,242,319	17,495,470	102.7%	23,474,000	21,405,782	91.2%	590,200	21,995,982	93.7%
2005	17,640,245	25,924,447	147.0%	2,050,918	27,975,365	158.6%	28,488,937	26,662,156	93.6%	1,078,321	27,740,477	97.4%
2006	19,996,099	30,475,918	152.4%	2,553,890	33,029,808	165.2%	26,505,326	25,798,484	97.3%	2,132,278	27,930,762	105.4%

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 9
CITY OF GLENDALE
Ratios of Outstanding Debt by Type,
Last Five Fiscal Years

Governmental Activities														
Fiscal Year	Police Facility Certificates of Participation	Parking Lease Revenue Bonds Series A	Refunding Parking Lease Revenue Bonds Series 1976	1993 Tax Allocation Bond	2002 Tax Allocation Bond	2003 Tax Allocation Bond	Landfill Closure and Postclosure Care Liability	Capital Lease	Arbitrage Rebate Liability	Section 108	Notes Payable	Compensated Absences	Claims Payable	Post Employment Benefits
2002	64,200,000	440,000	1,025,000	61,250,000	-	-	14,599,000	-	-	-	-	-	-	-
2003	63,100,000	-	-	59,315,000	49,968,945	-	10,668,294	2,000,000	1,346,600	-	-	1,028,328	-	-
2004	62,000,000	-	-	-	48,053,327	58,128,833	17,043,153	1,630,487	1,346,600	1,700,000	4,615,000	7,280,837	37,531,331	5,036,920
2005	60,800,000	-	-	-	46,082,708	56,183,716	18,452,720	4,989,115	-	1,590,000	3,692,000	8,146,242	42,920,089	5,706,321
2006	58,300,000	-	-	-	44,057,089	53,923,599	19,920,983	4,277,883	124,250	1,450,000	2,769,000	8,677,224	25,730,989	5,431,405
Business-Type Activities														
Fiscal Year	2000 Electric Revenue Bond	2003 Electric Revenue Bond	2006 Electric Revenue Bond	Compensated Absences	Post Employment Benefits	Total Primary Government (1)	Total Personal Income (2)	Percentage of Personal Income	Population (3)	per Capita				
2002	37,000,000	-	-	-	-	178,514,000	8,352,544,200	2.14%	200,200	892				
2003	37,146,292	32,106,903	-	-	-	256,680,362	8,458,807,587	3.03%	202,747	1,266				
2004	37,137,933	31,295,613	-	2,768,377	-	315,568,411	7,743,409,110	4.08%	205,341	1,537				
2005	37,143,196	30,614,988	-	2,894,989	-	319,216,084	7,805,405,942	4.09%	207,007	1,542				
2006	-	29,798,800	41,479,968	2,933,454	360,326	299,234,970	8,015,891,032	3.73%	206,308	1,450				

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Source: Sales and Marketing Management: Survey of Buying Power and Media Markets
- (3) California State Department of Finance, January 1 of every year.
- (4) City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 10

CITY OF GLENDALE

Direct & Overlapping Governmental Activities Debt

As of June 30, 2006

	Gross Bonded Debt Balance	Percentage applicable to Glendale	Amount applicable to Glendale
Direct Debt			
Electric Rev. Bonds, Tax Alloc. Bonds and PO	224,670,000	100.000%	<u>224,670,000</u>
Total Direct Debt			<u>224,670,000</u>
Overlapping Debt			
Detention Facilities 1987 Debt Svc	8,395,000	2.114%	177,472
LA Co Fld Ctrl Storm Dr Bonds No 4 DS	1,080,000	2.147%	23,186
MWD City of Glendale Area 1103 DS	182,369,156	2.261%	4,123,481
Foothill MWD 1113 DS	182,369,156	0.020%	36,577
Glendale Comm Coll Dis 2002 Series A DS	4,950,000	89.149%	4,412,886
Glendale Comm Coll Dis 2002 Series B DS	17,499,930	89.149%	15,601,051
Glendale Comm Coll Dis 2002 Series C DS	16,951,097	89.149%	15,111,770
Pasadena Area Comm Coll DS 2002 Series A	28,040,000	0.103%	28,868
Glendale Unified SD 1997 Series A DS	16,240,000	89.149%	14,477,833
Glendale Unified SD 1997 Series B DS	19,080,000	89.149%	17,009,671
Glendale Unified SD 1997 Series C DS	23,880,000	89.149%	21,288,833
Glendale Unified SD 1997 Series D DS	35,840,000	89.149%	31,951,080
Glendale Unified SD 1997 Series E DS	18,170,000	89.149%	16,198,413
Glendale Unified SD 1997 Series F DS	18,910,000	89.149%	16,858,117
Glendale Unified SD 1997 Series G DS	20,840,000	89.149%	18,578,697
La Canada Unified SD 1995 DS	8,729,976	1.168%	101,950
La Canada Unified SD 1999 Series A DS	3,150,000	1.168%	36,786
La Canada Unified SD 1999 Series B DS	2,385,000	1.168%	27,852
La Canada Unified SD 2004 Series A DS	14,620,000	1.168%	<u>170,735</u>
Total Overlapping Debt			<u>176,215,258</u>
Total Direct and Overlapping Debt			<u><u>400,885,258</u></u>

Source:

County of Los Angeles, Auditor-Controller
City of Glendale, Finance Division
HdL Coren & Cone

Not covered by independent auditor's report

Schedule 11
CITY OF GLENDALE
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2006	
Assessed value	\$ 18,005,194,085
Debt limit (15% of assessed value)	2,700,779,113
Debt applicable to limit	-
Legal debt margin	\$ <u>2,700,779,113</u>

		Fiscal Year									
		2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Debt limit	\$	2,700,779,113	2,486,079,854	2,331,462,745	2,159,865,625	2,060,856,518	1,930,443,300	1,823,960,017	1,713,093,972	1,649,536,879	1,649,446,794
Total net debt applicable to limit		0	0	0	0	0	0	0	0	0	0
Legal debt margin	\$	<u>2,700,779,113</u>	<u>2,486,079,854</u>	<u>2,331,462,745</u>	<u>2,159,865,625</u>	<u>2,060,856,518</u>	<u>1,930,443,300</u>	<u>1,823,960,017</u>	<u>1,713,093,972</u>	<u>1,649,536,879</u>	<u>1,649,446,794</u>
Total net debt applicable to the limit as a percentage of debt limit		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Note: Under City Charter, the total bonded debt of the city shall at no time exceed a total of 15 percent of the assessed valuation of all property taxable for city purposes.

Not covered by independent auditor's report

Schedule 12

CITY OF GLENDALE

Pledged-Revenue Coverage

Last Five Fiscal Years

Fiscal Year	Tax Allocation Bonds						Electric Revenue Bonds					
	Property Tax Increment	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2002	5,640,244	-	5,640,244	1,845,000	3,441,790	1.07	188,297,461	166,192,840	22,104,621	-	1,840,161	12.01
2003	5,925,738	-	5,925,738	1,935,000	4,365,934	0.94	178,631,530	136,672,513	41,959,017	-	2,438,367	17.21
2004	6,033,031	-	6,033,031	1,810,000	3,626,303	1.11	151,718,142	134,972,948	16,745,194	795,000	3,716,436	3.71
2005	8,375,878	-	8,375,878	3,865,000	4,510,878	1.00	148,798,618	140,059,631	8,738,987	795,000	4,073,642	1.79
2006	8,601,228	-	8,601,228	4,235,000	4,371,203	1.00	170,207,430	183,171,685	(12,964,255)	795,000	3,402,983	(3.09)

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 13
CITY OF GLENDALE
 Demographic and Economic Statistics
 Last Five Fiscal Years

<u>Year</u>	<u>Population</u> (1)	<u>Per Capita Personal Income</u> (2)	<u>Total Personal Income</u>	<u>Median Age</u> (3)	<u>Percent High School Graduate or Higher</u> (3)	<u>Percent Bachelor's Degree or Higher</u> (3)	<u>School Enrollment</u> (4)	<u>Unemployment Rate</u> (5)
2002	200,200	41,721	8,352,544,200	37.5	79%	32%	47,000	6.10%
2003	202,747	41,721	8,458,807,587	37.5	79%	32%	46,000	5.80%
2004	205,341	37,710	7,743,409,110	37.5	79%	32%	44,000	5.70%
2005	207,007	37,706	7,805,405,942	37.5	79%	32%	43,000	4.90%
2006	206,308	38,854	8,015,891,032	37.5	79%	32%	42,144	4.00%

Source:

(1) California State Department of Finance, January 1 of every year

(2) Sales and Marketing Management: Survey of Buying Power and Media Markets

(3) 2000 Census

(4) Glendale Unified School District and Glendale Community College District school attendance report

(5) California Employment Development Department

Not covered by independent auditor's report

Schedule 14

CITY OF GLENDALE

Principal Employers

Fiscal Year 2006

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
CITY OF GLENDALE	2,706 (4)	1	3.55% (5)
GLENDALE UNIFIED SCHOOL DISTRICT	2,681 (3)	2	3.51% (5)
GLENDALE ADVENTIST MED CENTER #262	1,999 (2)	3	2.62% (5)
NESTLE COMPANY	1,735 (2)	4	2.27% (5)
GLENDALE MEMORIAL	1,248 (2)	5	1.64% (5)
GLENDALE COMMUNITY COLLEGE DIST.	1,141 (2)	6	1.50% (5)
PUBLIC STORAGE INC	967 (2)	7	1.27% (5)
BANK AMERICA NORTH AMERICA	834 (2)	8	1.09% (5)
WALT DISNEY IMAGINEERING	765 (2)	9	1.00% (5)
ACCO ENGINEERED SYSTEMS	711 (2)	10	0.93% (5)

Notes:

(1) Both full-time and hourly employees are included.

(2) Source: Labor Market Information Division, California Employment Development Department, September 2005 data

(3) Source: GUSD Human Resource Department

(4) City of Glendale Payroll Section

(5) % of total employment is calculated using a baseline of 76,276 workers employed in Glendale.

Not covered by independent auditor's report

Schedule 15
CITY OF GLENDALE
 Full-time City Government Employees by Function/Program
 Fiscal Year 2006

<u>Function/Program</u>	<u>Fiscal Year 2006</u>
General Government	
City attorney	25
City clerk	11
City manager	26
City treasurer	5
Finance	32
Graphics	9
Human resources	28
Information services	53
Planning	33
Purchasing	6
Community Development & Housing	107
Library	64
Parks and recreation	137
Fire	
Firefighters and officers	189
Civilians	51
Police	
Officers	289
Civilians	129
Public works	
Engineering	45
Streets	87
Traffic	18
Integrated waste	16
Landfill management	54
Other	117
Redevelopment	13
Water and Power	409
Total	<u>1,953</u>

Source: City Payroll Section

Not covered by independent auditor's report

Schedule 16

CITY OF GLENDALE

Operations Indicators by Function/Program

Fiscal Year 2006

	Fiscal Year 2006
<u>Function/Program</u>	
Police	
Physical arrests	7,087
Parking violations	80,374
Traffic violations	22,423
Fire	
Emergency responses	14,970
Fires extinguished	483
Inspections	3,658
Refuse collection	
Refuse collected (tons per day)	77,812
Recyclables collected (tons per day)	13,213
Inert waste recycling - Brand Park landfill (tons per year)	10,500
Other public works	
Street resurfacing (miles)	2.6
Street reconstructing (miles)	0.4
Potholes repaired (square feet per year)	10,000
Parks and recreation	
Athletic field permits issued	7,114
Community center admissions	1,236
Library	
Volumes in collections	770,784
Total volumes borrowed	1,075,073
Electric	
New connections	133
Average daily consumption (MWH)	3,380
Electricity generated (MWH)	908,158
Electricity purchased (MWH)	599,898
Electricity sold (MWH)	1,404,207
Peak demand (MW)	313
Water	
New connections	72
Average daily consumption (millions of gallons)	27
Water mains breaks	11
Water purchased (AF)	22,239
Water sold (AF)	30,562
Wastewater	
Average daily sewage treatment (millions of gallons)	17
Transit	
Total route miles	1,040,192
Passengers	2,336,396

Sources: Various city departments

Not covered by independent auditor's report

Schedule 17
CITY OF GLENDALE
 Capital Asset Statistics by Function/Program
 Fiscal Year 2006

<u>Function/Program</u>	<u>Fiscal Year 2006</u>
Police	
Stations	1
Vehicular patrol units	71
Helicopters	2
Motocycles	24
Fire	
Stations	9
Refuse collection	
Collection trucks	43
Other public works	
Streets (miles)	365
Traffic signals	225
Parks and recreation	
Open space acres	5,020
Developed parkland acres	274
Parks, community centers and other facilities	40
Baseball/softball diamonds	15
Soccer/football fields	2
Golf course	1
Library	
Branches	7
Electric	
Number of electric meters	83,433
Number of streetlights	10,210
Grayson power plant capacity (MW)	249
Water	
Number of water meters	32,995
Water mains (miles)	397
Fire hydrants	2,950
Storage capacity (millions of gallons)	185
Wastewater	
Storm catch basin	1,364
Sanitary sewers (miles)	340
Treatment capacity (millions of gallons)	25
Transit	
Buses	35

Sources: Various city departments

Not covered by independent auditor's report