

# Comprehensive Annual Financial Report

Year Ended  
June 30, 2008

The City of Glendale, California

**CITY OF GLENDALE  
CALIFORNIA**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2008**

**ADMINISTRATIVE SERVICES DIVISION  
FINANCE SECTION**

**Robert Elliot, Director of Administrative Services-Finance**

**Ron Ahlers, Assistant Director of Administrative Services-Finance**

**Lily Fang, Accounting Services Administrator**



# CITY OF GLENDALE, CALIFORNIA

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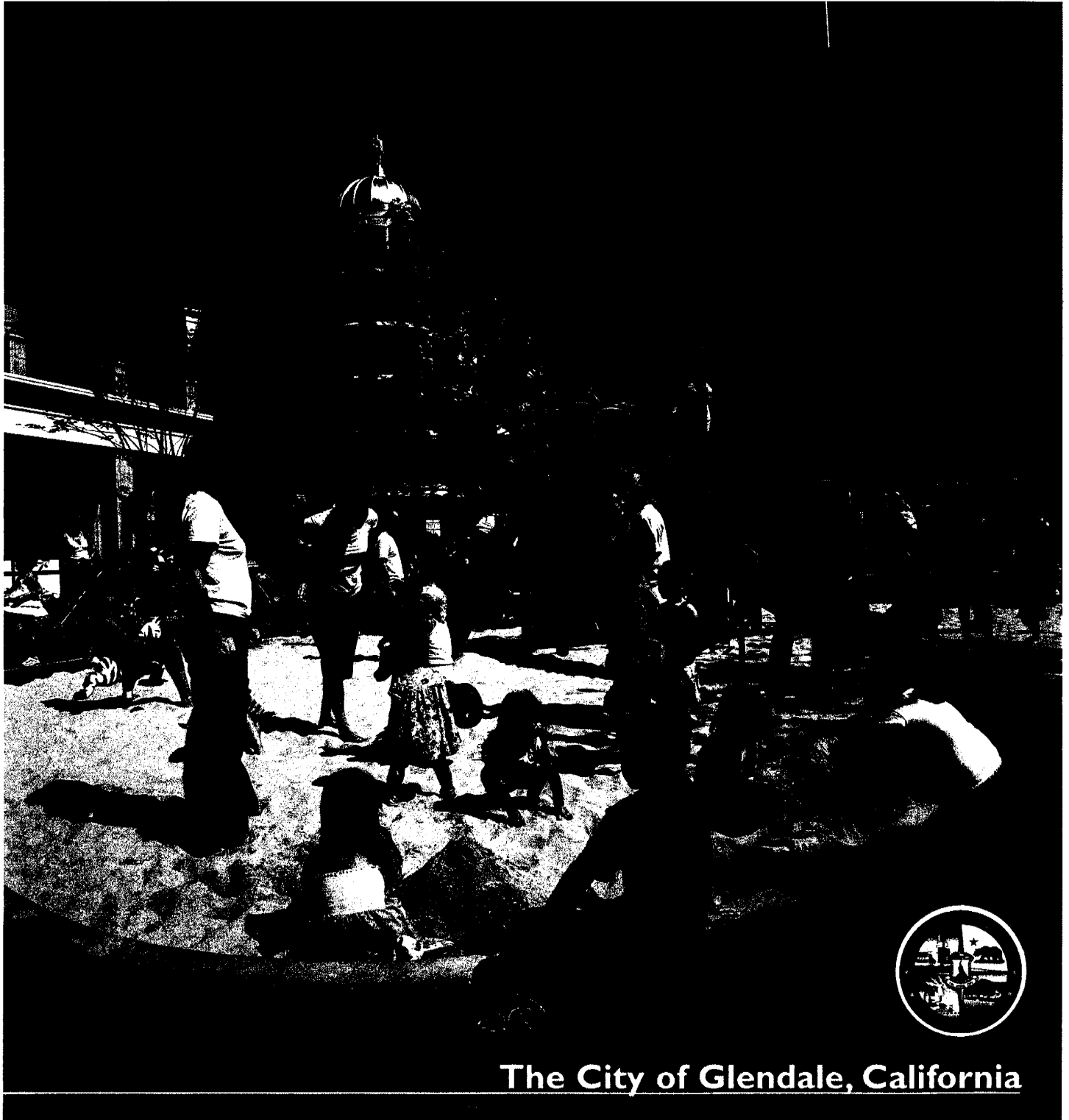
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# Introductory Section

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Year Ended  
June 30, 2008



**The City of Glendale, California**



CITY OF GLENDALE, CALIFORNIA  
Administrative Services Department  
FINANCE

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

November 26, 2008

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

Council Members:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Glendale (the City) for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. City of Glendale's MD&A can be found immediately following the report of the independent auditors.

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

### **Profile of the City of Glendale**

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

Noted for its high quality of life and fiscal stability, Glendale is the third largest city in Los Angeles County, encompassing 30.6 square miles and serving over 207,000 residents. The City operates under a council-manager form of government, with a five-member council elected at large to four-year overlapping terms, in addition to an elected City Clerk and City Treasurer. The mayor is elected by the City Council for a one-year term and is the presiding officer of the Council. The City Council is responsible for passing ordinances, adopting the budget, appointing various Boards and commissions, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

## **FINANCIAL CONDITION**

### **Local economy**

The City's economy is dominated primarily by auto and retail sales as well as service industries. The retail business consists primarily of the Glendale Galleria which is the third largest mall in the state. The retail industry was enhanced with the May 2008 opening of the Americana at Brand. This new outdoor mall with its' 475,000 square feet of retail, restaurants and entertainment space will compliment the Glendale Galleria. Additionally, a 272 room Embassy Suites is scheduled to open in the Fall of 2008.

The slowdown in the U.S. economy has materialized in the general revenues of the City. Sales Tax revenues, Motor Vehicle In Lieu Fees, Building Permit Fees and Interest Revenue are all on the decline. On the positive side, the City experienced growth in certain key areas: 6.3% increase in property tax revenues and a 6.0% increase in utility users tax revenue. The utility users tax revenues are subject to some uncertainties with recent attempts to reduce or eliminate the telecommunications portion of our local utility user tax. The loss of this tax on telecommunications could result in lower ongoing revenues for the City of up to \$8 million per fiscal year. The price fluctuations in commodities have had a negative impact upon the City. Natural gas prices have dramatically increased expenses for the Electric Fund. Additionally, gasoline prices have increased operating costs for the major departments within the City: Fire, Police, Public Works and Glendale Water & Power.

The State of California continues to have significant budgetary problems. The State passed their budget in late September 2008. The State did not "take away" any General Fund monies, thanks to the protection afforded by Prop 1A. However, the State has "taken away" property tax increment from the redevelopment agency for the following three years. This may impact a proposed bond sale for the Central Project Area and reduce the money available for redevelopment projects.

### **Long-term financial planning**

Over the last several years, the City has committed itself to a long-term financial strategy. Fundamental to this effort was the development of the City's Long Range Financial Plan (LRFP). The LRFP, with the input of the community, has served to guide the City in allocation of economic resources. The City has utilized a 10-year financial model for the General Fund. The council uses the 10 year LRFP to prioritize myriads of capital requests such as library site upgrade, fire station replacements, a new paramedic unit and etc.

## **Current capital projects**

Major capital projects include various earthquake and flood repairs to the infrastructure such as retrofit of the MSB Building and slope repairs. Other projects include the purchase of Rockhaven Sanitarium, street resurfacings and Cedar mini park development.

## **Cash Management**

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

The following table presents a comparison of the results of the City's investment of pooled cash for fiscal years 2005, 2006, 2007 and 2008.

	Fiscal years ended June 30,			
	2008	2007	2006	2005
Average portfolio balance	\$464,426,221	\$482,547,426	\$498,928,098	\$552,861,088
Total portfolio's interest income	\$19,442,495	\$18,842,117	\$15,679,864	\$16,156,516
Average return on invested cash	4.17%	3.90%	3.14%	2.92%

The average return on invested cash increased by 27 basis points from 3.90% in fiscal year 2007 to 4.17% in fiscal year 2008. The City Treasurer is estimating next year's average return below 4%. The City Treasurer follows the general investment strategies set forth in a formal Statement of Investment Policy and presents monthly reports to the City Manager and the City Council

## **Risk Management**

The City is self-insured for unemployment, uninsurable litigation, general liability, auto liability, workers' compensation, medical, vision and dental insurance. The City has purchased excess insurance for general liability and workers' compensation. As of June 30, 2008, future losses in excess of claims payable of \$31.3 million were estimated, with cash available of \$12.6 million. This means that as a whole the City's self insurance funds do not have funds available to fully meet losses in excess of claims payable as of June 30, 2008. Since these losses are normally paid out over a period of years the City will have time to make adjustments to ensure adequate funding. The City also employs various risk control techniques, including safety training for all employees and the inclusion of appropriate legal provisions in third party contracts, in order to minimize losses.

## **Independent Audit**

The firm of McGladrey & Pullen, LLP has audited the financial statements of the City. Their unqualified opinion on the City's basic financial statements is included within this report.

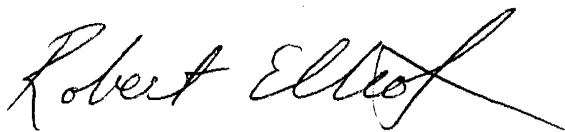
## **Award**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the past thirteen fiscal years ended June 30, 1995 through June 30, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. This award is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement for Excellence requirements and we will be submitting it to GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

The preparation of this comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance & Administrative Services Department. Each member of the department has my sincere appreciation for their contribution in the preparation of this report. A special commendation should be attributed to Ms. Lily Fang, Accounting Services Administrator, for the compilation of this CAFR. She has my utmost respect as a financial professional.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Robert Elliot", with a stylized flourish extending from the end.

**ROBERT ELLIOT, CPA**  
DIRECTOR OF ADMINISTRATIVE SERVICES-FINANCE

**CITY OF GLENDALE**  
Officials of the City of Glendale  
June 30, 2008

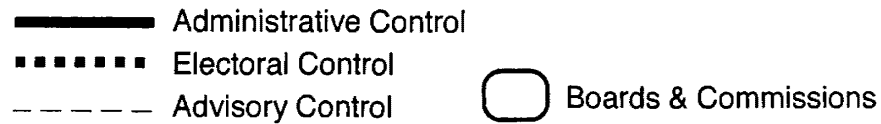
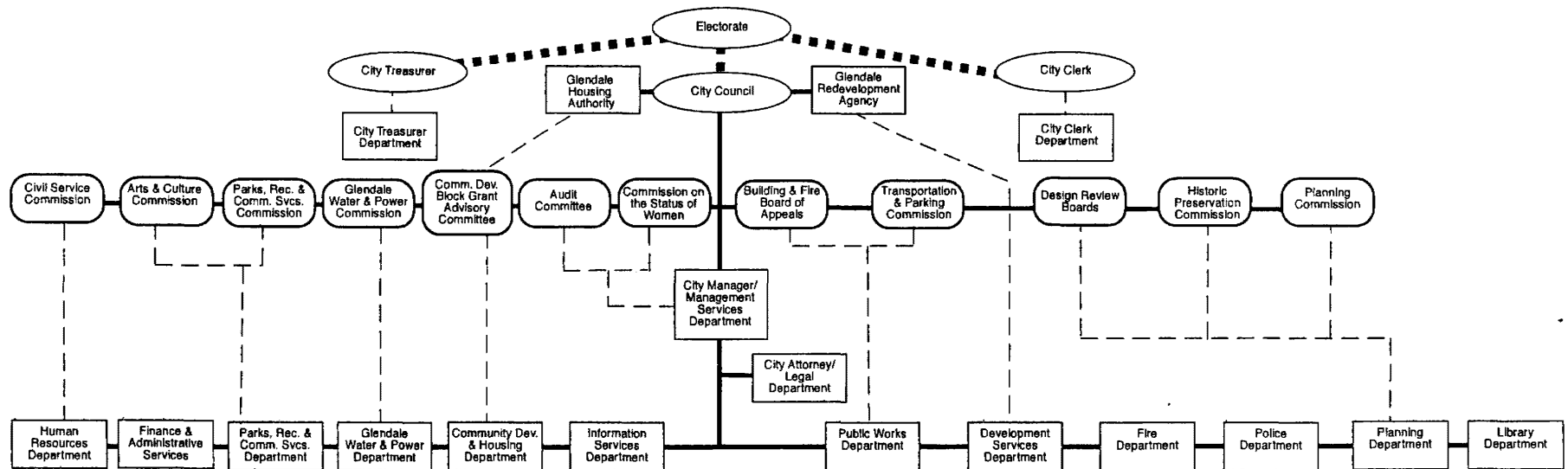
City Council

John Drayman, Mayor  
Ara Najarian  
Frank Quintero  
Dave Weaver  
Bob Yousefian

Administration and Department Heads

City Manager	James E. Starbird
Assistant City Manager	Robert K. McFall
Deputy City Manager	Yasmin Beers
Director of Glendale Water & Power	Glenn O. Steiger
City Attorney	Scott H. Howard
Police Chief	Randy Adams
Fire Chief	Harold Scoggins
Director of Public Works	Stephen Zurn
Director of Finance & Administrative Services	Robert Elliot
Director of Human Resources	Matthew Doyle
Director of Development Services	Philip Lanzafame
Director of Planning	Hassan Haghani
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	Cindy Cleary
City Auditor	William Fox
City Treasurer	Ronald T. Borucki
City Clerk	Ardashes Kassakhian

# CITY OF GLENDALE TABLE OF ORGANIZATION



2008



# 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, 2007

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.



*Oliver S. Cox*

President

*Jeffrey R. Emer*

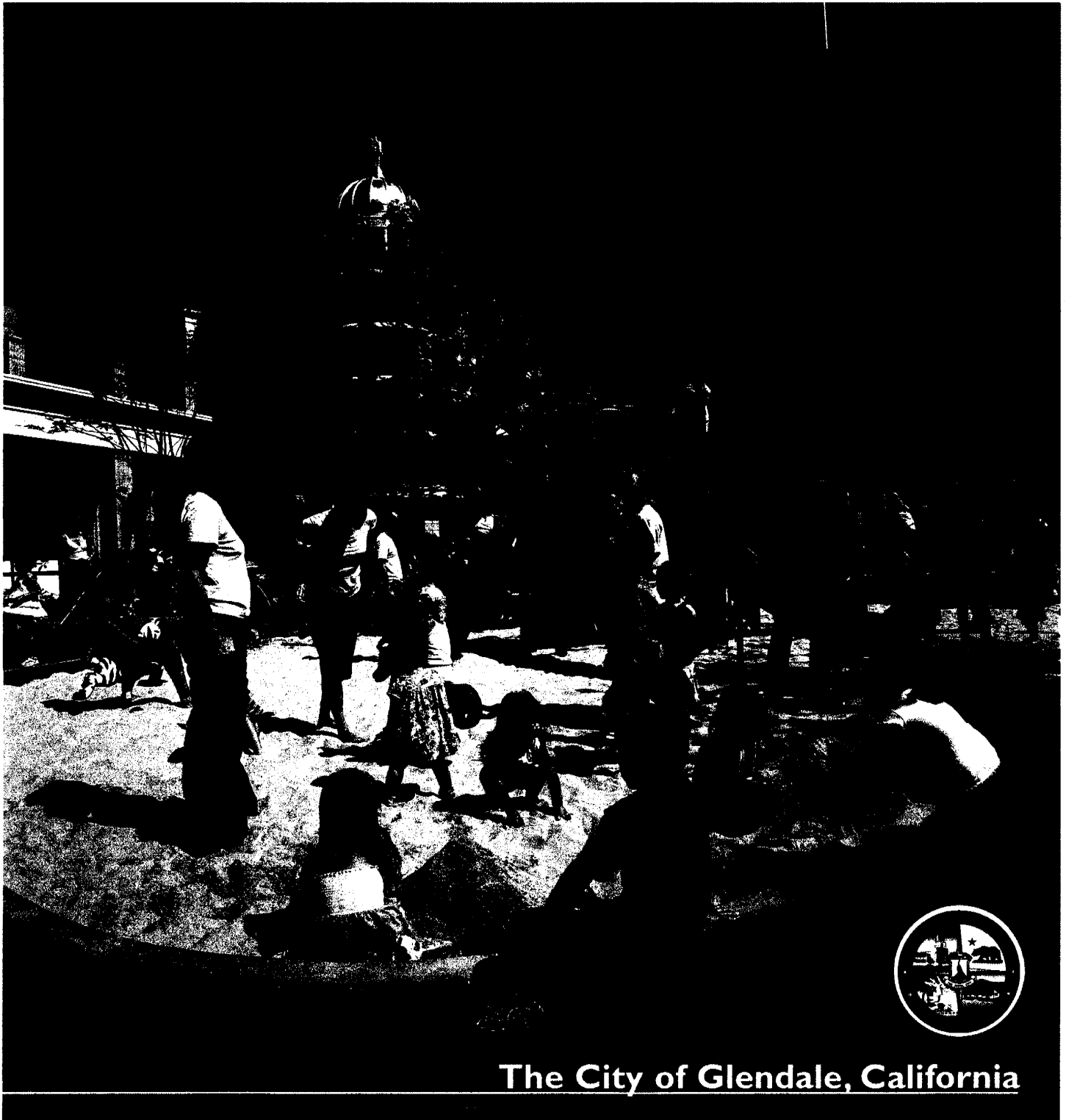
Executive Director

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# Financial Section

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Year Ended  
June 30, 2008



**The City of Glendale, California**

# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, California (the City), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Glendale's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Glendale, California, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2008 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Glendale's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and other schedules and statistical sections, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other schedules as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

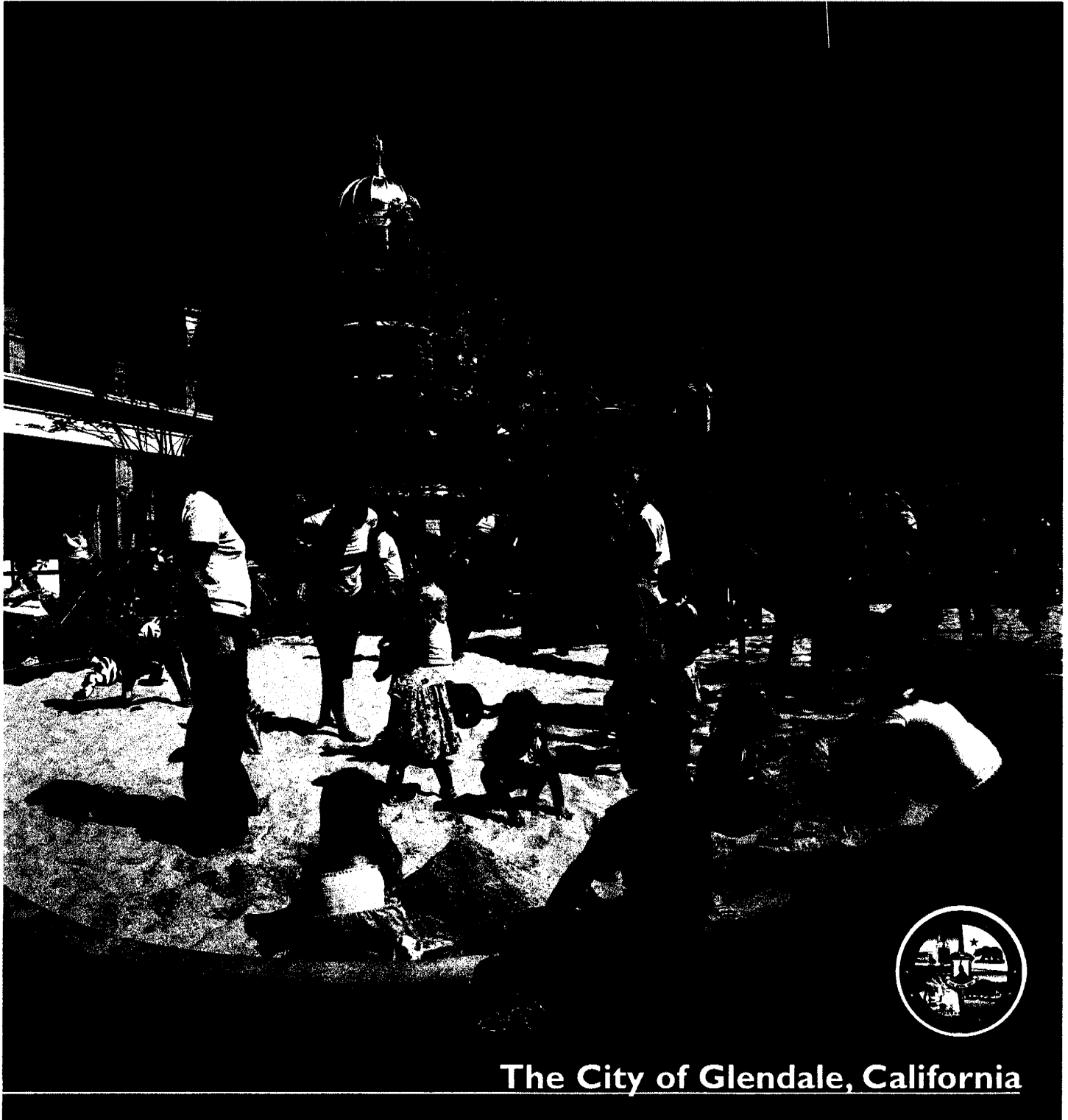
*McGladrey & Pullen, LLP*

Pasadena, California  
November 26, 2008

# Management's Discussion and Analysis

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Year Ended  
June 30, 2008



**The City of Glendale, California**

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, 2008. 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 - iv 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, \$388.0 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. Of the \$388.0 million, \$278.7 million is in business type activities such as our electric, water, and sewer utilities.
- The City's total net assets increased by \$32.8 million. Most of this increase is attributable to increases in charge for services for Electric, Water and Refuse.
- As of the close of the current fiscal year, the City governmental funds reported combined ending fund balances of \$248.4 million, a decrease of \$19.1 million in comparison with the prior year. About 39 percent of this total amount, \$96.9 million, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance (\$32.8 million) and the charter required reserve (\$19.3) million for the general fund total \$52.1 million, or 33.9 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 increased by \$114 million (37.5 percent) during the current fiscal year. The factors in this increase were the combination of numerous increases such as compensated absences, claims payable, postclosure liability of Scholl Canyon, issuance of new Electric and Water bonds (2008 series) 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 of 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.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate redevelopment agency, housing authority and financing authority 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, the housing authority and the financing authority, although legally separate, function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 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 32 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, and the capital improvement fund, all of which are considered to be major funds. Data from the other 29 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 non-major enterprise and internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 29-31 of this report.



**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 33-64 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 65-122 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 (71.6 %) 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	
	2008	2007	2008	2007	2008	2007
Current and other assets	361.7	372.6	327.3	223.4	689.0	596.0
Capital Assets	831.5	797.7	569.2	538.1	1,400.7	1,335.8
Total assets	1,193.2	1,170.3	896.5	761.5	2,089.7	1,931.8
Long-term liabilities	212.0	210.1	182.0	68.3	394.0	278.4
Other liabilities	57.2	55.9	29.7	21.5	86.9	77.4
Total liabilities	269.2	266.0	211.7	89.8	480.9	355.8
Net assets:						
Investment in capital assets, net of related debt	766.3	608.4	392.0	472.9	1,158.3	1,081.3
Restricted	48.4	59.8	14.1	8.4	62.5	68.2
Unrestricted	109.3	236.1	278.7	190.4	388.0	426.5
Total net assets	924.0	904.3	684.8	671.7	1,608.8	1,576.0

- 3.9% 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* (\$388.0 million) may be used to meet the government's ongoing obligations to citizens and creditors. Of the total, \$278.7 million is in business type activities such as our electric, water, and sewer utilities.

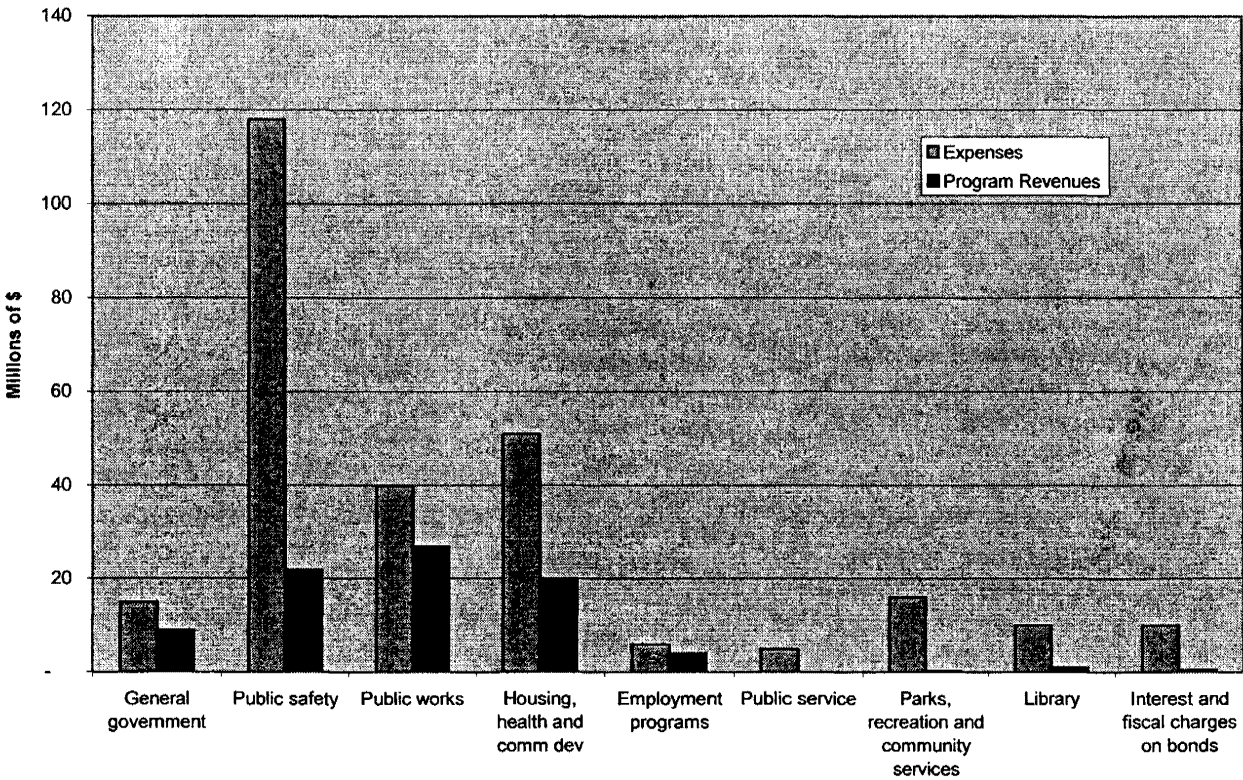
At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, for government as a whole, as well as for all its separate governmental and business-type activities.

There was a decrease of \$11.4 million in restricted net assets reported in connection with the City's governmental activities. Most of the decrease resulted from the reduced reserve for the debt service.

**Governmental activities.** Governmental activities increased the City's net assets by \$19.7 million. Key elements of this increase are as follows:

- Operating grants and contribution decreased by \$5.0 million ( 13.0 percent) during the year mostly due to decreases in grant funding for HOME, FEMA disaster relief reimbursement, and Homeland Security, which are caused by lower expenses.
- Capital grants and contribution decreased by \$4.9 million (40.2 percent) during the year mostly due to the decrease in federal aid revenue for road programs.
- Property tax increased by \$5.3 million (7.9 percent) during the year driven by real estate market activities with increased sales and high prices.
- Miscellaneous revenue increased by \$7.9 million (57.7 percent) during the year mostly due to sale of one Glendale Redevelopment Agency property held for resale and an increase of the tax increment pass-through share from the County to the Glendale Redevelopment Agency. The increase was due to the removal of the maximum cap of the tax increment to be received by the "Agency" in fiscal year 2008 that was imposed in fiscal year 2007.
- General government expenses decreased by \$10.6 million (41.1 percent) during the year mostly due to one-time purchase of four properties through legal settlement.
- Public Safety expenses increased by \$10.5 million (9.7 percent) during the year mostly due to increases in salaries and benefits.
- Public works expenses increased by \$4.9 million (13.8 percent) during the year mostly due to bigger depreciation expenses.
- Housing, health and community development expenses decreased by \$11.9 million (18.7 percent) during the year mostly due to a large amount of land held for resale was conveyed to the Developer (Caruso Affiliates, LLC.) in fiscal year 2007, and none in fiscal year 2008.

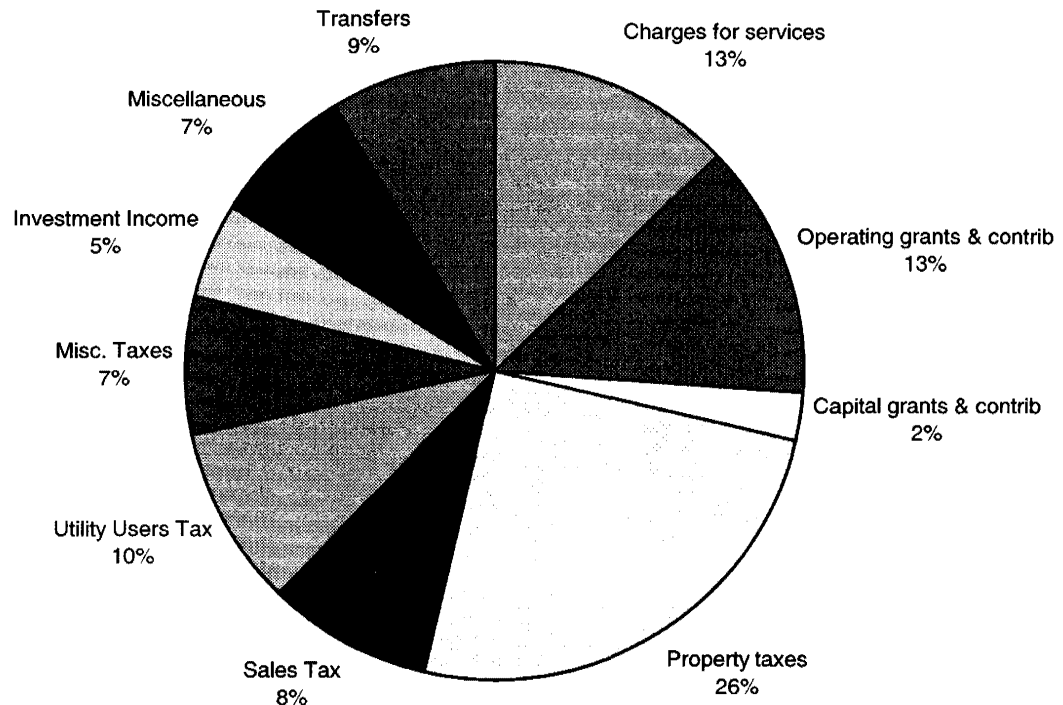
Expenses and Program Revenues – Governmental Activities



**City of Glendale's Changes in Net Assets**

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue:						
Program revenues:						
Charges for services	\$ 37.5	40.1	286.6	258.7	324.1	298.8
Operating grants & contrib	38.2	43.2	0.6	1.4	38.8	44.6
Capital grants & contrib	7.3	12.2	4.0	5.2	11.3	17.4
General revenues:						
Taxes:						
Property taxes	72.7	67.4	-	-	72.7	67.4
Sales Tax	24.7	23.9	-	-	24.7	23.9
Utility Users Tax	27.8	26.2	-	-	27.8	26.2
Misc. Taxes	21.5	21.3	-	-	21.5	21.3
Investment Income	14.3	15.8	10.4	11.6	24.7	27.4
Miscellaneous	21.6	13.7	8.4	3.3	30.0	17.0
Total revenues	265.6	263.8	310.0	280.2	575.6	544.0
Expenses:						
General Government	15.2	25.8	-	-	15.2	25.8
Public Safety	118.2	107.7	-	-	118.2	107.7
Public Works	40.3	35.4	-	-	40.3	35.4
Housing, health & community devel.	51.6	63.5	-	-	51.6	63.5
Employment Programs	6.0	6.8	-	-	6.0	6.8
Glendale Water & Power-public benefit	4.7	6.9	-	-	4.7	6.9
Parks, recreation & comm. Services	15.7	15.0	-	-	15.7	15.0
Library	9.9	8.5	-	-	9.9	8.5
Interest & fiscal charges on bonds	9.6	10.1	-	-	9.6	10.1
Recreation	-	-	2.5	2.1	2.5	2.1
Hazardous disposal	-	-	1.7	1.5	1.7	1.5
Parking	-	-	6.4	6.6	6.4	6.6
Sewer	-	-	17.8	12.0	17.8	12.0
Refuse Disposal	-	-	16.3	15.1	16.3	15.1
Electric	-	-	195.6	178.2	195.6	178.2
Water	-	-	31.3	30.0	31.3	30.0
Total expenses	271.2	279.7	271.6	245.5	542.8	525.2
Excess (deficiency) before transfers	(5.6)	(15.9)	38.4	34.7	32.8	18.8
Transfers	25.3	24.8	(25.3)	(24.8)	-	-
Increase (Decrease) in net assets	19.7	8.9	13.1	9.9	32.8	18.8
Net assets - Beg. of the year	904.3	895.4	671.7	661.8	1,576.0	1,557.2
Net assets - End of the year	\$ 924.0	904.3	684.8	671.7	1,608.8	1,576.0

**Revenues By Source – Governmental Activities**



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**Business-type activities.** Business-type activities increased the City of Glendale's net assets by \$13.1 million. Key elements of this increase are as follows.

- Charges for services increased by \$27.9 million (10.78%) during the year. This increase can be attributed to \$25.5 million increase in Electric Sales due to rate increases and increasing wholesale sales, \$1.5 million in Water Metered Sales due to rate increase, \$.75 million in refuse charges due to rate increase.
- Operating grants & contribution decreased by \$0.8 million (57.14%) during the year mostly because of the one-time January 2005 Rainstorm FEMA Reimbursement Grant for \$0.8 million in electric and water funds that was received in Fiscal Year 2007.
- Capital grants and contributions decreased by \$1.2 million (23.08%) during the year. This is due to slowdown or completion of construction projects throughout the City. These capital contributions are given by contractors to the City to install water and electric lines in their project buildings.
- Investment income decreased by \$1.2 million (10.34%) during the year due to decrease in return on investment, overall decrease in interest rates in the market and financial turmoil of the gloomy economy.

## City of Glendale

### Management's Discussion and Analysis, continued

June 30, 2008

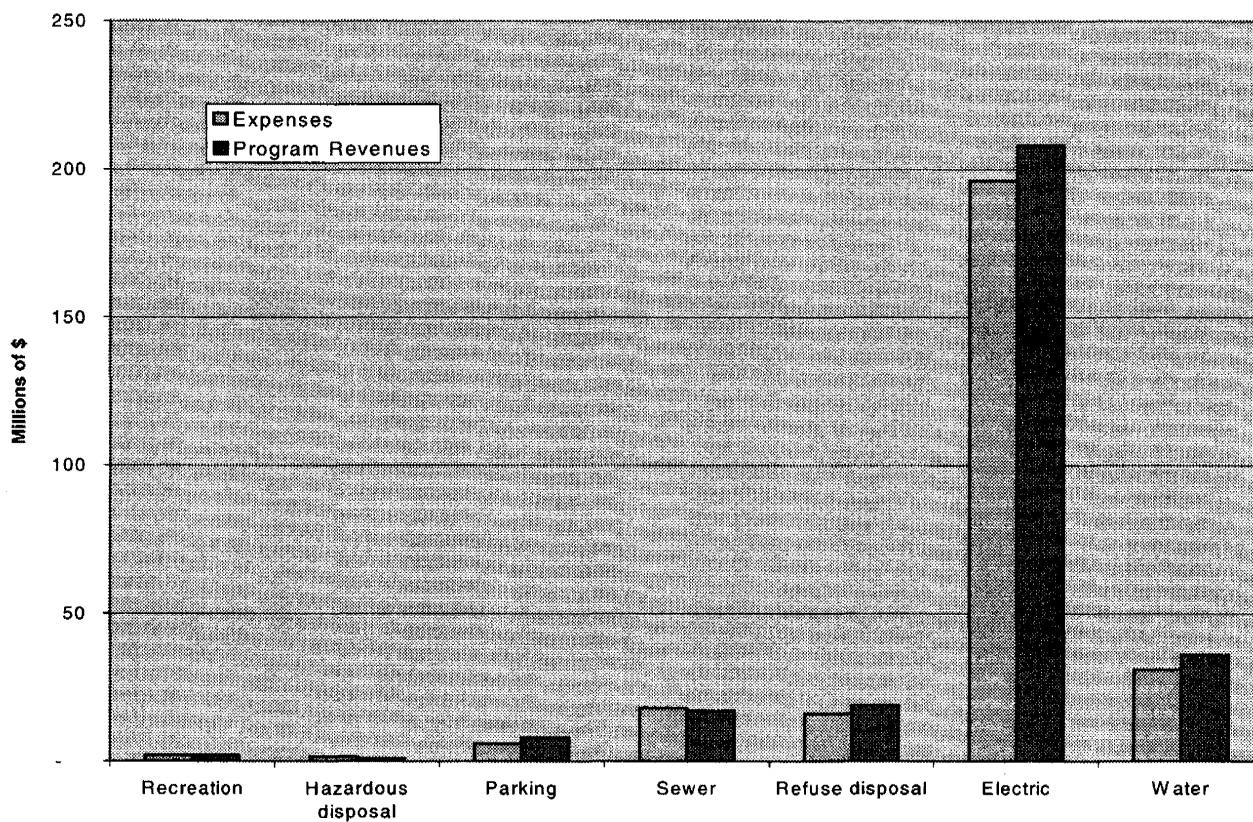
- Recreation expense increased by \$0.4 million (19.05%) during the year due to increases in costs of operating Civic Auditorium.
- Sewer expense increased by \$5.8 million (48.37%) during the year due to the acceleration of depreciation life of the Sewer infrastructure from 100 years to 40 years in order to reflect more accurate replacement life for these assets.
- Electric expense increased by \$17.4 million (9.76%) during the year due to increase in fuel, natural gas prices.
- Refuse Disposal increased by \$1.2 million (7.95%) during the year. This increase can be attributed to increases in costs of operating and fueling of big refuse tracks.

### Financial Analysis of the Government's Funds

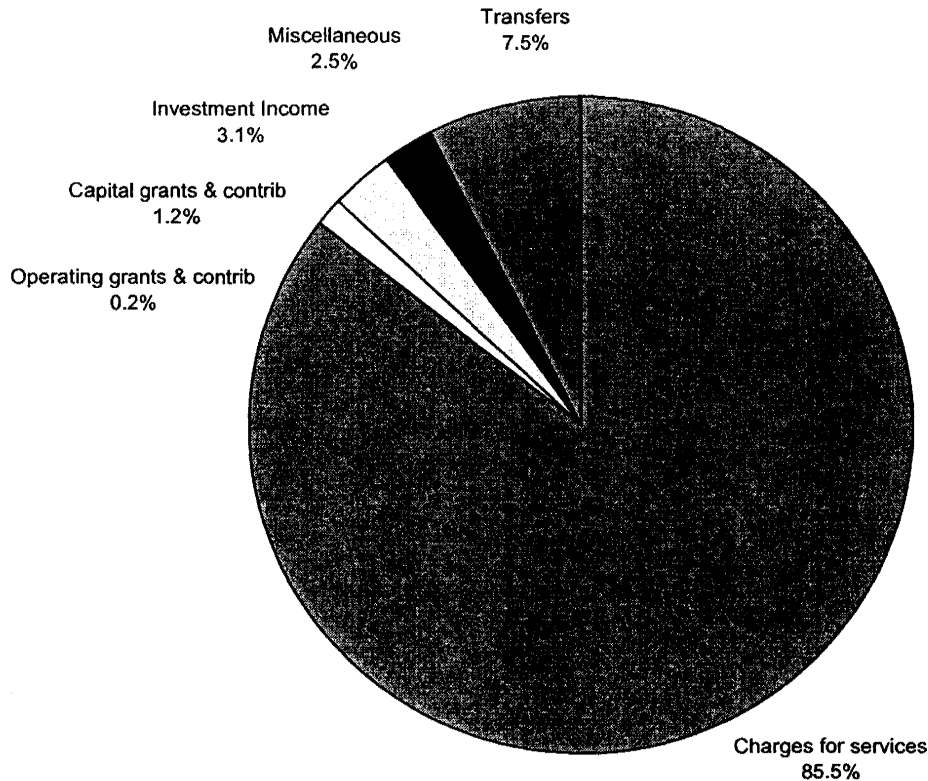
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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**



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As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$248.4 million, a decrease of \$19.1 million in comparison with the prior year. About 37 percent of this total amount (\$92.1 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 (\$40.9 million), 2) to meet the charter reserve requirement (\$19.3 million), 3) to hold property for future development (9.9million), 4) to pay debt service (\$12.4 million), 5) advance of City funds to the Glendale Redevelopment Agency (\$68.5 million), 6) for prepaid items (\$1.8 million), 7) for the return of deposits (\$0.007 million) or 8) for the loans receivable (\$3.4 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 \$32.8 million and \$19.3 million, respectively, while total fund balance was \$121.5 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 \$52.1 million, represent 33.9 percent of total general fund expenditures.

## City of Glendale

Management's Discussion and Analysis, continued  
June 30, 2008

The fund balance of the City's general fund decreased by \$6.2 million during the current fiscal year. Key factors in this decrease are as follows:

- Transfers to General Fund increased by \$0.5 million this year.
- Transfers from General Fund to other Funds increase by \$8.9 million this year.
- Excess of revenues under expenditures decreased by \$9.3 million this year compared to previous year.

The Glendale Redevelopment Agency Fund has a negative total fund balance of \$14.1 million. The Agency has a deficit in unreserved fund balance of \$27.3 million due to the fact that the 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 by \$5.5 million during the current year mainly due to the Agency's expenses of the portion of the balance of the Agency's contribution toward the Town Center Project per the Developer Disposition Agreement with Caruso Affiliates, LLC for the Americana at Brand Project.

The Capital Improvement Fund has a total fund balance of \$23.2 million. \$27.9 million of the total fund balance is reserved for liquidation of contracts and purchase orders of the prior period.

**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 composed of \$65.9 million for the Sewer Fund, \$180.2 million for the Electric Fund, \$41.3 million for the Water Fund, and \$20.4 million for the other proprietary funds. The total decline in net assets for the Sewer Fund was \$1.4 million, followed by with an increase in Electric Fund of \$14.8 million, \$3.7 million increase for the Water Fund, and \$4.4 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 increases allocated to general government activities mainly for salary and benefit adjustments related to labor agreements approved after the original budget adoption.
- \$1.1 million increases allocated to public safety mainly for Police salary and benefit adjustments related to labor agreements approved after the original budget adoption and Fire fighter recruit academy and firefighter overtime costs for providing mutual aid to other agencies.
- \$0.5 million increases allocated to the public works department mainly for salary and benefit adjustments related to labor agreements approved after the original budget adoption.
- \$0.5 million increases allocated to parks, recreation & community services mainly for prior fiscal year's contracts and purchase orders carryover.

The majority of the increases were budgeted from available fund balance and increased revenue projection.

### 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, 2008, amounts to \$1.1 billion (net of accumulated depreciation and related debt). This investment in capital assets includes land, natural gas reserve, buildings and improvements, machinery and equipment, infrastructure, and construction in



**City of Glendale**

Management's Discussion and Analysis, continued

June 30, 2008

progress. The total increase in the City's investment in capital assets for the current fiscal year was 7.13 % (a 25.9 % increase for governmental activities and a 17.10% decrease for business-type activities).

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

- \$8.3 million is for land purchased of Rockhaven that will be for park use. 3673 San Fernando Rd (\$4.1 million) was purchased for future housing development. \$10.8 million was from the rainstorm settlement for the following properties, 765 Glenmore, 749 Glenmore, 1644-1648 Gladys Dr., 1652 Gladys Dr. and 1338 N. Jackson.
- At the close of the fiscal year, the Electric fund had a \$33.9 million increase in machinery and equipment compared to the prior year.
- At the close of the fiscal year, the Water fund reflected a \$5.0 million increase in buildings and improvements, and a \$3.9 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	
	2008	2007	2008	2007	2008	2007
Land	\$ 435.5	398.0	15.0	15.0	450.6	413.1
Natural Gas Reserve	-	-	14.8	14.7	14.8	14.7
Buildings and improvements	257.1	225.6	368.9	358.3	626.1	583.9
Machinery & equipment	83.3	79.9	442.2	412.9	525.5	492.8
Infrastructure	218.6	218.0	-	-	218.6	218.0
Drilling In Progress	-	-	-	.8	-	.8
Construction in progress	46.1	66.0	70.1	60.6	116.4	126.7
Total capital assets	1,040.7	987.5	911.1	862.3	1,951.8	1,849.9
Less: Accumulated depreciation	(209.1)	(189.8)	(340.3)	(323.1)	(549.4)	(512.9)
Less: Gas depletion	-	-	(1.5)	(1.1)	(1.5)	(1.1)
Net of depreciation	\$ 831.6	797.7	569.2	538.1	1,400.8	1,335.9

Additional information on the City's capital assets can be found in note III B on pages 47-48 as well as pages 121-122 of this report.

**Long-term debt.** At the end of the current fiscal year, the City has total debt outstanding of \$417.9 million. Of this amount, \$56.9 million is certificates of participation that funded the new police facility, \$88 million is tax allocation bonds backed by the property tax increment collected from the Central redevelopment project area, \$124.8 million is the revenue bonds secured solely by Electric Utility revenue, \$50 million is the revenue bonds secured solely by Water Utility revenue, \$7.6 million is for bond premiums, a negative \$2.5 million is for a deferred amount on the refunding of the 2003 Tax Allocation Bonds, a negative \$2 million is for a deferred amount on the refunding of the 2006 Electric revenue bond, \$23.3 million is owed for the postclosure and postclosure care of Scholl Canyon landfill, \$9.9 million is for capital lease, \$0.2 million is for arbitrage rebate liability, \$25.4 million is for compensated absences, \$1.1 million is for section 108, \$0.9 million is for notes payable, \$0.1 million is for accrued interest, \$31.3 million is for claims payable, and \$2.8 million is for post employment benefits.

**City of Glendale's Outstanding Debt**

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
(Millions of \$)						
<b>Bonds payable:</b>						
Police Facility Certificate of Participation	\$ 56.9	58.3	-	-	56.9	58.3
2002 Tax allocation bonds	38.4	40.4	-	-	38.4	40.4
2003 Tax allocation bonds	49.6	52.1	-	-	49.6	52.1
Electric Revenue Bonds, 2003 Series	-	-	27.7	28.5	27.7	28.5
Electric Revenue Bonds, 2006 Series	-	-	37.1	38.1	37.1	38.1
Electric Revenue Bonds, 2008 Series	-	-	60.0	-	60.0	-
Water Revenue Bonds, 2008 Series	-	-	50.0	-	50.0	-
Bond premium	3.4	3.6	4.2	.7	7.6	4.3
Deferred Amount on Refunding - 2003 TAB	(2.5)	(2.7)	-	-	(2.5)	(2.7)
Deferred Amount on Refunding - 2006 Electric Bond	-	-	(2.0)	(2.2)	(2.0)	(2.2)
<b>Total Bonds Payable</b>	<b>145.8</b>	<b>151.7</b>	<b>177.1</b>	<b>65.1</b>	<b>322.9</b>	<b>216.8</b>
Landfill postclosure and postclosure care liability	23.3	21.7	-	-	23.3	21.7
Capital lease	9.9	11.7	-	-	9.9	11.7
Arbitrage rebate liability	.2	.2	-	-	.2	.2
Compensated absences	18.6	9.2	6.8	3.2	25.4	12.4
Section 108	1.1	1.3	-	-	1.1	1.3
Notes payable	.9	1.8	-	-	.9	1.8
Accrued interest	-	-	.1	.1	.1	.1
Claims payable	31.3	29.8	-	-	31.3	29.8
Post employment benefits	2.3	6.2	.5	1.9	2.8	8.1
<b>Total general long term debt</b>	<b>\$ 233.4</b>	<b>233.6</b>	<b>184.5</b>	<b>70.3</b>	<b>417.9</b>	<b>303.9</b>

The City's total debt increased by \$114 million (37.5 percent) during the current fiscal year. The factors in this net increase were the retirement of \$1.4 million of the Police Facility COPs; the retirement of \$4.6 million in GRA tax allocation bonds; an issuance of Electric revenue bonds, 2008 series for \$60 million; the retirement of \$1.8 million of the 2003 & 2006 Electric revenue bonds; an issuance of Water revenue bonds, 2008 series for \$50 million; a net decrease in bond premiums of \$0.3 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 \$0.2 million on the refunding of the 2006 Electric revenue bonds; a \$1.6 million increase in the postclosure and postclosure care liability for the Scholl Canyon landfill; a \$1.8 million decrease in the capital leases due to retirement of principal of the Fire Equipment lease and Municipal Services Building (MSB) Retrofit Project Lease; an increase of \$0.024 million in arbitrage rebate liability; an addition of compensated absences of \$13 million; a \$0.2 million decrease for Section 108; a \$0.9 million decrease for notes payable; a \$1.5 million increase of claims payable and a \$5.3 million decrease in post employment benefit.

The 2008 Electric revenue bond issue received a "AAA" rating from Fitch, "Aaa" rating from Moody's and a "AAA" rating from Standard & Poor's (S&P) based on insurance purchased related to the issues. The 2008 Water revenue bond issue received a "AAA" rating from Fitch, "Aaa" rating from Moody's and a "AAA" rating from Standard & Poor's (S&P) based on insurance purchased related to the issues. 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 49-55 of this report.

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

- Sales tax revenue growth has declined significantly. The negative growth anticipated in this revenue source is reflective of the economic downturn we are facing this year.
- Property tax revenue continues to show a steady increase due to the growth in real estate market values and sales. We anticipate this growth to slow in the next year.
- High natural gas prices are slowing into next year with a flattening effect on landfill gas royalties. GWP management plans to mitigate the volatility of natural gas and fuel prices by engaging in future SWAP management agreements in hedging energy contracts.
- Utility users tax is also showing modest growth into next year, but the telecommunication portion of the revenues are subject to some uncertainties due to recent legal attempts by the telecommunication companies to exempt themselves from this particular tax.

All of these factors were considered in preparing the City's budget for the 2008-2009 fiscal year.

#### **State Budget**

The State Budget crisis continues as the State legislature continues to use short-term solutions to solve a structural deficit in the 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.

Also, the recent credit crisis and Wall Street failures are having a significant impact on the ability of the State of California to meet its monthly cash obligations. This translates into late revenue remittances to local government from the State for weeks to come until the credit market begins functioning normally.

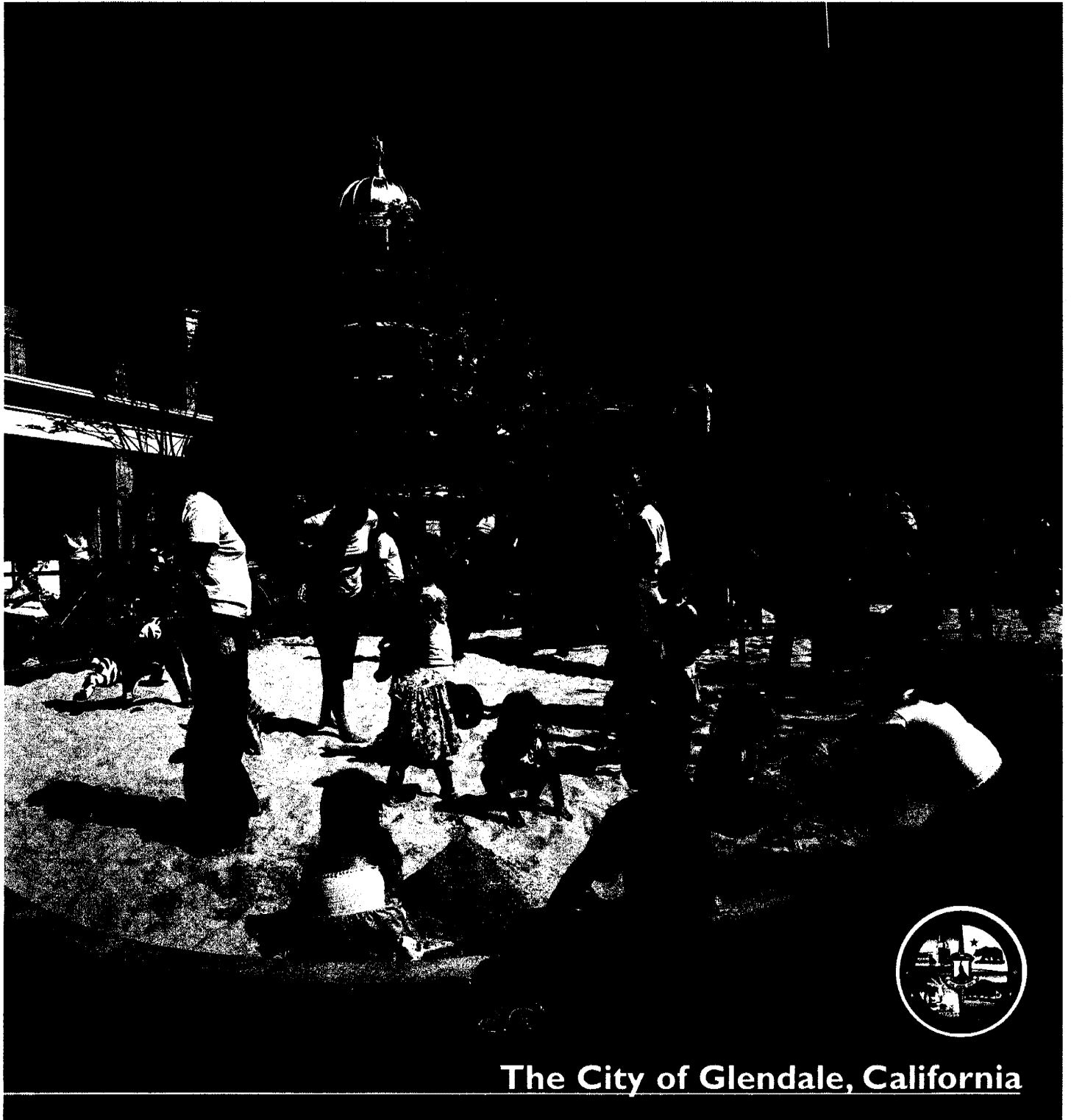
#### **Requests for Information**

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

# Government-Wide Financial Statements

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Year Ended  
June 30, 2008



**The City of Glendale, California**

## CITY OF GLENDALE

## Statement of Net Assets

June 30, 2008

	Governmental Activities	Business Type Activities	Total
<b>Assets</b>			
<b>Current assets:</b>			
Cash and invested cash	\$ 250,527,353	209,876,863	460,404,216
Imprest cash	54,780	3,900	58,680
Cash with fiscal agent	15,803,774	11,869,231	27,673,005
Investment-gas/elec commodity	-	4,749,263	4,749,263
Interest receivable	2,809,683	2,375,348	5,185,031
Accounts receivable, net	4,905,516	17,579,987	22,485,503
Unbilled receivable	1,546,347	22,547,788	24,094,135
Due from other agencies	23,356,345	483,711	23,840,056
Internal balances	20,441,854	(20,441,854)	-
Deposits	7,000	9,717	16,717
Inventories	280,787	7,304,830	7,585,617
Prepaid items	2,311,398	324,262	2,635,660
Total current assets	322,044,837	256,683,046	578,727,883
<b>Noncurrent assets:</b>			
<b>Capital assets:</b>			
Land	435,474,875	14,985,968	450,460,843
Natural Gas Reserve	-	13,246,834	13,246,834
Buildings and improvements	192,226,252	262,542,184	454,768,436
Machinery and equipment	26,352,650	208,269,349	234,621,999
Infrastructure	131,385,303	-	131,385,303
Construction in progress	46,107,660	70,144,520	116,252,180
Total capital assets	831,546,740	569,188,855	1,400,735,595
Designated & invested cash	23,500,000	67,237,012	90,737,012
Deferred charges	2,842,044	3,405,490	6,247,534
Loans receivable	3,390,132	-	3,390,132
Property held for resale	9,876,157	-	9,876,157
Total non current assets	871,155,073	639,831,357	1,510,986,430
Total assets	1,193,199,910	896,514,403	2,089,714,313
<b>Liabilities and Net Assets</b>			
<b>Current liabilities:</b>			
Accounts payable	17,176,052	19,143,761	36,319,813
Contracts-retained amount due	3,111,087	1,528,766	4,639,853
Accrued wages and withholding	6,825,185	-	6,825,185
Due to other agencies	1,455,918	37,801	1,493,719
Accrued interest	662,830	2,503,488	3,166,318
Claims Payable	10,628,315	-	10,628,315
Compensated absences	1,921,782	717,262	2,639,044
Bonds payable, due in one year	8,774,891	1,837,023	10,611,914
Deferred revenues	1,016,481	-	1,016,481
Deposits	5,581,680	3,939,068	9,520,748
Total current liabilities	57,154,221	29,707,169	86,861,390
<b>Noncurrent liabilities:</b>			
Claims payable	20,677,848	-	20,677,848
Post employment benefits	2,257,162	545,748	2,802,910
Compensated absences	16,659,335	6,088,655	22,747,990
Long term debt	172,431,717	175,313,142	347,744,859
Total noncurrent liabilities	212,026,062	181,947,545	393,973,607
Total liabilities	269,180,283	211,654,714	480,834,997
<b>Net assets:</b>			
Investment in capital assets, net of related debt	766,314,327	392,038,691	1,158,353,018
Restricted			
Charter	19,319,879	-	19,319,879
Low and moderate housing	16,699,477	-	16,699,477
Debt service	12,372,588	8,123,277	20,495,865
SCAQMD emission controls	-	5,934,873	5,934,873
Unrestricted	109,313,356	278,762,848	388,076,204
Total net assets	\$ 924,019,627	684,859,689	1,608,879,316

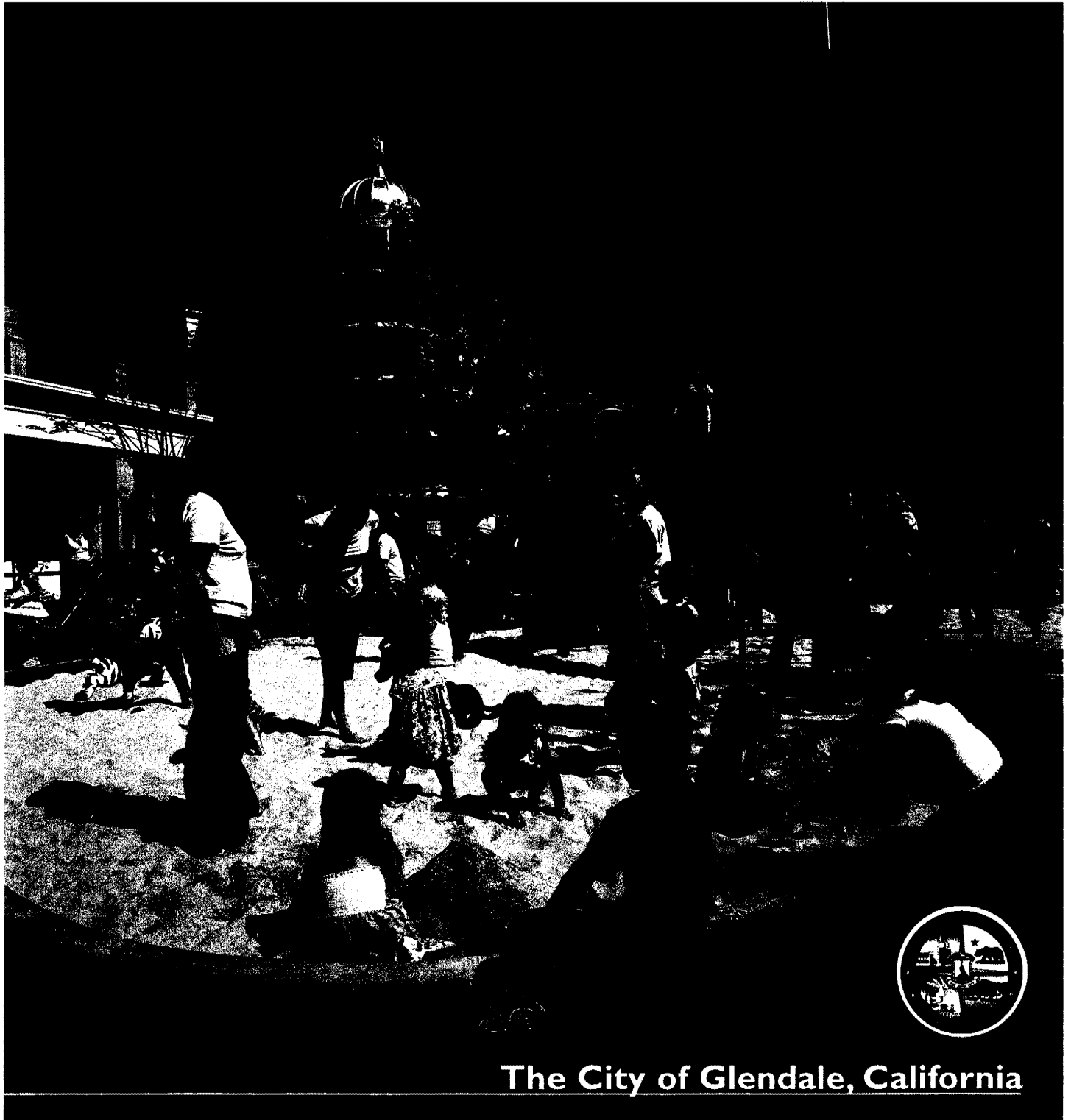
Exhibit A-2  
**CITY OF GLENDALE**  
Statement of Activities  
For Fiscal Year Ended June 30, 2008

	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	15,165,409	9,173,023	319,584	-	(5,672,802)	-	(5,672,802)
Public safety	118,200,083	14,391,097	6,802,634	328,153	(96,678,199)	-	(96,678,199)
Public works	40,252,625	12,497,748	7,472,614	6,943,037	(13,339,226)	-	(13,339,226)
Housing, health and comm dev	51,601,539	54,882	19,565,805	-	(31,980,852)	-	(31,980,852)
Employment programs	5,961,787	1,131,181	3,336,327	-	(1,494,279)	-	(1,494,279)
Public service	4,681,865	-	86,375	-	(4,595,490)	-	(4,595,490)
Parks, recreation and community services	15,698,657	28,873	315,016	-	(15,354,768)	-	(15,354,768)
Library	9,915,990	235,768	271,685	-	(9,408,537)	-	(9,408,537)
Interest and fiscal charges on bonds	9,609,649	-	-	-	(9,609,649)	-	(9,609,649)
Total governmental activities	271,087,604	37,512,572	38,170,040	7,271,190	(188,133,802)	-	(188,133,802)
Business-type activities:							
Recreation	2,457,305	2,092,170	264,000	-	-	(101,135)	(101,135)
Hazardous disposal	1,801,342	1,560,277	57,716	-	-	(183,349)	(183,349)
Parking	6,416,125	7,779,883	-	-	-	1,363,758	1,363,758
Sewer	17,783,937	16,857,313	-	-	-	(926,624)	(926,624)
Refuse disposal	16,282,632	18,951,571	90,744	-	-	2,759,683	2,759,683
Electric	195,589,540	204,496,899	-	3,274,595	-	12,181,954	12,181,954
Water	31,262,809	34,817,321	219,368	741,773	-	4,515,653	4,515,653
Total business-type activities	271,593,690	286,555,434	631,828	4,016,368	-	19,609,940	19,609,940
Total primary government	\$ 542,681,294	324,068,006	38,801,868	11,287,558	(188,133,802)	19,609,940	(168,523,862)
General revenues:							
Taxes:							
Property taxes					\$ 72,689,656	-	72,689,656
Sales taxes					24,731,315	-	24,731,315
Utility users tax					27,781,257	-	27,781,257
Other taxes					21,507,692	-	21,507,692
Investment income					14,254,370	10,425,224	24,679,594
Other					21,611,275	8,387,355	29,998,630
Transfers					25,309,950	(25,309,950)	-
Total general revenues, transfers and special item					207,885,515	(6,497,371)	201,388,144
Change in net assets					19,751,713	13,112,569	32,864,282
Net assets, July 1, 2007					904,267,914	671,747,120	1,576,015,034
Net assets, June 30, 2008	\$				924,019,627	684,859,689	1,608,879,316

# Major Funds

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Year Ended  
June 30, 2008



**The City of Glendale, California**



Exhibit B-1  
**CITY OF GLENDALE**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2008

**Major Funds**

	<b>Glendale</b> <b>Redevelopment Agency</b> <b>Capital Improvement</b> <b>Nonmajor</b> <b>Governmental Funds</b> <b>Total Governmental</b> <b>Funds</b>				
	<b>General Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Governmental Funds</b>	<b>Funds</b>
<b>Assets</b>					
Cash and invested cash	\$ 50,937,897	41,950,156	8,675,489	99,942,336	201,505,878
Imprest cash	54,280	500	-	-	54,780
Cash with fiscal agent	-	1,983,543	-	13,820,231	15,803,774
Designated & invested cash	4,000,000	-	19,500,000	-	23,500,000
Interest receivable	803,148	482,520	908	847,800	2,134,376
Accounts receivable, net	1,739,128	-	-	3,145,292	4,884,420
Intergovernmental receivable	68,501,888	-	-	-	68,501,888
Unbilled receivable	909,136	-	-	637,212	1,546,348
Due from other agencies	8,316,081	3,359,604	3,627,531	8,054,180	23,357,396
Due from other funds	9,873,722	-	-	-	9,873,722
Deposits	-	7,000	-	-	7,000
Inventories	280,787	-	-	-	280,787
Prepaid items	84,025	-	-	1,769,908	1,853,933
Deferred charges	-	-	-	-	-
Loans receivable	-	3,390,132	-	-	3,390,132
Property held for resale	-	5,074,474	-	4,801,683	9,876,157
<b>Total assets</b>	<b>145,500,092</b>	<b>56,247,929</b>	<b>31,803,928</b>	<b>133,018,642</b>	<b>366,570,591</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	3,538,922	703,272	5,829,366	4,419,578	14,491,138
Contracts-retained amount due	3,096,256	-	-	14,832	3,111,088
Due to other funds	-	-	1,331,140	9,225,374	10,556,514
Due to other agencies	17,389	1,096,321	1,999	340,209	1,455,918
Interest payable	-	-	-	303,247	303,247
Bonds payable, due in one year	-	-	-	-	-
Accrued wages and withholding	6,824,587	-	-	598	6,825,185
Accrued interest	-	-	-	-	-
Compensated absences	-	-	-	-	-
Deferred revenues	5,185,503	-	1,421,531	781,524	7,388,558
Deposits	5,340,052	54,722	-	186,907	5,581,681
Claims payable	-	-	-	-	-
Post employment benefits	-	-	-	-	-
Landfill	-	-	-	-	-
Long term debt	-	68,501,888	-	-	68,501,888
<b>Total liabilities</b>	<b>24,002,709</b>	<b>70,356,203</b>	<b>8,584,036</b>	<b>15,272,269</b>	<b>118,215,217</b>
<b>Fund Balances:</b>					
<b>Reserved:</b>					
Deposit	-	7,000	-	-	7,000
Prepaid	84,025	-	-	1,769,908	1,853,933
Charter	19,319,879	-	-	-	19,319,879
Debt service	-	-	-	12,372,588	12,372,588
Encumbrances	842,321	4,678,716	23,219,892	7,438,533	36,179,462
Loans Receivable	-	3,390,132	-	-	3,390,132
City/Agency advances	68,501,888	-	-	-	68,501,888
Property Resale	-	5,074,474	-	4,801,683	9,876,157
<b>Unreserved, reported in:</b>					
General funds	32,749,270	-	-	-	32,749,270
Special revenue funds	-	(27,258,596)	-	29,601,472	2,342,876
Capital project funds	-	-	-	18,866,191	18,866,191
Debt service	-	-	-	42,895,998	42,895,998
<b>Total fund balances</b>	<b>121,497,383</b>	<b>(14,108,274)</b>	<b>23,219,892</b>	<b>117,746,373</b>	<b>248,355,374</b>
<b>Total liabilities and fund balances</b>	<b>\$ 145,500,092</b>	<b>56,247,929</b>	<b>31,803,928</b>	<b>133,018,642</b>	<b>366,570,591</b>

Exhibit B-2  
**CITY OF GLENDALE**  
 Reconciliation of Balance Sheet of  
 Governmental Funds to the Statement of Net Assets  
 June 30, 2008

Fund balances of governmental funds	\$	248,355,374
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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	\$	435,474,875	
Buildings and improvements		192,226,252	
Equipment		26,352,650	
Infrastructure		131,385,303	
Construction in progress		<u>46,107,660</u>	831,546,740

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	506,000	
2002 Tax allocation bonds	778,491	
2003 Tax allocation bonds	<u>1,557,553</u>	2,842,044

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

Due within one year:

Police building bonds	(1,400,000)	
2002 Tax allocation bonds	(2,100,000)	
2003 Tax allocation bonds	(2,479,866)	
Capital lease	(1,421,155)	
Arbitrage liability	-	
2002 Tax allocation bond premium-current	(105,619)	
2003 Tax allocation bond premium-current	(145,251)	
Section 108	(200,000)	
Notes payable	<u>(923,000)</u>	(8,774,891)

Due more than one year:

Police building bonds	(55,500,000)	
2002 Tax allocation bonds	(36,305,000)	
2003 Tax allocation bonds	(44,626,820)	
Post closure and post closure care	(23,262,280)	
2002 Tax allocation bond premium-long term	(1,320,233)	
2003 Tax allocation bond premium-long term	(1,791,427)	
Capital lease	(8,513,773)	
Arbitrage liability	(212,184)	
Section 108	<u>(900,000)</u>	(172,431,717)

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

2002 Tax allocation bonds	(145,749)	
2003 Tax allocation bonds	(180,051)	
Section 108	(17,009)	
Capital lease	<u>\$ (16,773)</u>	(359,582)

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

6,372,077

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.

16,469,582

Net assets of governmental activities

\$ 924,019,627

Exhibit C-1  
**CITY OF GLENDALE**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Fund  
Year Ended June 30, 2008

	Major Funds				
	General Fund	Glendale Redevelopment Agency Fund	Capital Improvement Fund	Non Major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 40,355,430	17,673,378	-	14,660,848	72,689,656
Other taxes	62,332,076	-	7,071,146	4,617,042	74,020,264
Revenue from other agencies	2,096,821	2,244,114	3,369,544	40,841,198	48,551,677
Licenses and permits	6,311,646	-	42,407	-	6,354,053
Fines and forfeitures	1,054,778	-	-	985,952	2,040,730
Charges for services	3,857,864	25,493	4,454,408	15,009,790	23,347,555
Use of money and property	7,086,137	2,385,725	5,633	5,198,875	14,676,370
Intergovernmental revenue	2,000,000	-	-	-	2,000,000
Interfund revenue	7,853,372	-	-	-	7,853,372
Sales of property	4,847	5,980,175	-	-	5,985,022
Miscellaneous revenue	1,577,373	228,744	21,988	4,085,039	5,913,144
Total Revenues	134,530,344	28,537,629	14,965,126	85,398,744	263,431,843
Expenditures:					
Operating expenditures					
General government	20,042,537	-	65,490	831,567	20,939,594
Community promotion	151,027	-	-	-	151,027
Public safety	90,176,158	-	12,242	19,856,336	110,044,736
Public works	20,099,268	-	1,080,757	9,401,153	30,581,178
Housing, health and community development	2,353,156	12,013,203	-	23,645,905	38,012,264
Employment programs	-	-	-	3,544,809	3,544,809
Public service	-	-	-	4,492,312	4,492,312
Parks, recreation and community services	12,153,569	-	607,988	455,907	13,217,464
Library	8,324,505	-	134,187	471,033	8,929,725
Capital	374,255	22,027,034	29,470,604	7,616,853	59,488,746
Debt service	-	-	-	13,648,534	13,648,534
Total expenditures	153,674,475	34,040,237	31,371,268	83,964,409	303,050,389
Excess of revenues over (under) expenditures	(19,144,131)	(5,502,608)	(16,406,142)	1,434,335	(39,618,546)
Other financing sources (use):					
Transfer from					
Transfer-General Fund	-	-	9,226,000	2,850,786	12,076,786
Transfer-Special Revenue	-	-	-	100,000	100,000
Transfer-Capital Funds	2,800,000	-	-	1,392,062	4,192,062
Transfer-GRA	-	368,000	-	-	368,000
Transfer-Sewer Fund	1,040,000	-	-	-	1,040,000
Transfer-Electric	18,375,000	-	-	-	18,375,000
Transfer-Water	4,000,000	-	-	-	4,000,000
Transfer-Parking	1,900,000	-	-	-	1,900,000
Transfer to					
Transfer-General Fund	-	-	(2,800,000)	-	(2,800,000)
Transfer-Special Revenue	(2,850,786)	(368,000)	-	(100,000)	(3,318,786)
Transfer-Debt Service	-	-	(1,392,062)	-	(1,392,062)
Transfer-Capital Funds	(9,226,000)	-	-	-	(9,226,000)
Transfer-Misc Enterprise	(5,050)	-	-	-	(5,050)
Transfer-Int Service	(3,103,000)	-	(1,750,000)	-	(4,853,000)
Total financing sources (use)	12,930,164	-	3,283,938	4,242,848	20,456,950
Net change in fund balances	(6,213,967)	(5,502,608)	(13,122,204)	5,677,183	(19,161,596)
Fund balance, July 1, 2007	127,711,350	(8,605,666)	36,342,096	112,069,190	267,516,970
Fund Balance, June 30, 2008	\$ 121,497,383	(14,108,274)	23,219,892	117,746,373	248,355,374

**CITY OF GLENDALE**

## Reconciliation of the Statement of Revenue, Expenditures, and Changes in the Fund balances of

## Governmental Funds to the Statement of Activities

June 30, 2008

Net change in fund balances - total governmental funds		\$	(19,161,596)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital assets as expenditures			57,451,220
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.			(23,579,654)
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, 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
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		1,400,000	
2002 Tax allocation bonds		2,035,000	
2003 Tax allocation bonds		2,354,866	
Capital lease		1,022,241	
Section 108		180,000	
Notes payable		<u>923,000</u>	7,915,107
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:			
Interest Expense FY 2007			
2002 Tax allocation bonds		5,087	
2003 Tax allocation bonds		10,646	
Section 108		2,280	
Capital lease - Fire Equipment	\$	<u>444,533</u>	462,546
Landfill postclosure care liability increased from prior year			(1,555,980)
Arbitrage liability			(24,059)
Deferred revenue in the governmental funds is a revenue in the statement of activities			(413,739)
Change in net assets of Internal Service funds allocated to governmental activities			(1,394,574)
Change in net assets for governmental activities		\$	<u>19,751,713</u>

Exhibit D-1  
**CITY OF GLENDALE**  
Statement of Revenues - Budget to Actual  
General Fund  
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Property taxes	\$ 38,350,000	38,350,000	40,355,430	2,005,430
Other Taxes				
Sales Tax	20,850,000	20,850,000	19,854,507	(995,493)
ERAF in Lieu of Sales Tax	7,190,000	7,190,000	6,613,698	(576,302)
State 1/2% Sales Tax	1,600,000	1,600,000	1,572,678	(27,322)
Utility Users Tax	25,750,000	25,750,000	27,781,257	2,031,257
Franchise Tax	2,575,000	2,575,000	3,070,458	495,458
Occupancy Tax	2,900,000	2,900,000	2,731,228	(168,772)
Property Transfer Tax	1,000,000	1,000,000	708,250	(291,750)
Total	61,865,000	61,865,000	62,332,076	467,076
Licenses and permits:				
Dog Licenses	160,000	160,000	131,696	(28,304)
Cat Licenses	-	-	55	55
Bicycle Licenses	-	-	50	50
Building Permits	4,750,000	4,750,000	4,100,540	(649,460)
Plan Check Fees	190,000	190,000	316,863	126,863
Variance Permits	1,300,000	1,300,000	936,534	(363,466)
Grading Permits	40,000	40,000	(1,160)	(41,160)
Street Permits	190,000	190,000	383,506	193,506
Business License Permits	425,000	452,250	443,562	(8,688)
Total	7,055,000	7,082,250	6,311,646	(770,604)
Fines and forfeitures - Traffic safety fines	1,400,000	1,400,000	1,054,778	(345,222)
Use of money and property:				
Interest & Inv. Revenue	4,250,000	4,250,000	3,552,520	(697,480)
Interest & Inv GASB 31	-	-	683,274	683,274
Landfill Gas Royalties	2,000,000	2,000,000	2,750,335	750,335
Rental Income	100,000	100,000	100,008	8
Total	6,350,000	6,350,000	7,086,137	736,137
Revenue from other agencies:				
Disaster Relief Reimb	-	-	86,375	86,375
Mutual Aid Reimbursement	-	441,601	559,700	118,099
Historic Preserve Grant	-	-	25,000	25,000
Disaster Relief Reimb - State	-	-	31,126	31,126
State AB 1662 Booking Fee	25,000	25,000	-	(25,000)
State S/B 90	100,000	100,000	180,186	80,186
Motor Vehicle in Lieu	1,450,000	1,450,000	883,565	(566,435)
State Library Grant	60,000	60,000	95,822	35,822
State H/O Exemptions	225,000	225,000	221,460	(3,540)
County Grants	10,000	10,000	13,587	3,587
Local Grants	27,500	27,500	-	(27,500)
Total	1,897,500	2,339,101	2,096,821	(242,280)
Miscellaneous revenue:				
Donations & Contribution	75,000	78,600	25,432	(53,168)
Rose Float Donations	45,000	45,000	45,000	-
Sponsorships	205,000	205,000	15,407	(189,593)
Advertising Revenue	-	-	29,342	29,342
Miscellaneous Revenue	400,000	400,000	1,467,039	1,067,039
Total	\$ 725,000	728,600	1,582,220	853,620

Exhibit D-1  
**CITY OF GLENDALE**  
Statement of Revenues - Budget to Actual  
General Fund  
Year Ended June 30, 2008

		Budgeted Amounts		Actual	Variance Favorable
		Original	Final		(Unfavorable)
Charges for services:					
Zoning-Subdivision Fees	\$	50,000	50,000	23,952	(26,048)
Map and Publication Fees		30,000	30,000	44,077	14,077
Filing-Certification Fee		10,000	10,000	2,233	(7,767)
Passports		465,000	465,000	77,644	(387,356)
Passport Photos		30,000	30,000	22,120	(7,880)
Notary Fees		6,000	6,000	5,919	(81)
Subrogation Recoveries		60,000	60,000	-	(60,000)
Sparta/Special Event Ins Fees		35,000	35,000	-	(35,000)
Shipping Fees		-	-	7,366	7,366
Child Identification Kits		-	-	645	645
Passport pass-through fee		-	-	244,619	244,619
Film Rentals of City Property		-	-	162,986	162,986
Special Event Fees		-	-	25,321	25,321
Finger Print Fees		200,000	200,000	259,399	59,399
Special Police Fees		800,000	800,000	582,784	(217,216)
Vehicle Tow Admin Fee (VTACR)		200,000	200,000	140,686	(59,314)
Fire Inspection Fees		335,000	335,000	463,313	128,313
Fire Mechanical Maint Fees		25,000	25,000	263	(24,737)
Fire Communication Fees		240,000	240,000	267,810	27,810
Hydrant Flow Test Fees		5,000	5,000	2,990	(2,010)
Hazardous Vegetation Fee		5,000	5,000	230	(4,770)
Code Enforcement Fees		100,000	100,000	54,882	(45,118)
Youth Employment Fees		1,661,000	1,661,000	1,101,933	(559,067)
Outreach revenue		120,000	120,000	29,248	(90,752)
Excavation Fees		50,000	50,000	97,058	47,058
Resurfacing Fees		5,000	5,000	-	(5,000)
Collectible Jobs - A & G		175,000	175,000	92,024	(82,976)
Library Fines and Fees		150,000	150,000	116,915	(33,085)
Aquatics		30,000	30,000	28,873	(1,127)
Local Assessment Fees		100,000	100,000	2,574	(97,426)
Total		4,887,000	4,887,000	3,857,864	(1,029,136)
Interfund revenue					
Charges to enterprise funds for:					
Charges to Ent-Council		202,734	202,734	-	(202,734)
Charges to Ent-Manager		943,787	943,787	960,533	16,746
Charges to Ent-Auditor		331,979	331,979	345,053	13,074
Charges to Ent-Clerk		460,000	460,000	425,299	(34,701)
Charges to Ent-Finance		1,300,000	1,300,000	1,147,705	(152,295)
Charges to Ent-EDP		2,500,000	2,500,000	2,432,453	(67,547)
Charges to Ent-Treasurer		225,000	225,000	213,981	(11,019)
Charges to Ent-Purchasng		200,000	200,000	165,912	(34,088)
Charges to Ent-Legal		950,000	950,000	732,616	(217,384)
Charges to Ent-Personnel		558,153	558,153	444,817	(113,336)
Charges to Ent-Training		66,760	66,760	58,947	(7,813)
Charges to Ent-Parks-Rec		60,000	60,000	55,170	(4,830)
Charges to Ent-G.G. Bldg		50,000	50,000	45,840	(4,160)
Charges to Ent-Mem & Duc		25,000	25,000	30,570	5,570
Charges to Ent-PW Admin		326,587	326,587	321,028	(5,559)
Salary O/H Budget Job		400,000	400,000	473,448	73,448
Total		8,600,000	8,600,000	7,853,372	(746,628)
Intergovernmental revenue		2,000,000	2,000,000	2,000,000	-
Total revenues	\$	133,129,500	133,601,951	134,530,344	928,393

## Exhibit D-2

## CITY OF GLENDALE

## Statement of Expenditures - Budget to Actual

## General Fund

Year Ended June 30, 2008

	Salaries and Benefits				Maintenance and Operation			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
General government:								
City clerk	\$ 934,878	940,478	884,548	55,930	181,169	182,169	147,842	34,327
Elections	10,985	10,985	263	10,722	9,000	9,000	1,874	7,126
City treasurer	469,071	469,071	471,876	(2,805)	66,185	66,185	47,531	18,654
City manager	1,966,148	1,966,148	1,880,063	86,085	683,461	775,128	453,302	321,826
City auditor	734,600	734,600	804,987	(70,387)	85,435	85,435	32,527	52,908
Legal	1,839,790	1,839,790	1,623,932	215,858	157,961	157,961	154,337	3,624
Finance	1,991,058	1,991,058	1,721,201	269,857	1,046,718	1,089,718	1,101,235	(11,517)
Purchasing	402,311	402,311	378,445	23,866	24,680	24,680	24,266	414
Information services	3,730,441	3,973,642	3,939,012	34,630	787,071	787,071	1,007,305	(220,234)
Communications services	-	-	-	-	-	-	-	-
Planning	3,130,244	3,085,244	2,886,372	198,872	142,736	225,468	213,732	11,736
Personnel	1,344,346	1,249,346	1,119,369	129,977	426,648	476,648	279,775	196,873
Fingerprinting & Passports	205,642	263,181	220,884	42,297	748,700	748,700	462,350	286,350
Training	-	-	-	-	185,890	190,890	185,509	5,381
Total	16,759,514	16,925,854	15,930,952	994,902	4,545,654	4,819,053	4,111,585	707,468
Community promotion:								
Special Events	5,000	5,000	174	4,826	51,900	94,000	82,581	11,419
Membership and dues	-	-	-	-	66,588	66,588	68,272	(1,684)
Total	5,000	5,000	174	4,826	118,488	160,588	150,853	9,735
Public safety:								
Police	46,581,174	46,528,305	45,175,729	1,352,576	5,974,024	6,173,706	7,341,436	(1,167,730)
Fire	30,792,988	31,699,811	32,011,494	(311,683)	2,380,137	2,411,059	2,907,919	(496,860)
Fire prevention	1,512,055	1,512,055	1,395,538	116,517	263,797	263,797	248,264	15,533
Fire communications	-	-	-	-	848,858	848,858	863,153	(14,295)
Emergency services	231,912	231,912	185,965	45,947	69,179	69,179	46,660	22,519
Total	\$ 79,118,129	79,972,083	78,768,726	1,203,357	9,535,995	9,766,599	11,407,432	(1,640,833)

Exhibit D-2  
**CITY OF GLENDALE**  
Statement of Expenditures - Budget to Actual  
General Fund  
Year Ended June 30, 2008

	Capital Outlay				Total			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
General government:								
City clerk	\$ -	-	-	-	1,116,047	1,122,647	1,032,390	90,257
Elections	-	-	-	-	19,985	19,985	2,137	17,848
City treasurer	-	-	-	-	535,256	535,256	519,407	15,849
City manager	5,000	10,000	798	9,202	2,654,609	2,751,276	2,334,163	417,113
City auditor	-	-	-	-	820,035	820,035	837,514	(17,479)
Legal	-	-	-	-	1,997,751	1,997,751	1,778,269	219,482
Finance	-	-	-	-	3,037,776	3,080,776	2,822,436	258,340
Purchasing	-	-	-	-	426,991	426,991	402,711	24,280
Information services	-	-	-	-	4,517,512	4,760,713	4,946,317	(185,604)
Communications services	-	-	-	-	-	-	-	-
Planning	-	-	-	-	3,272,980	3,310,712	3,100,104	210,608
Personnel	-	76,000	-	76,000	1,770,994	1,801,994	1,399,144	402,850
Fingerprinting & Passports	-	-	-	-	954,342	1,011,881	683,234	328,647
Training	-	-	-	-	185,890	190,890	185,509	5,381
Total	5,000	86,000	798	85,202	21,310,168	21,830,907	20,043,335	1,787,572
Community promotion:								
Special Events	-	-	-	-	56,900	99,000	82,755	16,245
Membership and dues	-	-	-	-	66,588	66,588	68,272	(1,684)
Total	-	-	-	-	123,488	165,588	151,027	14,561
Public safety:								
Police	-	25,000	18,837	6,163	52,555,198	52,727,011	52,536,002	191,009
Fire	193,850	207,850	65,437	142,413	33,366,975	34,318,720	34,984,850	(666,130)
Fire prevention	-	-	-	-	1,775,852	1,775,852	1,643,802	132,050
Fire communications	-	-	-	-	848,858	848,858	863,153	(14,295)
Emergency services	-	-	-	-	301,091	301,091	232,625	68,466
Total	\$ 193,850	232,850	84,274	148,576	88,847,974	89,971,532	90,260,432	(288,900)



Exhibit D-2  
**CITY OF GLENDALE**  
Statement of Expenditures - Budget to Actual  
General Fund  
Year Ended June 30, 2008

	Salaries and Benefits				Maintenance and Operation			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
Public works:								
Public works	\$ 575,621	638,956	676,466	(37,510)	57,133	78,219	61,678	16,541
Project management	430,144	342,644	485,665	(143,021)	21,133	21,133	21,105	28
Engineering	3,281,978	2,956,978	2,521,215	435,763	272,475	292,475	201,890	90,585
Building inspection	2,879,089	3,051,249	2,731,964	319,285	580,026	580,026	258,012	322,014
Corporation yard	-	-	-	-	111,898	111,898	111,420	478
Custodial services	867,319	867,319	710,344	156,975	100,758	100,758	91,644	9,114
Building services	1,252,853	1,532,176	1,243,386	288,790	1,124,742	1,224,742	1,071,708	153,034
Street administration	323,447	323,447	344,985	(21,538)	80,622	80,622	80,576	46
Street maintenance	1,315,742	1,315,742	1,145,707	170,035	349,355	417,755	162,930	254,825
Sidewalk maintenance	1,411,780	1,411,780	1,055,818	355,962	1,707,318	1,767,293	1,442,606	324,687
Street trees maintenance	965,654	965,654	869,520	96,134	663,643	732,643	595,853	136,790
Mechanical maintenance	635,154	635,154	303,061	332,093	1,358,773	1,352,773	1,352,175	598
Warehouse	132,280	132,280	107,406	24,874	7,446	7,446	6,668	778
Traffic engineering	647,889	647,889	756,083	(108,194)	461,721	461,721	301,735	159,986
Traffic signals	89,276	89,276	78,625	10,651	988,933	988,933	878,616	110,317
Traffic safety controls	363,241	338,241	305,433	32,808	106,619	131,619	124,974	6,645
Total	15,171,467	15,248,785	13,335,678	1,913,107	7,992,595	8,350,056	6,763,590	1,586,466
Housing, health and community development:								
Economic development	-	-	-	-	25,206	25,206	5,755	19,451
Neighborhood services	2,626,795	2,638,029	1,963,349	674,680	485,040	488,490	384,052	104,438
Total	2,626,795	2,638,029	1,963,349	674,680	510,246	513,696	389,807	123,889
Parks, recreation and community services:								
Parks administration	1,120,623	1,120,623	1,113,900	6,723	105,613	254,174	220,879	33,295
Parks	4,985,398	4,756,398	4,736,244	20,154	2,200,245	2,492,990	2,308,018	184,972
Facility & events services	1,556,482	1,496,482	1,448,041	48,441	231,708	238,298	208,348	29,950
Recreation & community services	1,867,493	1,867,493	1,603,466	264,027	599,833	611,375	514,673	96,702
Total	9,529,996	9,240,996	8,901,651	339,345	3,137,399	3,596,837	3,251,918	344,919
Library	6,453,961	6,379,450	6,274,756	104,694	2,013,369	2,080,069	2,049,749	30,320
Total expenditures	\$ 129,664,862	130,410,197	125,175,286	5,234,911	27,853,746	29,286,898	28,124,934	1,161,964

Exhibit D-2  
**CITY OF GLENDALE**  
Statement of Expenditures - Budget to Actual  
General Fund  
Year Ended June 30, 2008

	Capital Outlay				Total			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
Public works:								
Public works	\$ -	-	-	-	632,754	717,175	738,144	(20,969)
Project management	-	-	-	-	451,277	363,777	506,770	(142,993)
Engineering	-	15,000	-	15,000	3,554,453	3,264,453	2,723,105	541,348
Building inspection	-	-	-	-	3,459,115	3,631,275	2,989,976	641,299
Corporation yard	-	-	-	-	111,898	111,898	111,420	478
Custodial services	-	-	-	-	968,077	968,077	801,988	166,089
Building services	-	-	-	-	2,377,595	2,756,918	2,315,094	441,824
Street administration	-	-	-	-	404,069	404,069	425,561	(21,492)
Street maintenance	-	-	-	-	1,665,097	1,733,497	1,308,637	424,860
Sidewalk maintenance	-	-	-	-	3,119,098	3,179,073	2,498,424	680,649
Street trees maintenance	-	-	-	-	1,629,297	1,698,297	1,465,373	232,924
Mechanical maintenance	-	6,000	5,794	206	1,993,927	1,993,927	1,661,030	332,897
Warehouse	-	-	-	-	139,726	139,726	114,074	25,652
Traffic engineering	-	-	-	-	1,109,610	1,109,610	1,057,818	51,792
Traffic signals	-	-	-	-	1,078,209	1,078,209	957,241	120,968
Traffic safety controls	-	-	-	-	469,860	469,860	430,407	39,453
Total	-	21,000	5,794	15,206	23,164,062	23,619,841	20,105,062	3,514,779
Housing, health and community development:								
Economic development	-	-	-	-	25,206	25,206	5,755	19,451
Neighborhood services	60,000	60,000	37,989	22,011	3,171,835	3,186,519	2,385,390	801,129
Total	60,000	60,000	37,989	22,011	3,197,041	3,211,725	2,391,145	820,580
Parks, recreation and community services:								
Parks administration	-	-	(2,182)	2,182	1,226,236	1,374,797	1,332,597	42,200
Parks	45,000	263,730	155,140	108,590	7,230,643	7,513,118	7,199,402	313,716
Facility & events services	-	-	-	-	1,788,190	1,734,780	1,656,389	78,391
Recreation & community services	-	60,000	58,930	1,070	2,467,326	2,538,868	2,177,069	361,799
Total	45,000	323,730	211,888	111,842	12,712,395	13,161,563	12,365,457	796,106
Library	70,000	70,000	33,512	36,488	8,537,330	8,529,519	8,358,017	171,502
Total expenditures	\$ 373,850	793,580	374,255	419,325	157,892,458	160,490,675	153,674,475	6,816,200

Business-Type Activities - Enterprise Funds

	Sewer Fund	Electric Fund	Water Fund	Total Major Enterprise Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>							
<b>Current assets:</b>							
Cash and invested cash	\$ 65,418,313	94,751,910	30,966,537	191,136,760	18,740,103	209,876,863	49,021,476
Imprest cash	-	2,900	1,000	3,900	-	3,900	-
Cash with fiscal agent	-	6,426,971	5,442,260	11,869,231	-	11,869,231	-
Interest receivable	548,710	1,374,474	332,002	2,255,186	143,625	2,398,811	679,757
Investment-gas/elec commodity	-	4,749,263	-	4,749,263	-	4,749,263	-
Accounts receivable, net	948,521	13,084,509	2,087,152	16,120,182	1,436,342	17,556,524	19,723
Unbilled receivable	1,163,624	16,760,317	3,338,759	21,262,700	1,285,088	22,547,788	-
Due from other agencies	7,603	17,640	78,475	103,718	379,993	483,711	-
Due from other funds	-	1,331,140	-	1,331,140	-	1,331,140	-
Deposits	-	9,717	-	9,717	-	9,717	-
Inventories	-	7,304,830	-	7,304,830	-	7,304,830	-
Prepaid items	-	324,262	-	324,262	-	324,262	457,465
Total current assets	68,086,771	146,137,933	42,246,185	256,470,889	21,985,151	278,456,040	50,178,421
<b>Noncurrent assets:</b>							
Designated & invested cash	-	59,508,379	7,728,633	67,237,012	-	67,237,012	-
Deferred charges	-	2,728,835	676,655	3,405,490	-	3,405,490	-
	-	62,237,214	8,405,288	70,642,502	-	70,642,502	-
<b>Capital assets:</b>							
Land	578,447	6,083,674	1,033,999	7,696,120	7,289,848	14,985,968	-
Natural Gas Reserve	-	14,769,171	-	14,769,171	-	14,769,171	-
Buildings and improvements	179,403,815	56,522,771	84,155,869	320,082,455	48,831,181	368,913,636	-
Machinery and equipment	2,018,504	379,145,671	44,619,747	425,783,922	16,461,692	442,245,614	212,915
Bldg & impro accm depreciation	(34,068,158)	(224,879,640)	(51,113,401)	(310,061,199)	(30,286,518)	(340,347,717)	(113,658)
Gas Depletion	-	(1,522,337)	-	(1,522,337)	-	(1,522,337)	-
Construction in progress	-	47,423,125	22,721,395	70,144,520	-	70,144,520	-
Total capital assets	147,932,608	277,542,435	101,417,609	526,892,652	42,296,203	569,188,855	99,257
Total non-current assets	147,932,608	339,779,649	109,822,897	597,535,154	42,296,203	639,831,357	99,257
Total assets	216,019,379	485,917,582	152,069,082	854,006,043	64,281,354	918,287,397	50,277,678
<b>Liabilities and Net Assets</b>							
<b>Current liabilities:</b>							
Accounts payable	1,908,104	12,575,694	3,714,331	18,198,129	945,632	19,143,761	2,689,042
Contracts-retained amount due	-	638,657	890,109	1,528,766	-	1,528,766	-
Due to other agencies	-	-	-	-	37,801	37,801	-
Due to other funds	-	-	-	-	-	-	648,348
Accrued interest	-	-	-	-	-	-	16,773
Interest payable	-	1,814,864	688,624	2,503,488	-	2,503,488	-
Claims Payable	-	-	-	-	-	-	10,628,315
Compensated absences	-	-	-	-	-	-	2,639,045
Bonds payable, due in one year	-	1,772,449	64,574	1,837,023	-	1,837,023	352,811
Deposits	259,691	2,541,026	559,401	3,360,118	578,950	3,939,068	-
Intergovernmental payable	-	-	-	-	-	-	-
Total current liabilities	2,167,795	19,342,690	5,917,039	27,427,524	1,562,383	28,989,907	16,974,334
<b>Noncurrent liabilities:</b>							
Claims payable	-	-	-	-	-	-	20,677,847
Compensated absences	-	-	-	-	-	-	22,747,990
Post employment benefits	-	-	-	-	-	-	917,910
Long term debt	-	123,462,034	51,851,108	175,313,142	-	175,313,142	2,404,359
Total noncurrent liabilities	-	123,462,034	51,851,108	175,313,142	-	175,313,142	46,748,106
Total liabilities	2,167,795	142,804,724	57,768,147	202,740,666	1,562,383	204,303,049	63,722,440
<b>Net assets:</b>							
Investment in capital assets, net of related d	147,932,609	152,307,952	49,501,927	349,742,488	42,296,203	392,038,691	99,257
Restricted	-	4,638,608	3,484,669	8,123,277	-	8,123,277	-
Debt service	-	5,934,873	-	5,934,873	-	5,934,873	-
Unrestricted	65,918,975	180,231,425	41,314,339	287,464,739	20,422,768	307,887,507	(13,544,019)
Total net assets	\$ 213,851,584	343,112,858	94,300,935	651,265,377	62,718,971	713,984,348	(13,444,762)

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.

(29,124,659)

Total net assets of business-type activities

\$ 684,859,689

Exhibit E-2  
**CITY OF GLENDALE**  
Statement of Revenues, Expenses and  
Changes in Net Assets  
Proprietary Funds  
June 30, 2008

<b>Business-Type Activities - Enterprise Funds</b>							
	<b>Sewer Fund</b>	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Total Major Enterprise Funds</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Operating revenues:</b>							
Charges for services	\$ 16,857,313	204,496,899	34,817,321	256,171,533	30,383,901	286,555,434	35,955,379
Miscellaneous revenue	25,526	6,540,499	1,172,733	7,738,758	386,499	8,125,257	15,788
<b>Total operating revenue</b>	<b>16,882,839</b>	<b>211,037,398</b>	<b>35,990,054</b>	<b>263,910,291</b>	<b>30,770,400</b>	<b>294,680,691</b>	<b>35,971,167</b>
Operating expenses	8,550,482	167,552,495	26,973,113	203,076,090	23,668,897	226,744,987	9,504,372
Claims and settlement	-	-	-	-	-	-	36,583,899
Vehicle purchased	-	-	-	-	-	-	8,017,701
Depreciation	8,752,700	16,430,985	2,926,399	28,110,084	2,086,959	30,197,043	24,520
Gas depletion	-	394,311	-	394,311	-	394,311	-
<b>Total operating expenses</b>	<b>17,303,182</b>	<b>184,377,791</b>	<b>29,899,512</b>	<b>231,580,485</b>	<b>25,755,856</b>	<b>257,336,341</b>	<b>54,130,492</b>
<b>Operating income (loss)</b>	<b>(420,343)</b>	<b>26,659,607</b>	<b>6,090,542</b>	<b>32,329,806</b>	<b>5,014,544</b>	<b>37,344,350</b>	<b>(18,159,325)</b>
<b>Non operating revenues (expenses):</b>							
Use of money and property	2,888,954	6,325,393	613,089	9,827,436	859,885	10,687,321	2,777,291
Recyclables - State grant	-	-	-	-	90,744	90,744	-
County Grants	-	-	-	-	4,000	4,000	-
Proprietary Grants	-	-	219,368	219,368	317,716	537,084	-
Interest on Bonds	-	-	-	-	-	-	-
Interest on Loan	-	-	-	-	-	-	(110,990)
Interest on Bonds	-	(3,126,901)	-	(3,126,901)	-	(3,126,901)	-
<b>Total non operating revenues, net</b>	<b>2,888,954</b>	<b>3,198,492</b>	<b>832,457</b>	<b>6,919,903</b>	<b>1,272,345</b>	<b>8,192,248</b>	<b>2,666,301</b>
<b>Income before contributions and transfers</b>	<b>2,468,611</b>	<b>29,858,099</b>	<b>6,922,999</b>	<b>39,249,709</b>	<b>6,286,889</b>	<b>45,536,598</b>	<b>(15,493,024)</b>
Capital Contributions	-	3,274,595	741,773	4,016,368	-	4,016,368	-
Transfer in	-	-	-	-	5,050	5,050	3,103,000
Transfer-General Fund	-	-	-	-	-	-	1,750,000
Transfer-Capital Funds	-	-	-	-	-	-	-
Transfer out	-	(18,375,000)	(4,000,000)	(22,375,000)	(1,900,000)	(24,275,000)	-
Transfer-General Fund	(1,040,000)	-	-	(1,040,000)	-	(1,040,000)	-
Transfer-Special Revenue	-	-	-	-	-	-	-
<b>Change in net assets</b>	<b>1,428,611</b>	<b>14,757,694</b>	<b>3,664,772</b>	<b>19,851,077</b>	<b>4,391,939</b>	<b>24,243,016</b>	<b>(10,640,024)</b>
<b>Total net assets, July 1, 2007</b>	<b>212,422,973</b>	<b>328,355,164</b>	<b>90,636,163</b>	<b>631,414,300</b>	<b>58,327,032</b>	<b>(2,804,738)</b>	<b>(2,804,738)</b>
<b>Total net assets, June 30, 2008</b>	<b>\$ 213,851,584</b>	<b>343,112,858</b>	<b>94,300,935</b>	<b>651,265,377</b>	<b>62,718,971</b>	<b>(13,444,762)</b>	<b>(13,444,762)</b>
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.						(11,130,447)	
<b>Total net assets of business-type activities</b>						<b>\$ 13,112,569</b>	

Exhibit E-3  
**CITY OF GLENDALE**  
 Statement of Cash Flows  
 Proprietary Funds  
 Year Ended June 30, 2008

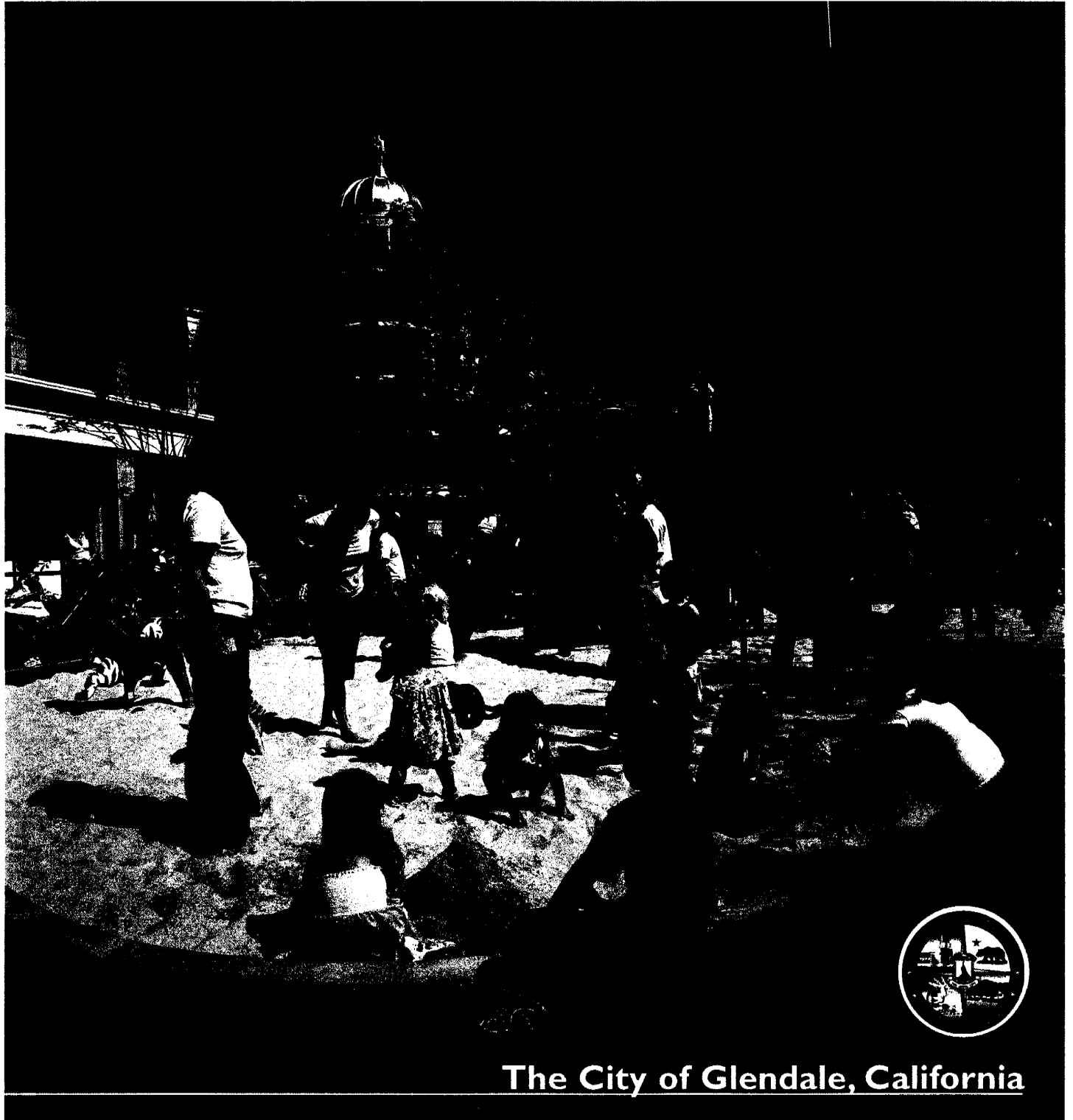
Business-type Activities - Enterprise Funds							
	Sewer Fund	Electric Fund	Water Fund	Total Major Enterprise Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:							
Cash from customers	\$ 17,203,729	205,263,652	36,123,299	258,590,680	30,620,897	289,211,577	36,149,929
Cash paid to employees	(2,639,659)	(42,397,047)	(4,970,779)	(50,007,485)	(12,658,038)	(62,665,523)	(8,564,620)
Cash paid to suppliers	(5,168,606)	(126,606,131)	(21,212,593)	(152,987,330)	(12,515,894)	(165,503,224)	(31,463,961)
Net cash provided (used) by operating activities	9,395,464	36,260,474	9,939,927	55,595,865	5,446,965	61,042,830	(3,878,652)
Cash flows from noncapital financing activities:							
Transfers out	(1,040,000)	(18,375,000)	(4,000,000)	(23,415,000)	(1,900,000)	(25,315,000)	-
Transfers in	-	-	-	-	5,050	5,050	4,853,000
Grant received	-	-	219,368	219,368	412,460	631,828	-
Net cash provided (used) by noncapital financing activities	(1,040,000)	(18,375,000)	(3,780,632)	(23,195,632)	(1,482,490)	(24,678,122)	4,853,000
Cash flows from capital and related financing activities:							
Interest on long term debt	-	(2,326,616)	688,624	(1,637,992)	-	(1,637,992)	(110,990)
Bond, premium and interest accrued	-	60,039,630	51,915,681	111,955,311	-	111,955,311	(342,458)
Contribution in aid	-	3,274,595	741,773	4,016,368	-	4,016,368	-
Acquisition of property, plant, gas and equipment	(6,885,953)	(32,599,259)	(18,863,193)	(58,348,405)	(3,344,080)	(61,692,485)	-
Investment - gas/electric commodity	-	(2,773,931)	-	(2,773,931)	-	(2,773,931)	-
Net cash provided (used in) capital and related financing activities	(6,885,953)	25,614,419	34,482,885	53,211,351	(3,344,080)	49,867,271	(453,448)
Cash provided by investing activities - interest received	3,112,846	6,280,763	323,087	9,716,696	930,322	10,647,018	2,695,364
Net increase (decrease) in cash and cash equivalents	4,582,357	49,780,656	40,965,267	95,328,280	1,550,717	96,878,997	3,216,264
Cash and cash equivalents at beginning of year	60,835,956	110,909,504	3,173,163	174,918,623	17,189,386	192,108,009	45,805,212
Cash and cash equivalents at end of year	65,418,313	160,690,160	44,138,430	270,246,903	18,740,103	288,987,006	49,021,476
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	(420,343)	26,659,607	6,090,542	32,329,806	5,014,544	37,344,350	(18,159,325)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	8,752,700	16,430,985	2,926,399	28,110,084	2,086,959	30,197,043	24,520
Gas Depletion	-	394,311	-	394,311	-	394,311	-
(Increase)Decrease Accounts receivable net	25,060	(3,887,214)	368,242	(3,493,912)	(124,681)	(3,618,593)	6,480
(Increase)Decrease Unbilled receivable	303,433	(2,502,842)	(212,879)	(2,412,288)	9,321	(2,402,967)	-
(Increase)Decrease Due from other agencies	(7,603)	616,310	(22,118)	586,589	(34,143)	552,446	172,282
(Increase)Decrease Inventories	-	72,985	-	72,985	-	72,985	-
(Increase)Decrease Prepaid expenses	-	29,695	-	29,695	-	29,695	(26,631)
(Increase)Decrease Deferred charges	-	(1,879,427)	(676,655)	(2,556,082)	-	(2,556,082)	-
Increase(Decrease) Accrued salaries and withholding	(26,074)	(500,252)	(25,539)	(551,865)	(126,932)	(678,797)	(60,553)
Increase(Decrease) Compensated absences	(209,045)	(3,044,646)	(799,826)	(4,053,517)	(1,044,943)	(5,098,460)	11,150,937
Increase(Decrease) Post employment benefit	-	-	-	-	-	-	(268,033)
Increase(Decrease) Accounts payable	949,676	3,513,931	1,547,342	6,010,949	(406,689)	5,604,260	1,769,164
Increase(Decrease) Deferred revenues	-	(304,304)	-	(304,304)	-	(304,304)	-
Increase(Decrease) Contracts - retention	-	71,468	743,579	815,047	-	815,047	-
Increase(Decrease) Due to other agencies	-	-	-	-	35,790	35,790	-
Increase(Decrease) Due to other funds	-	-	-	-	-	-	44,151
Increase(Decrease) Deposits	27,660	589,867	840	618,367	37,739	656,106	-
Increase(Decrease) Claims payable	-	-	-	-	-	-	1,468,356
Total adjustments	9,815,807	9,600,867	3,849,385	23,266,059	432,421	23,698,480	14,280,673
Net cash provided (used) by operating activities	\$ 9,395,464	36,260,474	9,939,927	55,595,865	5,446,965	61,042,830	(3,878,652)
Noncash investing, capital, and financing activities:							
Contributions of capital assets from government	11,018	18,250	915	30,183	3,156	33,339	7,984
Increase in fair value of investments	-	-	-	-	-	-	-

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# Notes to the Financial Statements

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Year Ended  
June 30, 2008



**The City of Glendale, California**

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

### **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.

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.



## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

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 57 funds comprising of 1 General Fund, 24 Special Revenue Funds, 4 Debt Service Funds, 3 Capital Project Funds, 7 Enterprise Funds and 18 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

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

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.

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

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.

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.

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 2007-08 property tax levy that was based on the assessed value of secured and unsecured property as of the lien date of January 1, 2007. 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.

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

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

### **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 the 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, 2008, 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, 2008 and 2007, \$59,508,379 and \$42,229,244 was designated, respectively. As of June 30, 2008, the goal of meeting the remaining balance of \$6,891,621 will be met 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, 2008, 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, 2008 and 2007, \$7,728,633 and \$790,579 was designated, respectively.

The designated cash of \$19,500,000 in Capital Improvement Fund is for Scholl Canyon Landfill Reserve, and \$4,000,000 in General Fund is for Utility Users Tax contingency.

## **CITY OF GLENDALE**

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2008

### **3. *Receivables and Payables***

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

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

Unbilled receivable - The City records utility and other services delivered to customers but not billed as of June 30, 2008.

As of June 30, 2008, the Glendale Redevelopment Agency's outstanding loans total is \$3,390,132. It consists of \$1,790,132, agency's loan to Glendale Unified School District (GUSD) to fund for the Moyse Field improvement project of the school district and \$1,600,000, agency's loan to Embassy Suites.

### **4. *Inter-fund Transactions***

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

Due to/from Other Funds are used when a fund has a temporary cash overdraft. Noncurrent portions of long-term inter-fund loan receivables are reported as advances within the governmental funds, and are offset equally by a fund balance reserve account which indicated that they do not constitute expendable available financial resources, and therefore, are not available for appropriations. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

### **5. *Inventories and Prepaid Items***

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

### **6. *Capital Assets***

Capital assets including land, buildings, improvements, equipment and infrastructure assets (e.g. roads, sidewalks, traffic lights and signals, street lights and etc), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

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 (intangible)	40
Infrastructure (non-sewer)	20-60

In accordance with GASB 51, the City recorded the contractual discharged capacity from the City of Los Angeles as an intangible asset.

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 acquisition 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. As of June 30, 2008, the balance for Natural Gas Reserve Project, including drilling program capitalization was \$14,769,171.

GWP has designated \$13.5 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.

### *Change in Accounting Estimates*

The City decided to change the estimated useful life of Sewer improvements {infrastructure} from 100 years down to 40 years for fiscal year ending June 30, 2008. Two reasons necessitated this change in accounting estimate. The first reason is due to regulatory requirements established by the Federal Government that has shortened the useful life of the capital assets to 40 years in the Los Angeles Hyperion system and the Los Angeles Glendale Water Reclamation Plant. The second reason is that the actual service life is 40 years for those capital assets located within the City of Glendale. These assets are primarily pipes and other conveyance systems located underground within the City. The fiscal impact of this change in depreciable life brings the average remaining life of the sewer assets from 82 years to 29 years, and increased the depreciation expense from \$3.2 million to \$8.8 million, an increase of \$5.6 million in the current year.

### **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. As of June 30, 2008, the total liability is \$13,406,034.

The City also provides sick leave conversion benefits through the Retiree Health Saving Plan (RHSP). Unused sick leave is converted to a dollar amount and deposited in the employee's RHSP account at retirement or termination with 20 years of City service for Glendale Police Officers Association (GPOA) and Management employees. The account is used to pay healthcare premiums for the retiree and beneficiaries. After the account is exhausted, the retiree can terminate coverage or elect to continue paying the healthcare premiums from personal funds.

Total benefits paid by the City under the RHSP for the fiscal year ended June 30, 2008 were \$1,153,000. As of June 30, 2008, the City had \$4,133,000 available in an Internal Service Fund dedicated to provide benefits to plan retirees and beneficiaries.

## CITY OF GLENDALE

### Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

Based on the most recent actuarial valuation as of June 30, 2007, the actuarial accrued liability for the RHSP as of that date was \$11,751,000. The actuarial accrued liability represents the portion of the present value of project benefits due to service already rendered. As of June 30, 2008, the total RHSP liability is \$11,981,000.

#### 8. *Post Employment Benefit*

For Glendale City Employees Association (GCEA) and Management employees that retired prior to July 2001, Glendale Police Officers Association (GPOA) employees that retired prior to December 2001 and Glendale Fire Fighters Association (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 62 retirees currently receiving this old City paid benefit.

The City also has a Retiree Healthcare Plan which is a single-employer defined benefit healthcare plan administered by the City. The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established by and may be amended by the City.

The City provides retiree medical benefits through the City's standalone healthcare plans. The City allows pre-Medicare eligible retirees to purchase healthcare coverage at active employee rates. This results in an "implied subsidy" since the healthcare costs are lower for active employees than for retirees.

The City's contribution is currently based on a projected pay-as-you-go funding method, that is, benefits are payable when due. For fiscal year 2007/08, the City contributed \$1,224,000 in benefit payments (\$327,000 for the premium subsidy and \$897,000 for the implied subsidy).

As of June 30, 2008, the City had a \$918,000 available in an Internal Service Fund dedicated to provide benefits to plan retirees and beneficiaries. No assets were invested in an irrevocable plan trust.

The annual required contribution is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the City's annual Other Post Employment Benefits (OPEB) cost for the year (based on 20-year amortization), the amount actually contributed to the plan, and changes in the City's Net OPEB obligation (dollar amounts in thousands):

	Amount
Annual required contribution	\$3,109
Interest on net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	\$3,109
Contributions to irrevocable trust	0
Benefit payments	(\$ 1,224)
Increase in net OPEB obligation	\$1,885
Net OPEB obligation – beginning of year	0
Net OPEB obligation – end of year	\$1,885

**CITY OF GLENDALE**

## Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 and the two preceding years were (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$3,109	39%	\$1,885

The funded status of the plan as of June 30, 2007, the plan's most recent actuarial valuation date, was (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$ 27,902
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	\$ 27,902
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active Plan members)	\$133,050
UAAL as a percentage of covered payroll	21%

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2007 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is the expected long-term investment return on the City's investments, a 3% general inflation assumption, an annual pre-Medicare eligible HMO medical cost trend rate of 10.4% (11.3% for PPO's) for 2008 decreasing to 4.5% after 9 years. The post-Medicare eligible medical cost trend rate started 0.4% higher for 2008. The UAAL is being amortized as a level percentage of projected payroll over 20 years on an open basis. The remaining amortization period at June 30, 2007 was 20 years.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Funding Progress**  
**Postemployment Healthcare Plan**  
(dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/07	\$0	\$27,902	\$27,902	0%	\$133,050	21%

**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 Redevelopment and the San Fernando Road Corridor Redevelopment 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 for governmental funds represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets for proprietary funds are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. Restricted resources are used first to fund appropriation.

**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.

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



## CITY OF GLENDALE

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2008

### **II. Stewardship, Compliance and Accountability**

#### **A. Budgets and Budgetary Accounting**

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

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

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

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

- During May, the City Manager submits the proposed budget to the City Council for the subsequent fiscal year. The operating budget includes both the sources and types of funds for the proposed expenditures.
- In June, public hearings are conducted to obtain citizen input, with the final budget being adopted no later than July 1.
- The level of appropriated budgetary control is in the following categories 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, 2008:

	Amount Over Expended
General Fund:	
Information services	185,604
Fire	666,130
Project management	142,993
	<u>\$ 994,727</u>

#### **B. Implementation of new accounting principles**

During fiscal year 2007-2008, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement addresses how state and local governments should account for and report costs and obligations related to post-employment healthcare and other non-pension benefits and is effective for fiscal periods beginning after December 15, 2006. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. This statement's provisions may be applied prospectively and do not require governments to fund their OPEB plans. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time.

## CITY OF GLENDALE

### Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

During fiscal year 2007-2008, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. Governments sometimes exchange an interest in their expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments—generally, a single lump sum. The financial reporting question addressed by this Statement is whether that transaction should be regarded as a sale or as a collateralized borrowing resulting in a liability. Historically, guidance for reporting the effects of those transactions in governmental financial statements either has been provided in several standards or, in certain cases, was not specifically addressed in authoritative literature. In addition, little or no information about pledged revenues was being disclosed in the notes to the financial statements. As a result, there has been considerable diversity in the manner in which these transactions and information about them have been reported.

This Statement establishes criteria that governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability. The criteria should be used to determine the extent to which a transferor government either retains or relinquishes control over the receivables or future revenues through its continuing involvement with those receivables or future revenues. This Statement establishes that a transaction will be reported as a collateralized borrowing unless the criteria indicating that a sale has taken place are met. If it is determined that a transaction involving receivables should be reported as a sale, the difference between the carrying value of the receivables and the proceeds should be recognized in the period of the sale in the change statements. If it is determined that a transaction involving future revenues should be reported as a sale, the revenue should be deferred and amortized, except when specific criteria are met. This Statement also provides additional guidance for sales of receivables and future revenues within the same financial reporting entity.

This Statement includes a provision that stipulates that governments should not revalue assets that are transferred between financial reporting entity components. Therefore, any assets (or future revenues) sold or donated within the same financial reporting entity should continue to be reported at their current carrying value when those assets or future revenues are transferred.

This Statement also includes guidance to be used for recognizing other assets and liabilities arising from a sale of specific receivables or future revenues, including residual interests and recourse provisions. The disclosures pertaining to future revenues that have been pledged or sold are intended to provide financial statement users with information about which revenues will be unavailable for other purposes and how long they will continue to be so. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2006. Implementation of this statement does not have a material effect on the financial statements.

During fiscal year 2007-2008, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 50, *Pension Disclosures*—an amendment of GASB Statements No. 25 and No. 27. This statement more closely aligns the financial reporting requirements for pensions with those for other post-employment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. Implementation of this statement does not have a material effect on the financial statements.

During fiscal year 2007-2008, the City early implemented the provisions of Governmental Accounting Standards Board Statement No. 51, *Accounting and Financial Reporting for intangible Assets*. This Statement provides needed guidance regarding how to identify, account for, and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is non-financial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software. Water rights, timber rights, patents, and trademarks. Statement 51 requires that intangible assets to be classified as capital assets (except for those explicitly excluded from the scope of the new standard). This standard should lead to greater consistency among governments.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

**III. Detailed Notes on All Funds****A. Cash and Investments**

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

**A. Cash and Investments (Statement of Net Assets)**

Investments	\$	555,786,044
Cash with fiscal agents		<u>27,673,006</u>
		583,459,050
Cash on Hand & Petty Cash		<u>163,127</u>
Total	\$	<u><u>583,622,177</u></u>

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

Cash and invested cash	\$	460,404,217
Imprest cash		58,680
Cash with fiscal agents		27,673,006
Investment-gas/electric commodity		4,749,263
Designated cash and investments		<u>90,737,011</u>
Total	\$	<u><u>583,622,177</u></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.

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

# CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

## 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	\$	19,853,381	19,853,381	-	-	-
Federal Agency Term Notes		19,737,520	14,620,332	5,117,188	-	-
U.S. Government Agency Callable Bonds		288,386,903	-	109,187,689	179,199,214	-
Corporate Notes		30,639,735	10,625,942	-	20,013,793	-
Corporate Callable Notes		4,945,105	-	4,945,105	-	-
Negotiable Certificates of Deposit		14,000,000	14,000,000	-	-	-
Banker's Acceptances		987,506	987,506	-	-	-
State Investment Pool		145,492,757	145,492,757	-	-	-
Money Market		31,743,138	31,743,138	-	-	-
Held by Fiscal Agents						
Federal Agency Term Notes		5,061,696	5,061,696	-	-	-
Guaranteed Investment Contracts		11,156,359	-	-	-	11,156,359
Money Market		11,454,950	11,454,950	-	-	-
	\$	583,459,050	253,839,702	119,249,982	199,213,007	11,156,359

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.

			Rating as of Year End				
			AAA	AA	Aa2	A1,P1	Unrated
Commercial Paper	\$	19,853,381	-	-	-	19,853,381	-
Federal Agency Term Notes		19,737,520	19,737,520	-	-	-	-
U.S. Government Agency Callable Bonds		288,386,903	288,386,903	-	-	-	-
Corporate Notes		30,639,735	8,109,389	22,530,346	-	-	-
Corporate Callable Notes		4,945,105	4,945,105	-	-	-	-
Negotiable Certificates of Dep		14,000,000	-	-	-	14,000,000	-
Banker's Acceptances		987,506	-	-	-	-	987,506
State Investment Pool		145,492,757	-	-	-	-	145,492,757
Money Market		31,743,138	31,743,138	-	-	-	-
Held by Fiscal Agents							
Federal Agency Term Notes		5,061,696	5,061,696	-	-	-	-
Guaranteed Investment Contracts		11,156,359	-	-	11,156,359	-	-
Money Market		11,454,950	11,454,950	-	-	-	-
	\$	583,459,050	369,438,701	22,530,346	11,156,359	33,853,381	146,480,263

**CITY OF GLENDALE**

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2008

**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	\$ <u>145,492,757</u>
FFCB	Federal Agency Callable Bonds	<u>18,385,156</u>
FHLB	Federal Agency Term Notes	17,223,750
FHLB	Federal Agency Callable Bonds	<u>113,281,094</u>
	Total	<u>130,504,844</u>
FHLMC	Federal Agency Term Notes	2,513,770
FHLMC	Federal Agency Callable Bonds	<u>121,902,892</u>
	Total	<u>124,416,662</u>
FNMA	Federal Agency Callable Bonds	\$ <u>30,994,688</u>

**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.

At June 30, 2008, the carrying amount of the City's deposits was \$163,127 and the corresponding bank balance was \$7,060,107.85. The difference of \$6,896,980.85 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 \$6,960,107.85 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)

**CITY OF GLENDALE**  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2008

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases (Reclass & Retirements)	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 397,978,319	23,695,160	13,801,396	435,474,875
Construction in progress	66,090,450	18,911,298	(38,894,088)	46,107,660
Total assets not being depreciated	464,068,769	42,606,458	(25,092,692)	* 481,582,535
Depreciable capital assets				
Building and improvements	225,550,816	10,532,892	21,059,465	257,143,173
Machinery and equipment	79,906,934	3,461,745	(75,775)	83,292,904
Infrastructure	217,979,866	1,618,289	(995,710)	218,602,445
Total other capital assets at cost	523,437,616	15,612,926	19,987,980	* 559,038,522
Less accumulated depreciation:				
Building and improvements	58,924,373	6,137,749	(145,201)	64,916,921
Machinery and equipment	50,196,232	7,410,634	(666,612)	56,940,254
Infrastructure	80,686,087	10,193,116	(3,662,061)	87,217,142
Total accumulated depreciation	189,806,692	23,741,499	(4,473,874)	** 209,074,317
Total assets being depreciated	333,630,924	(8,128,573)	24,461,854	349,964,205
Governmental activities capital assets, net	797,699,693	34,477,885	(630,838)	831,546,740
<b>Business-type activities</b>				
Capital assets not being depreciated/depleted				
Land	14,985,968	-	-	14,985,968
Construction in progress	60,656,453	9,986,421	(498,354)	70,144,520
Drilling in progress	845,367	-	(845,367)	-
Total assets not being depreciated/depleted	76,487,788	9,986,421	(1,343,721)	85,130,488
Depreciable capital assets				
Building and improvements	358,312,244	11,466,071	(864,680)	368,913,635
Machinery and equipment	412,857,450	41,516,215	(12,128,051)	442,245,614
Total other capital assets at cost	771,169,694	52,982,286	(12,992,731)	811,159,249
Depletable capital assets				
Natural Gas Reserve	14,686,211	82,960	-	14,769,171
Less accumulated depreciation:				
Building and improvements	94,409,173	12,030,362	(68,084)	106,371,451
Machinery and equipment	228,718,768	17,369,985	(12,112,488)	233,976,265
Total accumulated depreciation	323,127,941	29,400,347	(12,180,572)	340,347,716
Less allowance for gas depletion				
Natural Gas Reserve	1,128,027	394,310	-	1,522,337
Total assets being depreciated	461,599,937	23,270,589	(812,159)	484,058,367
Business-type activities capital assets, net	\$ 538,087,725	33,257,010	(2,155,880)	569,188,855

\*\$212,915 of Machinery & Equipment from Internal Service Funds is included in the Governmental Activities.

\*\*\$113,658 of Accumulated Depreciation from Internal Service Funds is included in the Governmental Activities.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

Depreciation and depletion expense was charged to functions of the City for the year ended June 30, 2008 as follows:

## Governmental activities:

General Government	\$	3,882,979
Public Safety		5,148,235
Public Works		11,632,464
Parks		2,136,660
Library		231,695
Housing and Community Development		<u>709,466</u>
Total governmental activities depreciation expense		<u><u>23,741,499</u></u>

## Business-type activities

Sewer		8,752,700
Electric		16,430,985
Water		2,926,399
Recreation		3,136
Hazardous Disposal		42,370
Parking		1,131,180
Refuse		<u>910,273</u>
Total business-type depreciation expense		<u><u>30,197,043</u></u>

## Business-type activities

Electric		<u>394,311</u>
Total business-type depletion expense	\$	<u><u>394,311</u></u>

**CITY OF GLENDALE**  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2008

**C. Long-Term Debt**

The City's long-term debt as of June 30, 2008 consists of the following:

	Outstanding at June 30, 2007	Additions	Retirements	Amount outstanding at June 30, 2008	Due within one year
<b>Governmental Activities</b>					
<b>Bonds Payable</b>					
Police Facility Certificates of Participation	\$ 58,300,000	-	1,400,000	56,900,000	1,400,000
2002 Tax Allocation Bond	40,440,000	-	2,035,000	38,405,000	2,100,000
2003 Tax Allocation Bond	52,130,000	-	2,555,000	49,575,000	2,680,000
Bond Premium	3,613,398	-	250,870	3,362,530	250,870
Deferred amount on refunding - 2003 Tax Allocation Bond	(2,668,446)	-	(200,134)	(2,468,314)	(200,134)
<b>Total bonds payable</b>	<b>151,814,952</b>	<b>-</b>	<b>6,040,736</b>	<b>145,774,216</b>	<b>6,230,736</b>
<b>Other Long-Term Liabilities</b>					
Landfill closure and post closure care liability	21,706,300	1,555,980	-	23,262,280	-
Capital lease	11,729,252	-	1,794,324	9,934,928	1,421,155
Arbitrage rebate liability	188,125	24,059	-	212,184	-
Section 108	1,280,000	-	180,000	1,100,000	200,000
Notes payable	1,846,000	-	923,000	923,000	923,000
Compensated absences	9,204,589	10,789,203	1,412,675	18,581,117	1,921,782
Claims payable	29,837,807	38,052,255	36,583,899	31,306,163	10,628,315
Post employment benefits	6,217,451	1,389,630	5,349,919	2,257,162	-
<b>Total governmental long term liabilities</b>	<b>233,824,476</b>	<b>51,811,127</b>	<b>52,284,553</b>	<b>233,351,050</b>	<b>21,324,988</b>
<b>Business Type Activities</b>					
<b>Bonds Payable:</b>					
Electric Revenue Bonds, 2003 Series	28,460,000	-	795,000	27,665,000	795,000
Electric Revenue Bonds, 2006 Refunding Series	38,105,000	-	960,000	37,145,000	1,010,000
Electric Revenue Bonds, 2008 Series	-	60,000,000	-	60,000,000	-
Water Revenue Bonds, 2008 Series	-	50,000,000	-	50,000,000	-
Accrued interest	120,862	-	4,900	115,962	4,900
Bond Premium	686,639	3,643,012	87,006	4,242,645	182,211
Deferred Amount on 2006 Refunding Series	(2,177,648)	-	(159,203)	(2,018,445)	(155,088)
<b>Total bonds payable</b>	<b>65,194,853</b>	<b>113,643,012</b>	<b>1,687,703</b>	<b>177,150,162</b>	<b>1,837,023</b>
Compensated absences	3,179,818	4,508,278	882,179	6,805,917	717,262
Post Employment Benefits	1,918,643	545,748	1,918,643	545,748	-
<b>Total business type long term liabilities</b>	<b>\$ 70,293,314</b>	<b>118,697,038</b>	<b>4,488,525</b>	<b>184,501,827</b>	<b>2,554,285</b>



## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

### **THE CITY OF GLENDALE FINANCING AUTHORITY**

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

The bonds issued on July 11, 2000 mature in increasing amounts ranging from \$1,400,000 to \$4,200,000 annually from 2009-2030. 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. As of June 30, 2008 the interest rate was 1.34%.

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 has been constructed there, back to the City of Glendale pursuant to a lease agreement, dated as of July 1, 2000. Annual lease payments from the City of Glendale are to be at a rate sufficient to meet debt service requirements of the outstanding bond indebtedness on the leased premises.

### **GLENDALE REDEVELOPMENT AGENCY BONDS**

#### 2002 Tax Allocation Bonds

The Agency issued \$48,015,000 in tax allocation bonds with an average rate of 4.5% to fund economic development activities of the Agency primarily relating to the Town Center development, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The 2002 Bonds mature in regularly increasing principal amounts ranging from \$2,100,000 to \$3,655,000 from 2009 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. 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%, and to pay the cost of issuance of the 2003 Bonds. The 2003 Bonds mature in regularly increasing principal amounts ranging from \$2,680,000 to \$4,520,000 from 2009 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.

## **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, 2008 was 8.97 million tons. The total permitted capacity remains 14.75 million tons. Therefore, the City has 5.78 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 13 years. Using an inflation factor from the U.S. Department of Commerce, Bureau of Economic Analysis of 1.027, the revised postclosure cost was \$38,251,798. Using the data above, the amount of \$23,262,280, 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 \$14,989,518. The City records the annual provision for the required landfill deposits as designated cash in the Capital Project Fund-Capital Improvement Fund. At the end of June 30, 2008 the City has set aside \$19,500,000 of this in the Capital Projects Fund. The total current cost of landfill closure and postclosure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

### Capital Lease Obligations

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. Payments are due on April 20 annually.

In August 2006, the City approved the Master Lease Agreement with SunTrust Leasing Corporation for the purpose of financing the seismic upgrade of the Municipal Services Building project. The lease amount is \$8,200,000 with an annual interest of 4.51%. The City will make lease payments each consisting of principal and interest for a term of seven years. The annual lease payment is \$1,392,061. Payments are due on September 28 annually.

### Section 108 Loan

Section 108 Loan of \$1,800,000 was used as part of the City's overall Edison School/Pacific Park Revitalization Project funding plan. The 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 was the City's first time receiving a Section 108 loan. The 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. The City has pledged current and future CDBG funds as principal security for the loan. The principal amounts ranging from \$200,000 to \$240,000 from fiscal year 2009 to 2012. The 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, 2008

### Notes Payable

The City of Glendale, as a public agency acquired 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, 5<sup>th</sup> 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, 2003 Series

The Electric utility of Glendale Water & 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 Fund Requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. Up to 50% of the Reserve Fund Requirement amount may be held in an unrestricted fund or account. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$1,070,384.

The bonds mature in regularly increasing amounts ranging from \$795,000 to \$1,865,000 annually from 2009 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.

#### Electric Revenue Bonds, 2006 Refunding Series

The Electric utility of Glendale Water & Power issued \$38,830,000 in revenue bonds in April 2006 to provide moneys for the refunding of all of the City's outstanding Electric Revenue Bonds, 2000 Series. The bond proceeds were deposited in an escrow account and will be used to refund the Electric Revenue Bonds, 2000 Series through a legal defeasance. The advance refunding of Electric Revenue Bonds, 2000 Series resulted in a difference between the reacquisition price of refunding bonds and the net carrying amount of the refunded bonds. Deferred loss on refunding as of June 30, 2008 for \$2,018,445 is recognized and reported in the financial statements as a contra account to bonds payable and is being amortized through February 1, 2030. At June 30, 2008, \$37 million of the 2000 series bonds outstanding are considered defeased. Liabilities for defeased bonds are not included in the City's financial statements.

The terms of the Electric Revenue Bonds, 2006 Refunding Series' (2006 Refunding Bonds) indenture require the trustee to establish and maintain a reserve equal to the Reserve Fund Requirement. The Reserve Fund Requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. Up to 50% of the Reserve Fund Requirement amount may be held in an unrestricted fund or account. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$1,327,440.

The bonds mature in regularly increasing amounts ranging from \$1,010,000 to \$2,570,000 annually from 2009 to 2030. The 2006 Refunding Bonds maturing on or prior to February 1, 2016 are not subject to redemption prior to maturity. The 2006 Refunding Bonds maturing on and after February 1, 2017 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2016, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2006 Refunding 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, 2008

Electric Revenue Bonds, 2008 Series

The Electric utility of Glendale Water & Power issued \$60,000,000 in revenue bonds in February 2008 to finance the costs of acquisition and construction of certain improvements to the Electric System of the City.

The terms of the 2008 Electric Revenue Bonds' (2008 Bonds) indenture require the trustee to establish and maintain a reserve equal to the Reserve Fund Requirement. The Reserve Fund Requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. Up to 50% of the Reserve Fund Requirement amount may be held in an unrestricted fund or account. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$2,240,784.

The bonds mature in regularly increasing amounts ranging from \$1,880,000 to \$4,195,000 annually from 2018 to 2038. The 2008 Bonds maturing on or prior to February 1, 2018 are not subject to redemption prior to maturity. The 2008 bonds maturing on and after February 1, 2019 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2018, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2008 Bonds to be redeemed, together with accrued interest to the redemption date.

Water Revenue Bonds, 2008 Series

The Water Utility of Glendale Water & Power issued \$50,000,000 in revenue bonds in February 2008 to finance the costs of acquisition and construction of certain improvements to the Water System of the City.

The terms of the 2008 Water Revenue Bonds' (2008 Bonds) indenture require the trustee to establish and maintain a reserve equal to the Reserve Fund Requirement. The Reserve Fund Requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$3,484,669.

The bonds mature in regularly increasing amounts ranging from \$1,175,000 to \$3,060,000 annually from 2013 to 2038. The 2008 Bonds maturing on or prior to February 1, 2018 are not subject to redemption prior to maturity. The 2008 bonds maturing on and after February 1, 2019 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2018, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2008 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, 2008

The annual debt service requirements to amortize long-term bonded debt at June 30, 2008 are as follows:

Fiscal Year	Certificates of Participation		Tax Allocation Bonds		Revenue Bonds	
	Governmental		Governmental		Business-type	
	Interest	Principal	Interest	Principal	Interest	Principal
2009	2,247,550	1,400,000	3,808,478	4,780,000	7,778,384	1,805,000
2010	2,192,250	1,500,000	3,599,090	4,980,000	7,967,980	1,855,000
2011	2,133,000	1,600,000	3,377,753	5,195,000	7,885,167	1,905,000
2012	2,069,800	1,700,000	3,177,503	5,425,000	7,797,868	1,965,000
2013	2,002,650	1,800,000	2,962,328	5,600,000	7,707,567	3,195,000
2014-2018	8,875,650	10,400,000	10,844,713	31,445,000	36,437,116	19,750,000
2019-2023	6,612,300	13,200,000	3,015,251	30,555,000	30,965,748	32,270,000
2024-2028	3,716,950	17,100,000	-	-	23,202,691	39,710,000
2029-2033	489,800	8,200,000	-	-	13,232,725	32,340,000
2034-2038	-	-	-	-	5,009,760	40,015,000
\$	30,339,950	56,900,000	30,785,116	87,980,000	147,985,006	174,810,000

Fiscal Year	Capital Lease		Section 108		Notes Payable	
	Governmental		Governmental		Governmental	
	Interest	Principal	Interest	Principal	Interest	Principal
2009	424,354	1,421,155	46,868	200,000	-	923,000
2010	363,294	1,482,215	38,057	210,000	-	-
2011	299,591	1,545,918	28,268	220,000	-	-
2012	233,130	1,612,379	17,554	230,000	-	-
2013	163,790	1,681,719	5,988	240,000	-	-
2014-2017	107,414	2,191,542	-	-	-	-
\$	1,591,573	9,934,928	136,735	1,100,000	-	923,000

Fiscal Year	Total		Total
	Interest	Principal	Debt Service
2009	14,305,634	10,529,155	24,834,789
2010	14,160,671	10,027,215	24,187,886
2011	13,723,780	10,465,918	24,189,698
2012	13,295,855	10,932,379	24,228,234
2013	12,842,323	12,516,719	25,359,042
2014-2018	56,264,893	63,786,542	120,051,435
2019-2023	40,593,299	76,025,000	116,618,299
2024-2028	26,919,641	56,810,000	83,729,641
2029-2033	13,722,525	40,540,000	54,262,525
2034-2038	5,009,760	40,015,000	45,024,760
\$	210,838,381	331,647,928	542,486,309

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, 2008

**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, 2008
City of Glendale Insured Hospital Refunding Bonds, Series 1991A (Adventist Health System/West)	6.00% - 6.75%	\$50,000,000	\$20,425,000
City of Glendale Insured Hospital Revenue Bonds Verdugo Hills Hospital, 1994 Series	6.375% - 8%	27,140,000	9,166,667
City of Glendale Mountain Road Assessment District Limited Obligation Refunding Bonds, Series 2003	2% - 4.5%	8,850,000	5,890,000

**D. 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. \$20,495,865 is restricted for debt service and bond indenture requirements. The City Charter requires \$19,319,879 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, \$16,699,477 is restricted for low and moderate housing.

The Electric Fund's restricted net assets totaled \$10,573,481 as of June 30, 2008. \$4,638,608 was for the Reserve Fund Requirement according to the terms of the debt indenture. \$5,934,873 was for excess capital surcharge revenue to retrofit the City's Grayson Power Plant as mandated by the Air Quality Management District.

**E. Net Deficits of Individual Funds**

As of June 30, 2008, the following funds have negative fund balances or net assets:

Glendale Redevelopment Agency Fund	\$ 14,108,274
PW Special Grants Fund	183,968
Fire Grant Fund	452,125
Fire Paramedic Fund	4,629,741
Joint Air Support Operation Fund	143,465
Capital Leases	242,787
Liability Insurance Fund	13,504,605
Compensation Insurance Fund	6,616,541
Employee Benefit Fund	6,785,177
RHSP Benefits Fund	7,804,994
Graphics Operation Fund	378,028
Wireless Communications System Fund	244,255

Glendale Redevelopment Agency Fund – Redevelopment agencies typically leverage current tax increment revenues by issuing long-term debt in order to raise capital to promote economic development within the project area.

PW Special Grants Fund – Revenue is booked in the Governmental Fixed Assets Fund. Deferred Revenue is booked in the Public Works Special Grants Fund. The revenue is measurable but not available.

Fire Grant Fund – This is a reimbursement type of grant. These revenues are always drawn down based on the expenditures. There will be always a timing difference between revenue and expenditures, thus causing a deficit.

## CITY OF GLENDALE

### Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

**Fire Paramedic Fund** – The City is considering General Fund support to reduce the net deficit in the Fire Paramedic Fund in fiscal year 2008/09.

**Joint Air Support Operation Fund** – The net deficit is due to uncollected revenue that is measurable, but not available.

**Capital Leases** – The net deficit is due to Accrued Interest booked in this fiscal year. Funds are transferred from Capital Improvement Fund in the following fiscal year to cover for the principal and interest payments.

**Compensation Insurance Fund** – The City will increase the premiums charged to the funds in fiscal year 2008/09.

**Liability Insurance Fund & Employee Benefit Fund & RHSP Benefits Fund** – The City is considering premium increases and/or General Fund support to reduce the net deficit in fiscal year 2008/09.

**Graphic Operations Fund & Wireless Communications System Fund** – The City started this city-wide funding of graphics service department and the wireless communication equipments. It is the City's belief over time the deficit will turn around.

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

Operating funds are charged a premium and the Internal Service Funds recognize the corresponding revenue. Claims expenses are recorded in the Internal Service Funds. Premiums are evaluated periodically and increases are charged to the operating funds to reflect recent trends in actual claims experience and to provide sufficient reserve for catastrophic losses.

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, 2008 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 and the prior fiscal year are as follows:

Fiscal Year	Beginning Balance	Claims and Changes	Claim Payments	Ending Balance
2006-07	\$25,947,000	\$29,856,000	\$25,966,000	\$29,837,000
2007-08	29,837,000	38,052,000	36,583,000	31,306,000

##### **B. Contingent Liabilities and Commitments**

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

The City is a subscribing agency in the City of Los Angeles' sewage treatment facilities. During the year ended June 30, 2008, the City of Los Angeles advised the City that its allocation of capital improvements to the facility over the next ten

## CITY OF GLENDALE

### Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

years is estimated at \$69,000,000. 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 has entered into a sixteen year agreement with the Pasadena Humane Society to provide animal control services. The term of the agreement is from April 1, 2006 through June 30, 2022. The City paid \$2 million initially for this agreement. An annual fee of \$745,000 will be paid by the City of Glendale to Pasadena Humane Society for fiscal year 2006/07 through fiscal year 2012/13. The annual fee will increase after FY 2012/13 by the greater of 3% or a formula based on the Consumer Price Index. The total cash outlay for this agreement is projected to be \$14,516,656.

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 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 Uprating Project and Western Area Power Administration for the purchase of power from the project. The renewed contract is for a term of 30-years 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 2007-08 was approximately 1,208,050 MMBtu and the average purchase price was \$11.71 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 twenty years agreement with BPA has expired in April 2008. 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 in California. The City began taking delivery of the energy on September 1, 2003.

In June 2005, the City entered into a 25-year power sales agreement with SCPPA for the Ormat Geothermal Energy Project for purchase of up to three megawatts of the project electric energy. The project began commercial operation in January 2006.

In October 2006, the City entered into a 16-year contract with PPM Energy, Inc. for the purchase of 10 megawatts of capacity from wind-powered resources in Wyoming. The City began taking delivery of the energy under WSPP master agreement from July 1, 2006 through September 30, 2006. The contract term started on October 1, 2006.

In August 2007, the City entered into a 30-year Prepaid Natural Gas Agreement with the SCPPA. The agreement will provide a secure and long-term supply of natural gas up to 5,000 MMBtu per day at a discounted price below spot market price. The projected savings from the agreement is approximately \$29.5 million over the next 30 years. The delivery of natural gas starts in July 2008.



## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

### 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 \$100,000. In addition, the City shall receive annual reimbursement of at least \$25,000 for lot and meter maintenance. Furthermore, any remaining balance of the revenue, after debt service and JPA operational costs, shall be divided equally between the City and the College.

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

#### "Take or Pay" Contracts

The City has entered into seven "Take or Pay" contracts, which 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 57% of its total energy requirements during fiscal year 2007-2008. 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 8 megawatts or 0.501% beginning March 24, 2004. The total City's obligation from Intermountain Power Project (IPP) is 38 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.

## CITY OF GLENDALE

### Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

The first of the SCPPA projects is a 3,810 megawatt nuclear fuel generation plant in Arizona. The Palo Verde (PV) 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, 2008, Glendale's share is 4.400% (PV).

A second project financed through SCPPA is the Southern Transmission System (STS) 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, 2008, Glendale's share is 2.2740% (STS).

A third project financed through SCPPA is the acquisition of 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 is obligated for 20 megawatts or 9.8047% of the SCPPA entitlement. As of June 30, 2008, Glendale's share is 9.8047% (SJ).

A fourth project financed through SCPPA is Mead-Adelanto Project (MA). The project consists of a 202-mile 500 kV AC transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada, and the development of the Marketplace Substation at the southern Nevada terminus 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, 2008, Glendale's share is 11.0430% (MA).

A fifth project financed through SCPPA is Mead-Phoenix Project (MP). 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, 2008, Glendale's share is 14.8000% (MP).

A sixth project financed through SCPPA is the Magnolia Power Project (MPP) 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, 2008, Glendale's share is 16.5289% (MPP).

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

Project	Contract Expiration 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%

# CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

A summary of the City's "Take or Pay" contracts and related projects and its contingent liability at June 30, 2008 is as follows (in thousands):

	IPP	SJ	PV	STS	MA	MP	MPP	Total
2009	\$ 4,736	1,845	785	1,577	2,338	970	3,744	15,995
2010	5,258	1,845	660	1,588	2,395	1,114	3,744	16,604
2011	6,518	1,845	649	1,606	2,387	1,110	3,744	17,859
2012	5,863	1,845	637	1,980	2,385	1,109	3,743	17,562
2013	4,669	1,845	626	1,790	2,389	1,111	3,745	16,175
2014-2018	23,273	9,757	2,378	8,854	11,845	4,716	17,120	77,943
2019-2023	20,015	1,599	-	9,049	4,759	1,904	14,771	52,097
2024-2028	290	-	-	-	-	-	14,811	15,101
2029-2033	-	-	-	-	-	-	14,886	14,886
2034-2038	-	-	-	-	-	-	15,521	15,521
<b>Total</b>	<b>\$ 70,622</b>	<b>20,581</b>	<b>5,735</b>	<b>26,444</b>	<b>28,498</b>	<b>12,034</b>	<b>95,829</b>	<b>259,743</b>

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 2007-08 and budgets for fiscal year 2008-09 are as follows (in thousands):

Fiscal Year	IPP	SJ	PV	STS	MA	MP	MPP	Total
2008	\$ 6,249	7,657	2,234	320	173	239	4,367	21,239
2009	8,118	5,818	2,480	442	199	421	4,746	22,224

## 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, which includes both safety and general employees, are required to participate in the single CalPERS plan, in which all 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 percentage factor is age-based – public safety employees use the 3% at age 50 factor and general employees 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, the City's general employees are required to contribute 8% of their annual salary and the City's safety employees are required to contribute 9% of their annual salary. The City is also required to contribute at an actuarially determined rate. The City's contribution rate for safety members starting on July 1, 2007 was 24.172%. The City's contribution rate for general members starting on July 1, 2007 was 10.866%. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

# CITY OF GLENDALE

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2008

## Annual Pension Cost

Contributions to CalPERS totaling \$21,903,947 were made during the fiscal year ending June 30, 2008 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 fifteen 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 30 year period. 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. See Note IV-F for further discussion on Cal PERS results subsequent to June 30, 2008.

## Three year Trend Information

Fiscal year ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/06	\$17,792,610	100%	0
6/30/07	\$20,138,463	100%	0
6/30/08	\$21,903,947	100%	0

## Schedule of Funding Progress (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets <a>	Actuarial Accrued Liability <AAL> - Entry Age <b>	(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>
6/30/2005	\$854,260,613	929,960,421	(75,699,808)	91.9%	131,264,713	(57.7%)
6/30/2006	\$913,955,041	\$1,006,837,400	(92,882,359)	90.8%	134,183,520	(69.2%)
6/30/2007	\$989,601,219	\$1,082,217,007	(92,615,788)	91.4%	139,213,403	(66.5%)

## E. Interfund Transactions

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

# CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2008

Due to/from other funds are temporary cash overdrafts within a fund. Due to/from other funds for fiscal year 2007-08 consisted of the following:

Due to general fund from:		
Nonmajor governmental funds	\$	9,225,374
Internal service funds		<u>648,348</u>
		<u>9,873,722</u>
Due to electric fund from:		
Capital improvement fund	\$	<u>1,331,140</u>

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	\$ 18,375,000	Fund general fund operations
Water fund	4,000,000	Fund general fund operations
Sewer fund	1,040,000	Fund general fund operations
Capital improvement fund	2,800,000	Fund general fund operations
Nonmajor enterprise fund	<u>1,900,000</u>	Fund general fund operations
	<u>28,115,000</u>	
Transfers to capital improvement fund from:		
General fund	9,226,000	Fund various capital improvement projects
Transfers to nonmajor business-like funds from:		
General fund	5,050	Sponsor relay for life event
Transfers to nonmajor governmental funds from:		
General fund	136,911	Fund nutritional meals operations
General fund	1,450,000	Fund fire paramedics operations
General fund	1,263,875	Fund police staff augmentation operations
Capital improvement fund	1,392,062	Fund MSB Building lease payment
Nonmajor governmental fund	<u>100,000</u>	Fund police staff augmentation operations
	<u>4,342,848</u>	
Transfers to internal service funds from:		
General fund	840,000	Fund technology equipment replacement
General fund	200,000	Fund application software replacement
General fund	290,000	Fund police CAD RMS replacement
General fund	95,000	Fund citywide document management system
		Fund wireless communication equipment replacement
General fund	1,098,000	
General fund	580,000	Fund financial system operations
Capital improvement fund	600,000	Fund technology equipment replacement
Capital improvement fund	400,000	Fund financial system operations
		Fund wireless communication equipment replacement
Capital improvement fund	<u>750,000</u>	
	<u>\$ 4,853,000</u>	

## **CITY OF GLENDALE**

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2008

### **F. Subsequent Event**

The recent turmoil in the financial markets has been unprecedented. CalPERS has notified the City that as of June 30, 2008 the fair value of the Retirement System's total portfolio was approximately \$239 billion (unaudited). As of October 31, 2008, CalPERS has estimated the fair value to be \$189 billion (unaudited), which represents a decrease of \$50 billion, or 21%, during the first four months in fiscal year 2009 (all values are based on available unaudited information). Changes in the value of the Retirement System assets are the result of gains and losses in investments and the variability of cash flows. The market continues to be volatile after October 31, 2008, but this cutoff date was chosen because it is the most recently closed period in CalPERS management's monthly investment reporting process and a reasonable cut off period for disclosure of subsequent events to the fiscal year 2008 financial statements.

As is the case with most retirement systems, CalPERS is exposed to general market risk. This general market risk is reflected in asset valuations fluctuating with market volatility. Any impact from market volatility on the Retirement System depends in large measure on how deep the market downturn is, how long it lasts, and how it fits within fiscal year reporting periods. The resulting market risk and associated realized and unrealized gains and losses could impact the financial condition of the Retirement System and the City's required contribution to the Retirement System. The reader of these financial statements is advised that financial markets continue to be volatile and are experiencing significant changes on almost a daily basis.

The good news is that cushioning the impact of investment set backs is the fact that CalPERS experienced double digit gains in the four years leading up to the 2007-2008 fiscal year. In previous down markets, flat or negative investment returns contributed substantially to increases in employer contributions the following year. However, CalPERS rate stabilization policies now spread market gains and losses over 15 years, thus reducing the volatility of employer rates.

In July 2008, the Housing Authority of the City approved the execution of letter of loan commitment with Vassar City Lights, a California Limited Partnership, in support of a development of an affordable 72-unit rental housing project at 3685 San Fernando Road. In order to provide an interim commitment of funds, City Council approved reserving \$12.1 million of City's general fund on an interim basis until an award of tax credits has been announced and a permanent source of funding has been secured.

In August 2008, the Housing Authority of the City entered a purchase and sale agreement for the acquisition of Fifth & Sonora property. The total cost for acquisition of the property is \$6 million. The deposit, \$100,000, was paid in August 2008, and the remaining balance was paid in October 2008.

### **G. Pronouncement Issued but Not yet Adopted**

#### **Governmental Accounting Standards Board Statement No. 49**

On December 1, 2006, the Governmental Accounting Standards Board (GASB) issued Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. This Statement identifies the circumstances under which a governmental entity would be required to report a liability related to pollution remediation. According to the standard, a government would have to estimate its expected outlays for pollution remediation if it knows a site is polluted and if various recognition triggers occur. Liabilities and expenses would be estimated using an "expected cash flows" measurement technique, which is used by environmental professionals. Statement 49 also will require governments to disclose information about their pollution obligations associated with clean up efforts in the notes to the financial statements. Statement 49 will be effective for financial statements for periods beginning after December 15, 2007, but liabilities should be measured at the beginning of that period so that beginning net assets can be restated. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

#### **Governmental Accounting Standards Board Statement No. 53**

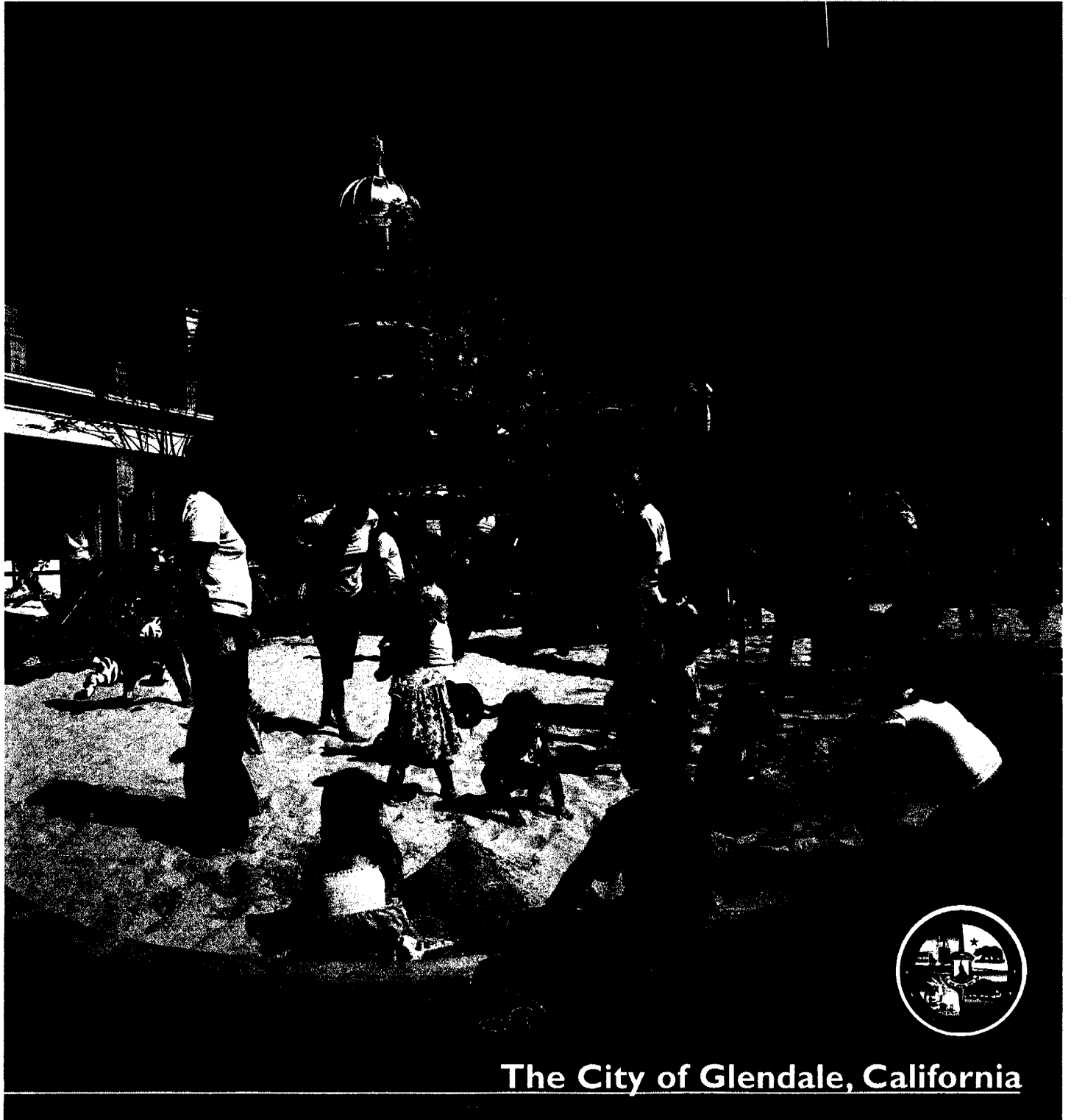
In June 2008, the GASB issued Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. Statement No. 53 also addresses hedge accounting requirements, which includes a government's objective for entering into the derivative instrument, significant terms of the derivative instrument, and the net cash flows of derivative instruments that hedge debt. The disclosure also should highlight the risks to which derivative instruments expose a government. Statement No. 53 is effective for financial statements for reporting periods beginning after June 15, 2009.

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# Non-Major Funds

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Year Ended  
June 30, 2008



**The City of Glendale, California**



Exhibit F-1  
**CITY OF GLENDALE**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2008

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and invested cash	\$ 40,536,602	41,407,636	17,998,098	99,942,336
Cash with fiscal agent	-	13,820,231	-	13,820,231
Interest receivable	349,238	343,966	154,596	847,800
Accounts receivable, net	3,144,812	-	480	3,145,292
Unbilled receivable	637,212	-	-	637,212
Due from other agencies	6,696,562	-	1,357,618	8,054,180
Prepaid items	1,769,908	-	-	1,769,908
Property held for resale	4,801,683	-	-	4,801,683
Total assets	57,936,017	55,571,833	19,510,792	133,018,642
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	4,272,809	-	146,769	4,419,578
Contracts-retained amount due	14,832	-	-	14,832
Due to other funds	9,225,374	-	-	9,225,374
Due to other agencies	339,729	-	480	340,209
Accrued wages and withholding	598	-	-	598
Interest payable	-	303,247	-	303,247
Deferred revenues	604,397	-	177,127	781,524
Deposits	186,907	-	-	186,907
Total liabilities	14,644,646	303,247	324,376	15,272,269
<b>Fund Balances:</b>				
Reserved:				
Prepaid	1,769,908	-	-	1,769,908
Debt service	-	12,372,588	-	12,372,588
Encumbrances	7,118,308	-	320,225	7,438,533
Property Resale	4,801,683	-	-	4,801,683
Unreserved	29,601,472	42,895,998	18,866,191	91,363,661
Total fund balances	43,291,371	55,268,586	19,186,416	117,746,373
Total liabilities and fund balances	\$ 57,936,017	55,571,833	19,510,792	133,018,642

## 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, 2008

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 6,466,845	8,194,003	-	14,660,848
Other taxes	4,617,042	-	-	4,617,042
Revenue from other agencies	33,751,156	-	7,090,042	40,841,198
Fines and forfeitures	985,952	-	-	985,952
Charges for services	15,009,790	-	-	15,009,790
Use of money and property	1,975,426	2,502,252	721,197	5,198,875
Miscellaneous revenue	4,085,039	-	-	4,085,039
<b>Total Revenues</b>	<b>66,891,250</b>	<b>10,696,255</b>	<b>7,811,239</b>	<b>85,398,744</b>
<b>Expenditures:</b>				
Operating expenditures				
General government	831,567	-	-	831,567
Public safety	19,690,792	165,544	-	19,856,336
Public works	8,517,565	-	883,588	9,401,153
Housing, health and community development	23,636,355	9,550	-	23,645,905
Employment programs	3,544,809	-	-	3,544,809
Public service	4,492,312	-	-	4,492,312
Parks, recreation and community services	455,907	-	-	455,907
Library	471,033	-	-	471,033
Capital	7,025,147	-	591,706	7,616,853
Debt service				
Interest on Loan	51,598	-	-	51,598
Interest on Bonds	-	1,616,636	-	1,616,636
Accrued interest 2003 tax allo	-	2,224,490	-	2,224,490
Accrued interest 2002 tax allo	-	1,779,513	-	1,779,513
Accr int cap lease -Fire Equip	17,117	-	-	17,117
Accr Int Cap lease -MSB RETROF	-	335,243	-	335,243
Principal	180,000	1,400,000	-	1,580,000
Principal 2003 Tax Allocation	-	2,555,000	-	2,555,000
Principal 2002 Tax Allocation	-	2,035,000	-	2,035,000
Principal Cap Lease-Fire Equip	431,696	-	-	431,696
Principal Cap Lease-MSB RETROF	-	1,022,241	-	1,022,241
<b>Total expenditures</b>	<b>69,345,898</b>	<b>13,143,217</b>	<b>1,475,294</b>	<b>83,964,409</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(2,454,648)</b>	<b>(2,446,962)</b>	<b>6,335,945</b>	<b>1,434,335</b>
<b>Other financing sources (uses):</b>				
Transfer from				
Transfer-General Fund	2,850,786	-	-	2,850,786
Transfer-Special Revenue	100,000	-	-	100,000
Transfer-Capital Funds	-	1,392,062	-	1,392,062
Transfer to				
Transfer-Special Revenue	(100,000)	-	-	(100,000)
<b>Total financing sources (uses)</b>	<b>2,850,786</b>	<b>1,392,062</b>	<b>-</b>	<b>4,242,848</b>
<b>Net change in fund balances</b>	<b>396,138</b>	<b>(1,054,900)</b>	<b>6,335,945</b>	<b>5,677,183</b>
<b>Fund balance, July 1, 2007</b>	<b>42,895,233</b>	<b>56,323,486</b>	<b>12,850,471</b>	<b>112,069,190</b>
<b>Fund Balance, June 30, 2008</b>	<b>\$ 43,291,371</b>	<b>55,268,586</b>	<b>19,186,416</b>	<b>117,746,373</b>

## 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 Fund-To account for grant monies received and expended, in the federally funded job training program
- Low and Moderate Housing Fund-To account for monies received and expended by the Agency for the 20% set aside funds pursuant to redevelopment laws of the State of California.
- Local Transit Assistance Fund-To account for monies received from a portion of the sales tax which is restricted to transportation-related activities.
- Air Quality Improvement Fund-To account for monies received from South Coast Air Quality Management District and expended on air pollution reduction.
- PW Special Grants Fund- To account for various small grants received and expended by the City, such as Senior Citizen Traffic Safety Education Program.
- 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.
- Joint Air Support Operation Fund - To account for monies received and expended in the operation of the heliport as a joint effort with City of Burbank.

Exhibit G-1  
**CITY OF GLENDALE**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds - Special Revenue  
 June 30, 2008

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Shelter Grant Fund
<b>Assets:</b>					
Cash and invested cash	\$ -	2,369,737	-	-	-
Interest receivable	-	20,283	-	-	-
Accounts receivable, net	293,039	-	-	-	-
Unbilled receivable	-	-	-	-	-
Due from other agencies	350,002	333,154	1,263,596	554,542	65,079
Prepaid items	-	1,742,521	-	25,553	-
Property held for resale	-	-	-	-	-
<b>Total assets</b>	<b>643,041</b>	<b>4,465,695</b>	<b>1,263,596</b>	<b>580,095</b>	<b>65,079</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	241,113	15,702	1,184,451	281,079	24,061
Contracts-retained amount due	14,832	-	-	-	-
Due to other funds	94,057	-	79,145	297,120	41,018
Due to other agencies	-	210,691	-	1,896	-
Accrued wages and withholding	-	-	-	-	-
Deferred revenues	293,039	-	-	-	-
Deposits	-	65,543	-	-	-
<b>Total liabilities</b>	<b>643,041</b>	<b>291,936</b>	<b>1,263,596</b>	<b>580,095</b>	<b>65,079</b>
<b>Fund Balances:</b>					
Reserved:					
Prepaid	-	1,742,521	-	25,553	-
Encumbrances	-	6,725	-	-	-
Property Resale	-	-	-	-	-
Unreserved	-	2,424,513	-	(25,553)	-
<b>Total fund balances</b>	<b>-</b>	<b>4,173,759</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 643,041</b>	<b>4,465,695</b>	<b>1,263,596</b>	<b>580,095</b>	<b>65,079</b>

Exhibit G-1  
**CITY OF GLENDALE**  
Combining Balance Sheet  
Nonmajor Governmental Funds - Special Revenue  
June 30, 2008

	Workforce Investment Fund	Low & Moderate Housing Fund	Local Transit Assistance Fund	Air Quality Improvement Fund	PW Special Grants Fund
<b>Assets:</b>					
Cash and invested cash	\$ -	10,604,562	13,526,085	603,451	-
Interest receivable	-	92,755	118,662	4,911	-
Accounts receivable, net	-	131,000	429,659	-	-
Unbilled receivable	-	-	-	-	-
Due from other agencies	383,992	1,265,615	681,360	68,906	180,358
Prepaid items	-	1,834	-	-	-
Property held for resale	-	4,801,683	-	-	-
<b>Total assets</b>	<b>383,992</b>	<b>16,897,449</b>	<b>14,755,766</b>	<b>677,268</b>	<b>180,358</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	179,498	66,972	1,144,162	17,967	-
Contracts-retained amount due	-	-	-	-	-
Due to other funds	57,906	-	-	-	183,968
Due to other agencies	-	-	1,505	837	-
Accrued wages and withholding	-	-	-	-	-
Deferred revenues	-	131,000	-	-	180,358
Deposits	2,961	-	-	-	-
<b>Total liabilities</b>	<b>240,365</b>	<b>197,972</b>	<b>1,145,667</b>	<b>18,804</b>	<b>364,326</b>
<b>Fund Balances:</b>					
Reserved:					
Prepaid	-	1,834	-	-	-
Encumbrances	-	5,170,447	656,842	-	39,250
Property Resale	-	4,801,683	-	-	-
Unreserved	143,627	6,725,513	12,953,257	658,464	(223,218)
<b>Total fund balances</b>	<b>143,627</b>	<b>16,699,477</b>	<b>13,610,099</b>	<b>658,464</b>	<b>(183,968)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 383,992</b>	<b>16,897,449</b>	<b>14,755,766</b>	<b>677,268</b>	<b>180,358</b>

Exhibit G-1  
**CITY OF GLENDALE**  
Combining Balance Sheet  
Nonmajor Governmental Funds - Special Revenue  
June 30, 2008

	Narcotic Forfeiture Fund	Special Grant Fund	Supplemental Law Enforcement Fund	Police Staff Augmentation Fund	Fire Grant Fund
<b>Assets:</b>					
Cash and invested cash	\$ 1,020,765	-	281,696	5,147,092	-
Interest receivable	8,621	-	-	45,553	-
Accounts receivable, net	-	176,894	-	3,703	958
Unbilled receivable	-	-	-	-	-
Due from other agencies	-	156,779	-	37,398	1,260,416
Prepaid items	-	-	-	-	-
Property held for resale	-	-	-	-	-
<b>Total assets</b>	<b>1,029,386</b>	<b>333,673</b>	<b>281,696</b>	<b>5,233,746</b>	<b>1,261,374</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	-	18,464	-	57,519	71,673
Contracts-retained amount due	-	-	-	-	-
Due to other funds	-	280,315	-	-	1,641,826
Due to other agencies	124,800	-	-	-	-
Accrued wages and withholding	-	598	-	-	-
Deferred revenues	-	-	-	-	-
Deposits	52,940	-	-	-	-
<b>Total liabilities</b>	<b>177,740</b>	<b>299,377</b>	<b>-</b>	<b>57,519</b>	<b>1,713,499</b>
<b>Fund Balances:</b>					
Reserved:					
Prepaid	-	-	-	-	-
Encumbrances	-	38,404	-	123,692	816,048
Property Resale	-	-	-	-	-
Unreserved	851,646	(4,108)	281,696	5,052,535	(1,268,173)
<b>Total fund balances</b>	<b>851,646</b>	<b>34,296</b>	<b>281,696</b>	<b>5,176,227</b>	<b>(452,125)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,029,386</b>	<b>333,673</b>	<b>281,696</b>	<b>5,233,746</b>	<b>1,261,374</b>

Exhibit G-1  
**CITY OF GLENDALE**  
Combining Balance Sheet  
Nonmajor Governmental Funds - Special Revenue  
June 30, 2008

	Nutritional Meals Grant Fund	Library Grant Fund	Cable Access Fund	Electric Public Benefit Fund	Fire Paramedic Fund
<b>Assets:</b>					
Cash and invested cash	\$ 185,566	2,096,013	488,061	2,699,853	-
Interest receivable	521	23,969	-	21,640	-
Accounts receivable, net	-	-	-	361,921	1,610,197
Unbilled receivable	-	-	-	627,354	9,858
Due from other agencies	49,883	45,482	-	-	-
Prepaid items	-	-	-	-	-
Property held for resale	-	-	-	-	-
<b>Total assets</b>	<b>235,970</b>	<b>2,165,464</b>	<b>488,061</b>	<b>3,710,768</b>	<b>1,620,055</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	16,631	34,502	2,176	694,955	85,832
Contracts-retained amount due	-	-	-	-	-
Due to other funds	-	-	-	-	6,162,501
Due to other agencies	-	-	-	-	-
Accrued wages and withholding	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Deposits	-	-	-	-	1,463
<b>Total liabilities</b>	<b>16,631</b>	<b>34,502</b>	<b>2,176</b>	<b>694,955</b>	<b>6,249,796</b>
<b>Fund Balances:</b>					
Reserved:					
Prepaid	-	-	-	-	-
Encumbrances	4,860	5,639	-	161,724	52,880
Property Resale	-	-	-	-	-
Unreserved	214,479	2,125,323	485,885	2,854,089	(4,682,621)
<b>Total fund balances</b>	<b>219,339</b>	<b>2,130,962</b>	<b>485,885</b>	<b>3,015,813</b>	<b>(4,629,741)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 235,970</b>	<b>2,165,464</b>	<b>488,061</b>	<b>3,710,768</b>	<b>1,620,055</b>



Exhibit G-1  
**CITY OF GLENDALE**  
Combining Balance Sheet  
Nonmajor Governmental Funds - Special Revenue  
June 30, 2008

	<b>Fire Communication Fund</b>	<b>ICIS Fund</b>	<b>Joint Air Suppt Operation Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets:</b>				
Cash and invested cash	\$ 778,657	475,887	259,177	40,536,602
Interest receivable	8,679	3,644	-	349,238
Accounts receivable, net	19,737	2,010	115,694	3,144,812
Unbilled receivable	-	-	-	637,212
Due from other agencies	-	-	-	6,696,562
Prepaid items	-	-	-	1,769,908
Property held for resale	-	-	-	4,801,683
<b>Total assets</b>	<b>807,073</b>	<b>481,541</b>	<b>374,871</b>	<b>57,936,017</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	5,234	-	130,818	4,272,809
Contracts-retained amount due	-	-	-	14,832
Due to other funds	-	-	387,518	9,225,374
Due to other agencies	-	-	-	339,729
Accrued wages and withholding	-	-	-	598
Deferred revenues	-	-	-	604,397
Deposits	-	64,000	-	186,907
<b>Total liabilities</b>	<b>5,234</b>	<b>64,000</b>	<b>518,336</b>	<b>14,644,646</b>
<b>Fund Balances:</b>				
Reserved:				
Prepaid	-	-	-	1,769,908
Encumbrances	31,297	10,500	-	7,118,308
Property Resale	-	-	-	4,801,683
Unreserved	770,542	407,041	(143,465)	29,601,472
<b>Total fund balances</b>	<b>801,839</b>	<b>417,541</b>	<b>(143,465)</b>	<b>43,291,371</b>
<b>Total liabilities and fund balances</b>	<b>\$ 807,073</b>	<b>481,541</b>	<b>374,871</b>	<b>57,936,017</b>

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, 2008

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Shelter Grant Fund	Workforce Investment Fund
<b>Revenues:</b>						
Property taxes	\$ -	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Revenue from other agencies	2,509,998	13,644,439	1,236,264	1,860,207	138,793	3,372,611
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	-	92,483	-	-	-	-
Miscellaneous revenue	85,825	907,241	3,754	-	-	135,708
<b>Total Revenues</b>	<b>2,595,823</b>	<b>14,644,163</b>	<b>1,240,018</b>	<b>1,860,207</b>	<b>138,793</b>	<b>3,508,319</b>
<b>Expenditures:</b>						
Operating expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Housing, health and community development	1,990,469	13,507,551	1,240,018	1,860,207	138,793	-
Employment programs	-	-	-	-	-	3,544,809
Public service	-	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital	373,756	-	-	-	-	-
Debt service	231,598	-	-	-	-	-
<b>Total expenditures</b>	<b>2,595,823</b>	<b>13,507,551</b>	<b>1,240,018</b>	<b>1,860,207</b>	<b>138,793</b>	<b>3,544,809</b>
Excess of revenues over (under) expenditures	-	1,136,612	-	-	-	(36,490)
<b>Other financing sources (uses):</b>						
Transfer from:						
Transfer-General Fund	-	-	-	-	-	-
Transfer-Special Revenue	-	-	-	-	-	-
Transfer to:						
Transfer-Special Revenue	-	-	-	-	-	-
<b>Total financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	1,136,612	-	-	-	(36,490)
Fund balance, July 1, 2007	-	3,037,147	-	-	-	180,117
<b>Fund Balance, June 30, 2008 (deficits)</b>	<b>\$ -</b>	<b>4,173,759</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,627</b>

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, 2008

	Low & Moderate Housing Fund	Local Transit Assistance Fund	Air Quality Improvement Fund	PW Special Grants Fund	Narcotic Forfeiture Fund	Special Grant Fund
<b>Revenues:</b>						
Property taxes	\$ 6,466,845	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Revenue from other agencies	-	6,698,265	311,774	10,042	-	405,227
Fines and forfeitures	-	-	-	-	905,386	-
Charges for services	-	1,562,506	52,314	-	-	270,305
Use of money and property	527,345	634,281	27,513	-	31,251	-
Miscellaneous revenue	1,566,392	57,630	-	-	-	177,118
<b>Total Revenues</b>	<b>8,560,582</b>	<b>8,952,682</b>	<b>391,601</b>	<b>10,042</b>	<b>936,637</b>	<b>852,650</b>
<b>Expenditures:</b>						
Operating expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	369,072	815,318
Public works	-	8,241,721	270,644	5,200	-	-
Housing, health and community development	4,899,317	-	-	-	-	-
Employment programs	-	-	-	-	-	-
Public service	-	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital	4,066,146	77,282	-	188,100	-	55,949
Debt service	-	-	-	-	-	-
<b>Total expenditures</b>	<b>8,965,463</b>	<b>8,319,003</b>	<b>270,644</b>	<b>193,300</b>	<b>369,072</b>	<b>871,267</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(404,881)</b>	<b>633,679</b>	<b>120,957</b>	<b>(183,258)</b>	<b>567,565</b>	<b>(18,617)</b>
<b>Other financing sources (uses):</b>						
Transfer from:						
Transfer-General Fund	-	-	-	-	-	-
Transfer-Special Revenue	-	-	-	-	-	-
Transfer to:						
Transfer-Special Revenue	-	-	-	-	-	-
<b>Total financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(404,881)</b>	<b>633,679</b>	<b>120,957</b>	<b>(183,258)</b>	<b>567,565</b>	<b>(18,617)</b>
Fund balance, July 1, 2007	17,104,358	12,976,420	537,507	(710)	284,081	52,913
<b>Fund Balance, June 30, 2008 (deficits)</b>	<b>\$ 16,699,477</b>	<b>13,610,099</b>	<b>658,464</b>	<b>(183,968)</b>	<b>851,646</b>	<b>34,296</b>

## 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, 2008

	Supplemental Law Enforcement Fund	Police Staff Augmentation Fund	Fire Grant Fund	Nutritional Meals Grant Fund	Library Grant Fund	Cable Access Fund
<b>Revenues:</b>						
Property taxes	\$ -	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Revenue from other agencies	398,345	-	2,619,235	290,017	175,862	-
Fines and forfeitures	-	80,566	-	-	-	-
Charges for services	-	50,967	-	-	118,853	379,957
Use of money and property	13,938	287,224	-	8,126	98,024	26,180
Miscellaneous revenue	-	257,786	39,858	83,804	221,408	2,040
<b>Total Revenues</b>	<b>412,283</b>	<b>676,543</b>	<b>2,659,093</b>	<b>381,947</b>	<b>614,147</b>	<b>408,177</b>
<b>Expenditures:</b>						
Operating expenditures						
General government	-	-	-	-	-	591,389
Public safety	251,514	3,084,635	496,247	-	-	-
Public works	-	-	-	-	-	-
Housing, health and community development	-	-	-	-	-	-
Employment programs	-	-	-	-	-	-
Public service	-	-	-	-	-	-
Parks, recreation and community services	-	-	-	455,907	-	-
Library	-	-	-	-	471,033	-
Capital	-	-	900,967	-	-	21,089
Debt service	-	-	-	-	-	-
<b>Total expenditures</b>	<b>251,514</b>	<b>3,084,635</b>	<b>1,397,214</b>	<b>455,907</b>	<b>471,033</b>	<b>612,478</b>
Excess of revenues over (under) expenditures	160,769	(2,408,092)	1,261,879	(73,960)	143,114	(204,301)
<b>Other financing sources (uses):</b>						
Transfer from:						
Transfer-General Fund	-	1,263,875	-	136,911	-	-
Transfer-Special Revenue	-	100,000	-	-	-	-
Transfer to:						
Transfer-Special Revenue	(100,000)	-	-	-	-	-
<b>Total financing sources (uses)</b>	<b>(100,000)</b>	<b>1,363,875</b>	<b>-</b>	<b>136,911</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>60,769</b>	<b>(1,044,217)</b>	<b>1,261,879</b>	<b>62,951</b>	<b>143,114</b>	<b>(204,301)</b>
Fund balance, July 1, 2007	220,927	6,220,444	(1,714,004)	156,388	1,987,848	690,186
<b>Fund Balance, June 30, 2008 (deficits)</b>	<b>\$ 281,696</b>	<b>5,176,227</b>	<b>(452,125)</b>	<b>219,339</b>	<b>2,130,962</b>	<b>485,885</b>

## 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, 2008

	Electric Public Benefit Fund	Fire Paramedic Fund	Fire Communication Fund	ICIS Fund	Joint Air Suppt Operation Fund	Total Nonmajor Special Revenue Funds
Revenues:						
Property taxes	\$ -	-	-	-	-	6,466,845
Other taxes	4,617,042	-	-	-	-	4,617,042
Revenue from other agencies	-	-	-	80,077	-	33,751,156
Fines and forfeitures	-	-	-	-	-	985,952
Charges for services	-	9,501,089	2,678,105	280,000	115,694	15,009,790
Use of money and property	118,559	-	88,801	21,701	-	1,975,426
Miscellaneous revenue	56,377	34,947	193,964	2,010	259,177	4,085,039
Total Revenues	4,791,978	9,536,036	2,960,870	383,788	374,871	66,891,250
Expenditures:						
Operating expenditures						
General government	-	-	-	240,178	-	831,567
Public safety	-	11,908,513	2,247,157	-	518,336	19,690,792
Public works	-	-	-	-	-	8,517,565
Housing, health and community development	-	-	-	-	-	23,636,355
Employment programs	-	-	-	-	-	3,544,809
Public service	4,492,312	-	-	-	-	4,492,312
Parks, recreation and community services	-	-	-	-	-	455,907
Library	-	-	-	-	-	471,033
Capital	-	285,714	1,056,144	-	-	7,025,147
Debt service	-	-	448,813	-	-	680,411
Total expenditures	4,492,312	12,194,227	3,752,114	240,178	518,336	69,345,898
Excess of revenues over (under) expenditures	299,666	(2,658,191)	(791,244)	143,610	(143,465)	(2,454,648)
Other financing sources (uses):						
Transfer from:						
Transfer-General Fund	-	1,450,000	-	-	-	2,850,786
Transfer-Special Revenue	-	-	-	-	-	100,000
Transfer to:						
Transfer-Special Revenue	-	-	-	-	-	(100,000)
Total financing sources (uses)	-	1,450,000	-	-	-	2,850,786
Net change in fund balances	299,666	(1,208,191)	(791,244)	143,610	(143,465)	396,138
Fund balance, July 1, 2007	2,716,147	(3,421,550)	1,593,083	273,931	-	42,895,233
Fund Balance, June 30, 2008 (deficits)	\$ 3,015,813	(4,629,741)	801,839	417,541	(143,465)	43,291,371

## 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, 2008

	Original	Final	Actual	Variance (Over)/Under
Community Development Fund:				
Revenue from other agencies	\$ 3,597,000	3,597,000	2,509,998	1,087,002
Miscellaneous revenue	—	85,825	85,825	—
Total	3,597,000	3,682,825	2,595,823	1,087,002
Housing Assistance Fund:				
Use of money and property	6,000	6,000	92,483	(86,483)
Revenue from other agencies	12,923,000	12,923,000	13,644,439	(721,439)
Miscellaneous revenue	877,000	877,000	907,241	(30,241)
Total	13,806,000	13,806,000	14,644,163	(838,163)
Home Grant Fund:				
Revenue from other agencies	2,110,000	2,117,300	1,236,264	881,036
Miscellaneous revenue	3,000	3,000	3,754	(754)
Total	2,113,000	2,120,300	1,240,018	880,282
Supportive Housing Grant Fund:				
Revenue from other agencies	1,714,000	1,714,000	1,860,207	(146,207)
Miscellaneous revenue	—	15,995	—	15,995
Total	1,714,000	1,729,995	1,860,207	(130,212)
Emergency Shelter Grant Fund:				
Revenue from other agencies	145,000	145,000	138,793	6,207
Total	145,000	145,000	138,793	6,207
Workforce Investment Fund:				
Revenue from other agencies	4,000,000	4,000,000	3,372,611	627,389
Miscellaneous revenue	7,000	7,000	135,708	(128,708)
Total	4,007,000	4,007,000	3,508,319	498,681
Low & Moderate Housing Fund:				
Property taxes	6,098,000	6,098,000	6,466,845	(368,845)
Use of money and property	600,000	600,000	527,345	72,655
Miscellaneous revenue	966,000	966,000	1,566,392	(600,392)
Total	\$ 7,664,000	7,664,000	8,560,582	(896,582)

## CITY OF GLENDALE

## Schedule of Revenues and Other Financing Sources - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2008

	Original	Final	Actual	Variance (Over)/Under
Local Transit Assistance Fund:				
Use of money and property	\$ 430,000	430,000	634,281	(204,281)
Revenue from other agencies	6,718,000	6,969,425	6,698,265	271,160
Charges for services	1,281,000	1,281,000	1,562,506	(281,506)
Miscellaneous revenue	—	—	57,630	(57,630)
Total	8,429,000	8,680,425	8,952,682	(272,257)
Air Quality Improvement Fund:				
Use of money and property	15,000	15,000	27,513	(12,513)
Revenue from other agencies	250,000	250,000	311,774	(61,774)
Charges for services	50,000	50,000	52,314	(2,314)
Total	315,000	315,000	391,601	(76,601)
Public Works Special Grant Fund:				
Revenue from other agencies	—	—	10,042	(10,042)
Total	—	—	10,042	(10,042)
Narcotic Forfeiture Fund:				
Fines and forfeitures	—	—	905,386	(905,386)
Use of money and property	—	—	31,251	(31,251)
Total	—	—	936,637	(936,637)
Special Grant Fund:				
Use of money and property	5,000	5,000	—	5,000
Revenue from other agencies	372,000	738,784	405,227	333,557
Charges for services	243,000	321,324	270,305	51,019
Miscellaneous revenue	21,000	33,361	177,118	(143,757)
Total	641,000	1,098,469	852,650	245,819
Supplemental Law Enforcement Fund:				
Use of money and property	15,000	15,000	13,938	1,062
Revenue from other agencies	400,000	400,000	398,345	1,655
Total	415,000	415,000	412,283	2,717
Police Staff Augmentation Fund				
Use of money and property	150,000	150,000	287,224	(137,224)
Miscellaneous revenue	50,000	229,760	338,352	(108,592)
Charges for services	20,000	33,875	50,967	(17,092)
Transfers	1,350,000	1,363,875	1,363,875	—
Total	\$ 1,570,000	1,777,510	2,040,418	(262,908)

## 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, 2008

	Original	Final	Actual	Variance (Over)/Under
<b>Fire Grant Fund</b>				
Revenue from other agencies	\$ 4,673,000	5,730,066	2,619,235	3,110,831
Miscellaneous revenue	—	25,000	39,858	(14,858)
Total	4,673,000	5,755,066	2,659,093	3,095,973
<b>Nutritional Meals Grant Fund:</b>				
Use of money and property	—	—	8,126	(8,126)
Revenue from other agencies	250,000	284,242	290,017	(5,775)
Charges for services	—	—	—	—
Miscellaneous revenue	85,089	85,089	83,804	1,285
Transfers	136,911	136,911	136,911	—
Total	472,000	506,242	518,858	(12,616)
<b>Library Grant Fund:</b>				
Use of money and property	25,000	25,000	98,024	(73,024)
Revenue from other agencies	230,000	230,000	175,862	54,138
Charges for services	69,000	69,000	118,853	(49,853)
Miscellaneous revenue	65,100	65,100	221,408	(156,308)
Total	389,100	389,100	614,147	(225,047)
<b>Cable Access Fund:</b>				
Use of money and property	30,000	30,000	26,180	3,820
Charges for services	500,000	500,000	379,957	120,043
Miscellaneous revenue	1,000	1,000	2,040	(1,040)
Total	531,000	531,000	408,177	122,823
<b>Electric Public Benefit Fund:</b>				
Other taxes	3,900,000	3,900,000	4,617,042	(717,042)
Use of money and property	210,000	210,000	118,559	91,441
Miscellaneous revenue	40,000	40,000	56,377	(16,377)
Total	4,150,000	4,150,000	4,791,978	(641,978)
<b>Fire Paramedic Fund</b>				
Charges for services	8,732,500	8,732,500	9,501,089	(768,589)
Miscellaneous revenue	—	17,000	34,947	(17,947)
Transfers	1,450,000	1,450,000	1,450,000	—
Total	10,182,500	10,199,500	10,986,036	(786,536)
<b>Fire Communications Fund</b>				
Use of money and property	60,000	60,000	88,801	(28,801)
Charges for services	2,710,000	2,710,000	2,678,105	31,895
Miscellaneous revenue	194,000	194,000	193,964	36
Total	\$ 2,964,000	2,964,000	2,960,870	3,130



## 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, 2008

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
<b>ICIS Fund</b>				
Use of money and property	\$ 5,000	5,000	21,701	(16,701)
Revenue from other agencies	—	—	80,077	(80,077)
Charges for services	300,000	300,000	280,000	20,000
Miscellaneous revenue	—	—	2,010	(2,010)
Total	<u>305,000</u>	<u>305,000</u>	<u>383,788</u>	<u>(78,788)</u>
<b>Joint Air Support Operation Fund</b>				
Charges for services	560,530	560,530	115,694	444,836
Miscellaneous revenue	—	—	259,177	(259,177)
Total	<u>560,530</u>	<u>560,530</u>	<u>374,871</u>	<u>185,659</u>
Total revenues and other financing sources	\$ <u>68,643,130</u>	<u>70,801,962</u>	<u>69,842,036</u>	<u>959,926</u>

**CITY OF GLENDALE**

## Schedule of Expenditures and Other Financing Uses - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2008

	Original	Final	Actual	Variance (Over)/Under
<b>Community Development Fund:</b>				
Housing, health and community development:				
Salaries and benefits	\$ 1,294,207	1,299,607	1,122,057	177,550
Maintenance and operations	1,219,058	1,599,483	868,412	731,071
Capital projects	3,108,647	3,108,647	373,756	2,734,891
Debt Service	—	—	231,598	(231,598)
<b>Total</b>	<b>5,621,912</b>	<b>6,007,737</b>	<b>2,595,823</b>	<b>3,411,914</b>
<b>Housing Assistance Fund:</b>				
Housing, health and community development:				
Salaries and benefits	2,042,258	2,017,258	1,899,494	117,764
Maintenance and operations	11,494,422	11,519,422	11,608,057	(88,635)
<b>Total</b>	<b>13,536,680</b>	<b>13,536,680</b>	<b>13,507,551</b>	<b>29,129</b>
<b>Home Grant Fund:</b>				
Housing, health and community development:				
Salaries and benefits	208,147	183,247	156,152	27,095
Maintenance and operations	1,902,966	5,143,384	1,083,866	4,059,518
<b>Total</b>	<b>2,111,113</b>	<b>5,326,631</b>	<b>1,240,018</b>	<b>4,086,613</b>
<b>Supportive Housing Grant Fund:</b>				
Housing, health and community development:				
Salaries and benefits	177,270	193,265	155,751	37,514
Maintenance and operations	3,792,256	3,892,256	1,704,456	2,187,800
<b>Total</b>	<b>3,969,526</b>	<b>4,085,521</b>	<b>1,860,207</b>	<b>2,225,314</b>
<b>Emergency Shelter Grant Fund:</b>				
Housing, health and community development:				
Maintenance and operations	145,916	153,879	138,793	15,086
<b>Total</b>	<b>145,916</b>	<b>153,879</b>	<b>138,793</b>	<b>15,086</b>
<b>Workforce Investment Fund:</b>				
Employment and job training services:				
Salaries and benefits	3,027,907	3,027,907	2,126,225	901,682
Maintenance and operations	978,392	2,035,059	1,418,584	616,475
<b>Total</b>	<b>\$ 4,006,299</b>	<b>5,062,966</b>	<b>3,544,809</b>	<b>1,518,157</b>

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, 2008

	Original	Final	Actual	Variance (Over)/Under
<b>Low &amp; Moderate Housing Fund:</b>				
Housing, health and community development:				
Salaries and benefits	\$ 2,023,073	2,151,140	2,133,559	17,581
Maintenance and operations	5,766,219	11,265,413	2,765,758	8,499,655
Capital projects	—	4,663,378	4,066,146	597,232
Total	7,789,292	18,079,931	8,965,463	9,114,468
<b>Local Transit Assistance Fund:</b>				
Public works:				
Salaries and benefits	1,061,599	1,121,015	1,037,847	83,168
Maintenance and operations	8,024,678	8,024,678	7,203,874	820,804
Capital	852,500	1,136,500	32,575	1,103,925
Capital projects	987,000	8,053,491	44,707	8,008,784
Total	10,925,777	18,335,684	8,319,003	10,016,681
<b>Air Quality Improvement Fund:</b>				
Public works:				
Salaries and benefits	198,728	198,728	186,552	12,176
Maintenance and operations	110,855	110,855	84,092	26,763
Total	309,583	309,583	270,644	38,939
<b>Public Works Special Grant Fund</b>				
Public works:				
Maintenance and operations	—	—	5,200	(5,200)
Capital	—	246,528	188,100	58,428
Total	—	246,528	193,300	53,228
<b>Narcotic Forfeiture Fund:</b>				
Public safety:				
Salaries and benefits	219,868	219,868	249,872	(30,004)
Maintenance and operations	128,857	128,857	119,200	9,657
Total	348,725	348,725	369,072	(20,347)
<b>Special Grant Fund:</b>				
Public safety:				
Salaries and benefits	459,995	819,719	696,138	123,581
Maintenance and operations	115,993	213,738	119,180	94,558
Capital	—	—	55,949	(55,949)
Total	575,988	1,033,457	871,267	162,190
<b>Supplemental Law Enforcement Fund:</b>				
Public safety:				
Salaries and benefits	242,547	242,547	245,780	(3,233)
Maintenance and operations	40,156	40,156	5,734	34,422
Transfer to other funds	100,000	100,000	100,000	—
Total	\$ 382,703	382,703	351,514	31,189

## CITY OF GLENDALE

## Schedule of Expenditures and Other Financing Uses - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2008

	Original	Final	Actual	Variance (Over)/Under
<b>Police Staff Augmentation Fund</b>				
Public safety:				
Salaries and benefits	\$ 3,907,347	3,910,097	2,945,474	964,623
Maintenance and operations	92,296	272,056	139,161	132,895
Capital	—	25,000	—	25,000
Total	3,999,643	4,207,153	3,084,635	1,122,518
<b>Fire Grant Fund</b>				
Public safety:				
Salaries and benefits	106,273	88,173	258,794	(170,621)
Maintenance and operations	304,159	182,901	237,453	(54,552)
Capital	—	597,900	900,967	(303,067)
Total	410,432	868,974	1,397,214	(528,240)
<b>Nutritional Meals Grant Fund:</b>				
Parks, recreation and community services:				
Salaries and benefits	297,618	304,379	262,369	42,010
Maintenance and operations	146,737	204,218	193,538	10,680
Transfer to other funds	—	—	—	—
Total	444,355	508,597	455,907	52,690
<b>Library Grant Fund:</b>				
Library:				
Salaries and benefits	248,454	176,476	129,880	46,596
Maintenance and operations	266,372	242,069	341,153	(99,084)
Total	514,826	418,545	471,033	(52,488)
<b>Cable Access Fund:</b>				
General government:				
Salaries and benefits	540,947	540,947	530,062	10,885
Maintenance and operations	47,455	47,455	61,327	(13,872)
Capital	40,000	40,000	21,089	18,911
Capital projects	—	24,278	—	24,278
Total	628,402	652,680	612,478	40,202
<b>Electric Public Benefit Fund:</b>				
Public service:				
Salaries and benefits	292,557	292,557	231,871	60,686
Maintenance and operations	4,863,800	4,904,303	4,260,441	643,862
Total	\$ 5,156,357	5,196,860	4,492,312	704,548

## 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, 2008

	Original	Final	Actual	Variance (Over)/Under
<b>Fire Paramedic Fund</b>				
Public safety:				
Salaries and benefits	\$ 4,949,922	4,949,922	5,404,084	(454,162)
Maintenance and operations	5,897,018	5,886,518	6,504,429	(617,911)
Capital	250,000	277,500	285,714	(8,214)
Total	11,096,940	11,113,940	12,194,227	(1,080,287)
<b>Fire Communications Fund</b>				
Public safety:				
Salaries and benefits	2,167,954	2,167,954	2,044,833	123,121
Maintenance and operations	285,239	285,239	202,324	82,915
Capital	548,413	1,654,282	1,056,144	598,138
Debt Service	—	—	448,813	(448,813)
Total	3,001,606	4,107,475	3,752,114	355,361
<b>ICIS Fund</b>				
General government:				
Salaries and benefits	125,000	125,000	50,000	75,000
Maintenance and operations	300,000	300,000	190,178	109,822
Total	425,000	425,000	240,178	184,822
<b>Joint Air Support Operation Fund</b>				
General government:				
Maintenance and operations	560,530	560,530	518,336	42,194
Total	560,530	560,530	518,336	42,194
Total expenditures and other financing uses	\$ 75,961,605	100,969,779	69,445,898	31,523,881

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### **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 Building Project 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.
- Capital Leases Fund – To accumulate monies for the payment of interest and principal for the Capital Lease of the Municipal Building Services (MSB) Seismic Upgrade Project. Debt Service is financed via lease payments.

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Exhibit H-1  
**CITY OF GLENDALE**  
Combining Balance Sheet  
Nonmajor Governmental Funds - Debt Service  
June 30, 2008

		2003 Gra Tax Allocation Bonds	Police Building Project	2002 GRA Tax Allocation Bonds	Capital Leases	Total Nonmajor Debt Service Funds
<b>Assets:</b>						
Cash and invested cash	\$	738,481	40,117,239	551,916	-	41,407,636
Cash with fiscal agent		4,909,785	5,060,461	3,849,985	-	13,820,231
Interest receivable		-	343,966	-	-	343,966
<hr/>						
Total assets		5,648,266	45,521,666	4,401,901	-	55,571,833
<hr/>						
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Interest payable		-	60,460	-	242,787	303,247
<hr/>						
Total liabilities		-	60,460	-	242,787	303,247
<hr/>						
<b>Fund Balances:</b>						
Reserved:						
Debt service		4,773,615	3,784,110	3,814,863	-	12,372,588
Unreserved		874,651	41,677,096	587,038	(242,787)	42,895,998
<hr/>						
Total fund balances		5,648,266	45,461,206	4,401,901	(242,787)	55,268,586
<hr/>						
Total liabilities and fund balances	\$	5,648,266	45,521,666	4,401,901	-	55,571,833
<hr/>						

## 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, 2008

	2003 Gra Tax Allocation Bonds	Police Building Project	2002 GRA Tax Allocation Bonds	Capital Leases	Total Nonmajor Debt Service Funds
Revenues:					
Property taxes	\$ 4,579,490	-	3,614,513	-	8,194,003
Use of money and property	228,102	2,082,840	191,310	-	2,502,252
Total Revenues	4,807,592	2,082,840	3,805,823	-	10,696,255
Expenditures:					
Operating expenditures					
Public safety	-	165,544	-	-	165,544
Housing, health and community development	5,050	-	4,500	-	9,550
Interest on Bonds	-	1,616,636	-	-	1,616,636
Accrued interest 2003 tax allo	2,224,490	-	-	-	2,224,490
Accrued interest 2002 tax allo	-	-	1,779,513	-	1,779,513
Accr Int Cap lease -MSB RETROF	-	-	-	335,243	335,243
Principal	-	1,400,000	-	-	1,400,000
Principal 2003 Tax Allocation	2,555,000	-	-	-	2,555,000
Principal 2002 Tax Allocation	-	-	2,035,000	-	2,035,000
Principal Cap Lease-MSB RETROF	-	-	-	1,022,241	1,022,241
Total expenditures	4,784,540	3,182,180	3,819,013	1,357,484	13,143,217
Excess of revenues over (under) expenditures	23,052	(1,099,340)	(13,190)	(1,357,484)	(2,446,962)
Other financing sources (uses):					
Transfer from:					
Transfer-Capital Funds	-	-	-	1,392,062	1,392,062
Transfer to:					
Total financing sources (uses)	-	-	-	1,392,062	1,392,062
Net change in fund balances	23,052	(1,099,340)	(13,190)	34,578	(1,054,900)
Fund balance, July 1, 2007	5,625,214	46,560,546	4,415,091	(277,365)	56,323,486
Fund Balance, June 30, 2008	\$ 5,648,266	45,461,206	4,401,901	(242,787)	55,268,586

## 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, 2008

	Original	Final	Actual	Variance (Over)/Under
2003 Gra Tax Allocation Bonds				
Property taxes	\$ 4,780,000	4,780,000	4,579,490	200,510
Interest and invest. revenue	270,000	270,000	228,102	41,898
Total	5,050,000	5,050,000	4,807,592	242,408
Police Building Project				
Interest and invest. revenue	1,500,000	1,500,000	2,082,840	(582,840)
Total	1,500,000	1,500,000	2,082,840	(582,840)
2002 Gra Tax Allocation Bonds				
Property taxes	3,765,000	3,765,000	3,614,513	150,487
Interest and invest. revenue	100,000	100,000	191,310	(91,310)
Total	3,865,000	3,865,000	3,805,823	59,177
Total revenues and other financing sources	\$ 10,415,000	10,415,000	10,696,255	(281,255)

## Exhibit H-4

**CITY OF GLENDALE**

## Schedule of Expenditures and Other Financing Uses - Budget and Actual

## Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2008

	Original	Final	Actual	Variance (Over)/Under
2003 Gra Tax Allocation Bonds				
Administration	\$ —	—	5,050	(5,050)
Debt service	4,779,490	4,779,490	4,779,490	—
Total	4,779,490	4,779,490	4,784,540	(5,050)
Police Building Project				
Administration	190,000	190,000	165,544	24,456
Debt service	3,702,850	3,702,850	3,016,636	686,214
Total	3,892,850	3,892,850	3,182,180	710,670
2002 Gra Tax Allocation Bonds				
Administration	4,000	4,000	4,500	(500)
Debt service	3,814,513	3,814,513	3,814,513	—
Total	3,818,513	3,818,513	3,819,013	(500)
Capital Leases				
Debt service	—	1,392,062	1,357,484	34,578
Total	—	1,392,062	1,357,484	34,578
Total expenditures and other financing uses	\$ 12,490,853	13,882,915	13,143,217	739,698

### **CAPITAL PROJECTS FUNDS**

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

- State Gas Tax Fund-To account for monies received and expended from state gas tax allocations for street improvement purposes.
- 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, 2008

	State Gas Tax Fund	Police Facility Construction Fund	Total Nonmajor Capital Projects
<b>Assets:</b>			
Cash and invested cash	\$ 15,851,638	2,146,460	17,998,098
Interest receivable	136,232	18,364	154,596
Accounts receivable, net	480	-	480
Due from other agencies	1,357,618	-	1,357,618
	<hr/>		
Total assets	17,345,968	2,164,824	19,510,792
<hr/>			
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	146,769	-	146,769
Due to other agencies	480	-	480
Deferred revenues	177,127	-	177,127
	<hr/>		
Total liabilities	324,376	-	324,376
<hr/>			
<b>Fund Balances:</b>			
Reserved:			
Encumbrances	320,225	-	320,225
Unreserved	16,701,367	2,164,824	18,866,191
	<hr/>		
Total fund balances	17,021,592	2,164,824	19,186,416
	<hr/>		
Total liabilities and fund balances	\$ 17,345,968	2,164,824	19,510,792
	<hr/>		

## 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, 2008

	State Gas Tax Fund	Police Facility Construction Fund	Total Nonmajor Capital Projects
Revenues:			
Revenue from other agencies	\$ 7,090,042	-	7,090,042
Use of money and property	622,502	98,695	721,197
Total Revenues	7,712,544	98,695	7,811,239
Expenditures:			
Operating expenditures			
Public works	883,588	-	883,588
Capital	590,918	788	591,706
Total expenditures	1,474,506	788	1,475,294
Excess of revenues over (under) expenditures	6,238,038	97,907	6,335,945
Net change in fund balances	6,238,038	97,907	6,335,945
Fund balance, July 1, 2007	10,783,554	2,066,917	12,850,471
Fund Balance, June 30, 2008	\$ 17,021,592	2,164,824	19,186,416



### **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, 2008

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Refuse Disposal Fund	Non Major Funds - Proprietary
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and invested cash	\$ 2,107,146	975,104	4,911,916	10,745,937	18,740,103
Interest receivable	16,401	-	38,434	88,790	143,625
Accounts receivable, net	-	44,206	88,302	1,303,834	1,436,342
Unbilled receivable	-	76,508	-	1,208,580	1,285,088
Due from other agencies	49,108	3,260	222,894	104,731	379,993
Total current assets	2,172,655	1,099,078	5,261,546	13,451,872	21,985,151
<b>Capital assets:</b>					
Land	-	-	5,651,021	1,638,827	7,289,848
Buildings and improvements	-	598,487	41,487,462	6,745,232	48,831,181
Machinery and equipment	64,924	301,544	1,633,838	14,461,386	16,461,692
Bldg & impro accm depreciation	(51,906)	(722,888)	(17,713,195)	(11,798,529)	(30,286,518)
Total capital assets	13,018	177,143	31,059,126	11,046,916	42,296,203
Total noncurrent assets	13,018	177,143	31,059,126	11,046,916	42,296,203
Total assets	2,185,673	1,276,221	36,320,672	24,498,788	64,281,354
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	83,164	53,394	217,733	591,341	945,632
Due to other agencies	-	-	37,801	-	37,801
Deposits	153,654	21,134	-	404,162	578,950
Total current liabilities	236,818	74,528	255,534	995,503	1,562,383
Total liabilities	236,818	74,528	255,534	995,503	1,562,383
<b>Net assets:</b>					
Investment in capital assets, net of related debt	13,018	177,143	31,059,126	11,046,916	42,296,203
Unrestricted	1,935,837	1,024,550	5,006,012	12,456,369	20,422,768
Total net assets	\$ 1,948,855	1,201,693	36,065,138	23,503,285	62,718,971

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, 2008

	<b>Recreation Fund</b>	<b>Hazardous Disposal Fund</b>	<b>Parking Fund</b>	<b>Refuse Disposal Fund</b>	<b>Non Major Funds - Proprietary</b>
Operating revenues					
Charges for services	\$ 2,092,170	1,560,277	7,779,883	18,951,571	30,383,901
Miscellaneous revenues	321,835	14,760	43,629	6,275	386,499
Total operating revenues	2,414,005	1,575,037	7,823,512	18,957,846	30,770,400
Operating expenses:					
Salaries and benefits	1,427,884	1,172,351	2,167,584	6,718,344	11,486,163
Maintenance and operations	915,134	503,267	2,837,445	7,926,888	12,182,734
Depreciation	3,136	42,370	1,131,180	910,273	2,086,959
Total operating expenses	2,346,154	1,717,988	6,136,209	15,555,505	25,755,856
Operating income (loss)	67,851	(142,951)	1,687,303	3,402,341	5,014,544
Non operating revenues (expenses):					
Interest revenue	82,602	39,057	164,600	573,626	859,885
Grant revenue	264,000	57,716	-	90,744	412,460
Total non operating revenues, net	346,602	96,773	164,600	664,370	1,272,345
Income before transfers	414,453	(46,178)	1,851,903	4,066,711	6,286,889
Transfer in:					
Transfer-General Fund	5,050	-	-	-	5,050
Transfer out:					
Transfer-General Fund	-	-	(1,900,000)	-	(1,900,000)
Total transfer	5,050	-	(1,900,000)	-	(1,894,950)
Change in net assets	419,503	(46,178)	(48,097)	4,066,711	4,391,939
Total Net asset, July 1, 2007	1,529,352	1,247,871	36,113,235	19,436,574	58,327,032
Total net assets, June 30, 2008	\$ 1,948,855	1,201,693	36,065,138	23,503,285	62,718,971

Exhibit J-3  
**CITY OF GLENDALE**  
Combining Statement of Cash Flows  
Proprietary Fund Type - Nonmajor Enterprise Funds  
Year Ended June 30, 2008

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Refuse Disposal Fund	Non Major Funds - Proprietary
Cash flows from operating activities:					
Cash from customers	\$ 2,385,963	1,583,726	7,865,341	18,785,867	30,620,897
Cash paid to employees	(1,557,646)	(1,290,131)	(2,428,620)	(7,381,641)	(12,658,038)
Cash paid to suppliers	(884,265)	(497,439)	(2,792,210)	(8,341,980)	(12,515,894)
Net Cash provided (used) by operating activities	(55,948)	(203,844)	2,644,511	3,062,246	5,446,965
Cash flows from noncapital financing activities:					
Operating transfers out					
Transfer-General Fund	-	-	(1,900,000)	-	(1,900,000)
Operating transfers in					
Transfer-General Fund	5,050	-	-	-	5,050
Operating grant received	264,000	57,716	-	90,744	412,460
Net Cash provided (used) by noncapital financing activities	269,050	57,716	(1,900,000)	90,744	(1,482,490)
Cash flows from capital and related financing activities:					
Acquisition of property, plant, and equipment	-	(18,959)	(134,538)	(3,190,583)	(3,344,080)
Net cash provided (used in) capital and related financing activities	-	(18,959)	(134,538)	(3,190,583)	(3,344,080)
Cash provided by investing activities - interest received	85,901	75,319	174,266	594,836	930,322
Net increase (decrease) in cash and cash equivalents	299,003	(89,768)	784,239	557,243	1,550,717
Cash and cash equivalents at July 1	1,808,143	1,064,872	4,127,677	10,188,694	17,189,386
Cash and cash equivalents at June 30	2,107,146	975,104	4,911,916	10,745,937	18,740,103
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	67,851	(142,951)	1,687,303	3,402,341	5,014,544
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	3,136	42,370	1,131,180	910,273	2,086,959
(Increase)Decrease Accounts receivable net	500	5,876	(60,216)	(70,841)	(124,681)
(Increase)Decrease Unbilled receivable	-	5,728	-	3,593	9,321
(Increase)Decrease Due from other agencies	(28,542)	(2,915)	102,045	(104,731)	(34,143)
Increase(Decrease) Accrued salaries and withholding	(14,500)	(12,338)	(28,674)	(71,420)	(126,932)
Increase(Decrease) Compensated absences	(115,262)	(105,442)	(232,362)	(591,877)	(1,044,943)
Increase(Decrease) Accounts payable	(2,451)	3,347	9,445	(417,030)	(406,689)
Increase(Decrease) Due to other agencies	-	-	35,790	-	35,790
Increase(Decrease) Deposits	33,320	2,481	-	1,938	37,739
Total adjustments	(123,799)	(60,893)	957,208	(340,095)	432,421
Net cash provided (used) by operating activities	\$ (55,948)	(203,844)	2,644,511	3,062,246	5,446,965
Noncash investing, capital, and financing activities:					
Contributions of capital assets from government					
Increase in fair value of investments	355	164	827	1,810	3,156

Exhibit J-4  
**CITY OF GLENDALE**  
Schedule of Investment in Capital Assets  
Nonmajor Enterprise Funds  
Year Ended June 30, 2008

	<u>Land</u>	<u>Construction in Progress</u>	<u>Infrastructure</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Recreation Fund	\$ -	-	-	-	64,924	64,924
Hazardous Disposal Fund	-	-	-	598,487	301,544	900,031
Parking Fund	5,651,021	-	-	41,487,462	1,633,838	48,772,321
Refuse Disposal Fund	<u>1,638,827</u>	<u>-</u>	<u>-</u>	<u>6,745,232</u>	<u>14,461,386</u>	<u>22,845,445</u>
Total capital assets	\$ <u>7,289,848</u>	<u>-</u>	<u>-</u>	<u>48,831,181</u>	<u>16,461,692</u>	<u>72,582,721</u>

## Exhibit J-5

**CITY OF GLENDALE**

## Schedule of Changes in Capital Assets

## Non Major Enterprise Funds

Year Ended June 30, 2008

	<u>Balance at July1</u>	<u>Additions/Reclass</u>	<u>Retirements/ Reclass</u>	<u>Total</u>
Recreation Fund	\$ 64,924	-	-	64,924
Hazardous Disposal Fund	881,072	18,959	-	900,031
Parking Fund	48,637,784	134,538	-	48,772,322
Refuse Disposal Fund	20,796,634	3,190,583	(1,141,773)	22,845,444
Total capital assets	<u>\$ 70,380,414</u>	<u>3,344,080</u>	<u>(1,141,773)</u>	<u>72,582,721</u>

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# Internal Service Funds

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Year Ended  
June 30, 2008



**The City of Glendale, California**

## 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.
- 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.
- 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.
- Liability Insurance Fund-To account for financing and disbursement of City self-insurance funds for uninsurable litigation activities, general liability and 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' compensated absences (vacation and comp time).
- Retiree Health Savings Plan (RHSP) Benefits Fund-To account for the resources and the liability for employees' sick leave conversion under RHSP plan.
- Post Employment Benefits Fund-To account for the resources and the liability for retirees' medical insurance premium subsidy.

- 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, 2008

	Equipment Reserve Fund	Helicopter Depreciation Fund	Tech Equipment Replacement Fd	Application Software Repl Fund	Police CAD RMS Replacemnt Fund
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and invested cash	\$ 15,159,947	2,432,273	775,828	1,215,621	1,273,461
Interest receivable	128,368	20,457	7,198	21,304	-
Accounts receivable, net	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	15,288,315	2,452,730	783,026	1,236,925	1,273,461
<b>Capital assets:</b>					
Machinery and equipment	-	-	-	-	-
Bldg & impro accm depreciation	-	-	-	-	-
Total capital assets	-	-	-	-	-
Total assets	15,288,315	2,452,730	783,026	1,236,925	1,273,461
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	121,599	2,355	191,226	130,013	-
Due to other funds	-	-	-	-	-
Accrued interest	16,773	-	-	-	-
Bonds payable, due in one year	352,811	-	-	-	-
Claims Payable	-	-	-	-	-
Compensated absences	-	-	-	-	-
Total current liabilities	491,183	2,355	191,226	130,013	-
<b>Noncurrent liabilities:</b>					
Claims payable	-	-	-	-	-
Compensated absences	-	-	-	-	-
Post employment benefits	-	-	-	-	-
Long term debt	2,404,359	-	-	-	-
Total noncurrent liabilities	2,404,359	-	-	-	-
Total liabilities	2,895,542	2,355	191,226	130,013	-
<b>Net assets:</b>					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	12,392,773	2,450,375	591,800	1,106,912	1,273,461
Total net assets (deficits)	\$ 12,392,773	2,450,375	591,800	1,106,912	1,273,461

Exhibit K-1  
**CITY OF GLENDALE**  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2008

	Citywide Document Mgt Sys Fund	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and invested cash	\$ 302,231	457,309	1,375,814	10,791,694	350,391
Interest receivable	2,586	18,948	256,400	91,553	2,888
Accounts receivable, net	-	-	-	19,723	-
Prepaid items	-	-	-	5,000	-
<b>Total current assets</b>	<b>304,817</b>	<b>476,257</b>	<b>1,632,214</b>	<b>10,907,970</b>	<b>353,279</b>
<b>Capital assets:</b>					
Machinery and equipment	-	-	-	75,803	-
Bldg & impro accm depreciation	-	-	-	(52,982)	-
<b>Total capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,821</b>	<b>-</b>
<b>Total assets</b>	<b>304,817</b>	<b>476,257</b>	<b>1,632,214</b>	<b>10,930,791</b>	<b>353,279</b>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	-	-	1,421,578	16,144	122,117
Due to other funds	-	-	-	-	-
Accrued interest	-	-	-	-	-
Bonds payable, due in one year	-	-	-	-	-
Claims Payable	-	-	5,151,445	5,417,137	-
Compensated absences	-	-	-	-	-
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>6,573,023</b>	<b>5,433,281</b>	<b>122,117</b>
<b>Noncurrent liabilities:</b>					
Claims payable	-	-	8,563,796	12,114,051	-
Compensated absences	-	-	-	-	-
Post employment benefits	-	-	-	-	-
Long term debt	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>8,563,796</b>	<b>12,114,051</b>	<b>-</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>15,136,819</b>	<b>17,547,332</b>	<b>122,117</b>
<b>Net assets:</b>					
Investment in capital assets, net of related debt	-	-	-	22,821	-
Unrestricted	304,817	476,257	(13,504,605)	(6,639,362)	231,162
<b>Total net assets (deficits)</b>	<b>\$ 304,817</b>	<b>476,257</b>	<b>(13,504,605)</b>	<b>(6,616,541)</b>	<b>231,162</b>

Exhibit K-1  
**CITY OF GLENDALE**  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2008

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	RHSP Benefits Fund	Post Employment Benefits Fund
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and invested cash	\$ 1,180,394	96,082	6,565,027	4,133,347	917,910
Interest receivable	13,035	766	55,830	42,660	-
Accounts receivable, net	-	-	-	-	-
Prepaid items	452,465	-	-	-	-
Total current assets	1,645,894	96,848	6,620,857	4,176,007	917,910
<b>Capital assets:</b>					
Machinery and equipment	-	-	-	-	-
Bldg & impro accm depreciation	-	-	-	-	-
Total capital assets	-	-	-	-	-
Total assets	1,645,894	96,848	6,620,857	4,176,007	917,910
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	600,073	13,566	-	-	-
Due to other funds	-	-	-	-	-
Accrued interest	-	-	-	-	-
Bonds payable, due in one year	-	-	-	-	-
Claims Payable	59,733	-	-	-	-
Compensated absences	-	-	1,239,045	1,400,000	-
Total current liabilities	659,806	13,566	1,239,045	1,400,000	-
<b>Noncurrent liabilities:</b>					
Claims payable	-	-	-	-	-
Compensated absences	-	-	12,166,989	10,581,001	-
Post employment benefits	-	-	-	-	917,910
Long term debt	-	-	-	-	-
Total noncurrent liabilities	-	-	12,166,989	10,581,001	917,910
Total liabilities	659,806	13,566	13,406,034	11,981,001	917,910
<b>Net assets:</b>					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	986,088	83,282	(6,785,177)	(7,804,994)	-
Total net assets (deficits)	\$ 986,088	83,282	(6,785,177)	(7,804,994)	-

Exhibit K-1  
**CITY OF GLENDALE**  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2008

	Graphics Operation Fund	Wireless Communications Sys Fd	Financial System Operation Fd	Internal Service Funds
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and invested cash	\$ -	-	1,994,147	49,021,476
Interest receivable	-	-	17,764	679,757
Accounts receivable, net	-	-	-	19,723
Prepaid items	-	-	-	457,465
Total current assets	-	-	2,011,911	50,178,421
<b>Capital assets:</b>				
Machinery and equipment	-	137,112	-	212,915
Bldg & impro accm depreciation	-	(60,676)	-	(113,658)
Total capital assets	-	76,436	-	99,257
Total assets	-	76,436	2,011,911	50,277,678
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Accounts payable	15,739	34,632	20,000	2,689,042
Due to other funds	362,289	286,059	-	648,348
Accrued interest	-	-	-	16,773
Bonds payable, due in one year	-	-	-	352,811
Claims Payable	-	-	-	10,628,315
Compensated absences	-	-	-	2,639,045
Total current liabilities	378,028	320,691	20,000	16,974,334
<b>Noncurrent liabilities:</b>				
Claims payable	-	-	-	20,677,847
Compensated absences	-	-	-	22,747,990
Post employment benefits	-	-	-	917,910
Long term debt	-	-	-	2,404,359
Total noncurrent liabilities	-	-	-	46,748,106
Total liabilities	378,028	320,691	20,000	63,722,440
<b>Net assets:</b>				
Investment in capital assets, net of related debt	-	76,436	-	99,257
Unrestricted	(378,028)	(320,691)	1,991,911	(13,544,019)
Total net assets (deficits)	\$ (378,028)	(244,255)	1,991,911	(13,444,762)

## Exhibit K-2

## CITY OF GLENDALE

Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
Internal Services  
Year ended June 30, 2008

	Equipment Reserve Fund	Helicopter Depreciation Fund	Tech Equipment Replacement Fd	Application Software Repl Fund	Police CAD RMS Replacemnt Fund
Operating revenues					
Charges for services	\$ 2,045,153	1,249,116	-	50,000	-
Miscellaneous revenues	-	-	-	-	-
Total operating revenues	2,045,153	1,249,116	-	50,000	-
Operating Expenses					
Salaries and benefits	-	-	-	-	-
Maintenance and operations	-	-	1,002,121	490,642	-
Equipment purchased	1,154,471	29,715	-	-	-
Claims and settlements	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	1,154,471	29,715	1,002,121	490,642	-
Operating income (loss)	890,682	1,219,401	(1,002,121)	(440,642)	-
Non operating revenues (expenses)					
Interest revenue	760,955	84,298	54,148	66,550	58,318
Interest expense	(110,990)	-	-	-	-
Total non operating revenues, net	649,965	84,298	54,148	66,550	58,318
Income before transfers	1,540,647	1,303,699	(947,973)	(374,092)	58,318
Transfer in					
Transfer-General Fund	-	-	840,000	200,000	290,000
Transfer-Capital Funds	-	-	600,000	-	-
Total transfer	-	-	1,440,000	200,000	290,000
Change in net assets	1,540,647	1,303,699	492,027	(174,092)	348,318
Total net asset, July 1, 2007	10,852,126	1,146,676	99,773	1,281,004	925,143
Total net assets, June 30, 2008 (deficits)	\$ 12,392,773	2,450,375	591,800	1,106,912	1,273,461



## CITY OF GLENDALE

Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
Internal Services  
Year ended June 30, 2008

	Citywide Document Mgt Sys Fund	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
Operating revenues					
Charges for services	\$ -	164,694	5,520,333	9,643,622	1,334,895
Miscellaneous revenues	-	-	7,050	5,238	-
Total operating revenues	-	164,694	5,527,383	9,648,860	1,334,895
Operating Expenses					
Salaries and benefits	-	-	705,791	1,471,252	-
Maintenance and operations	-	-	50,468	592,662	-
Equipment purchased	-	-	-	-	-
Claims and settlements	-	121,623	15,934,926	7,058,768	1,420,934
Depreciation	-	-	-	7,261	-
Total operating expenses	-	121,623	16,691,185	9,129,943	1,420,934
Operating income (loss)	-	43,071	(11,163,802)	518,917	(86,039)
Non operating revenues (expenses)					
Interest revenue	12,786	21,295	533,962	468,404	16,921
Interest expense	-	-	-	-	-
Total non operating revenues, net	12,786	21,295	533,962	468,404	16,921
Income before transfers	12,786	64,366	(10,629,840)	987,321	(69,118)
Transfer in					
Transfer-General Fund	95,000	-	-	-	-
Transfer-Capital Funds	-	-	-	-	-
Total transfer	95,000	-	-	-	-
Change in net assets	107,786	64,366	(10,629,840)	987,321	(69,118)
Total net asset, July 1, 2007	197,031	411,891	(2,874,765)	(7,603,862)	300,280
Total net assets, June 30, 2008 (deficits)	\$ 304,817	476,257	(13,504,605)	(6,616,541)	231,162

**CITY OF GLENDALE**

Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
Internal Services  
Year ended June 30, 2008

	<b>Medical Insurance Fund</b>	<b>Vision Insurance Fund</b>	<b>Employee Benefits Fund</b>	<b>RHSP Benefits Fund</b>	<b>Graphics Operation Fund</b>
Operating revenues					
Charges for services	\$ 12,085,349	308,967	738,622	1,743,368	444,530
Miscellaneous revenues	-	-	-	-	-
Total operating revenues	12,085,349	308,967	738,622	1,743,368	444,530
Operating Expenses					
Salaries and benefits	50,772	-	2,228,899	6,183,695	471,624
Maintenance and operations	826	-	47,131	-	180,593
Equipment purchased	-	-	-	-	-
Claims and settlements	11,781,237	266,411	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	11,832,835	266,411	2,276,030	6,183,695	652,217
Operating income (loss)	252,514	42,556	(1,537,408)	(4,440,327)	(207,687)
Non operating revenues (expenses)					
Interest revenue	38,280	3,698	313,421	222,618	-
Interest expense	-	-	-	-	(12,742)
Total non operating revenues, net	38,280	3,698	313,421	222,618	(12,742)
Income before transfers	290,794	46,254	(1,223,987)	(4,217,709)	(220,429)
Transfer in					
Transfer-General Fund	-	-	-	-	-
Transfer-Capital Funds	-	-	-	-	-
Total transfer	-	-	-	-	-
Change in net assets	290,794	46,254	(1,223,987)	(4,217,709)	(220,429)
Total net asset, July 1, 2007	695,294	37,028	(5,561,190)	(3,587,285)	(157,599)
Total net assets, June 30, 2008 (deficits)	\$ 986,088	83,282	(6,785,177)	(7,804,994)	(378,028)

## CITY OF GLENDALE

Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
Internal Services  
Year ended June 30, 2008

	Wireless Communications Sys Fd	Financial System Operation Fd	Internal Service Funds
Operating revenues			
Charges for services	\$ 345,730	281,000	35,955,379
Miscellaneous revenues	3,500	-	15,788
Total operating revenues	349,230	281,000	35,971,167
Operating Expenses			
Salaries and benefits	752,975	571,811	12,436,819
Maintenance and operations	927,107	219,538	3,511,088
Equipment purchased	389,980	-	1,574,166
Claims and settlements	-	-	36,583,899
Depreciation	17,259	-	24,520
Total operating expenses	2,087,321	791,349	54,130,492
Operating income (loss)	(1,738,091)	(510,349)	(18,159,325)
Non operating revenues (expenses)			
Interest revenue	34,485	99,894	2,790,033
Interest expense	-	-	(123,732)
Total non operating revenues, net	34,485	99,894	2,666,301
Income before transfers	(1,703,606)	(410,455)	(15,493,024)
Transfer in			
Transfer-General Fund	1,098,000	580,000	3,103,000
Transfer-Capital Funds	750,000	400,000	1,750,000
Total transfer	1,848,000	980,000	4,853,000
Change in net assets	144,394	569,545	(10,640,024)
Total net asset, July 1, 2007	(388,649)	1,422,366	(2,804,738)
Total net assets, June 30, 2008 (deficits)	\$ (244,255)	1,991,911	(13,444,762)

Exhibit K-3  
**CITY OF GLENDALE**  
Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2008

	Equipment Reserve Fund	Helicopter Depreciation Fund	Tech Equipment Replacement Fd	Application Software Repl Fund
Cash flows from operating activities:				
Cash from customers	\$ 2,045,153	1,249,116	-	50,000
Cash paid to employees	-	-	-	-
Cash paid to suppliers	(1,101,918)	(27,515)	(894,371)	(364,674)
Net Cash provided (used) by operating activities	943,235	1,221,601	(894,371)	(314,674)
Cash flows from noncapital financing activities:				
Operating transfers in				
Transfer-General Fund	-	-	840,000	200,000
Transfer-Capital Funds	-	-	600,000	-
Net Cash provided (used) by noncapital financing activities	-	-	1,440,000	200,000
Cash flows from capital and related financing activities:				
Interest on long term debt	(110,990)	-	-	-
Bond, premium and interest accrued	(342,458)	-	-	-
Net cash provided (used in) capital and related financing activities	(453,448)	-	-	-
Cash provided by investing activities - interest received	797,987	77,241	49,349	48,246
Net increase (decrease) in cash and cash equivalents	1,287,774	1,298,842	594,978	(66,428)
Cash and cash equivalents at July 1	13,872,173	1,133,431	180,850	1,282,049
Cash and cash equivalents at June 30	15,159,947	2,432,273	775,828	1,215,621
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	890,682	1,219,401	(1,002,121)	(440,642)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-	-
(Increase)Decrease Due from other agencies	-	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-	-
Increase(Decrease) Accrued salaries and withholding	-	-	-	-
Increase(Decrease) Compensated absences	-	-	-	-
Increase(Decrease) Post Employment benefit	-	-	-	-
Increase(Decrease) Accounts payable	52,553	2,200	107,750	125,968
Increase(Decrease) Due to other funds	-	-	-	-
Increase(Decrease) Claims payable	-	-	-	-
Total adjustments	52,553	2,200	107,750	125,968
Net cash provided (used) by operating activities	\$ 943,235	1,221,601	(894,371)	(314,674)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government	2,553	410	131	205
Increase in fair value of investments				

Exhibit K-3  
**CITY OF GLENDALE**  
Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2008

	Police CAD RMS Replacemnt Fund	Citywide Document Mgt Sys Fund	Unemployment Insurance Fund	Liability Insurance Fund
<b>Cash flows from operating activities:</b>				
Cash from customers	-	-	164,694	5,527,383
Cash paid to employees	-	-	-	(713,513)
Cash paid to suppliers	-	-	(121,623)	(12,919,786)
<b>Net Cash provided (used) by operating activities</b>	-	-	43,071	(8,105,916)
<b>Cash flows from noncapital financing activities:</b>				
Operating transfers in				
Transfer-General Fund	290,000	95,000	-	-
Transfer-Capital Funds	-	-	-	-
<b>Net Cash provided (used) by noncapital financing activities</b>	290,000	95,000	-	-
<b>Cash flows from capital and related financing activities:</b>				
Interest on long term debt	-	-	-	-
Bond, premium and interest accrued	-	-	-	-
<b>Net cash provided (used in) capital and related financing activities</b>	-	-	-	-
<b>Cash provided by investing activities - interest received</b>	69,318	12,500	6,947	405,761
<b>Net increase (decrease) in cash and cash equivalents</b>	359,318	107,500	50,018	(7,700,155)
<b>Cash and cash equivalents at July 1</b>	914,143	194,731	407,291	9,075,969
<b>Cash and cash equivalents at June 30</b>	1,273,461	302,231	457,309	1,375,814
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	-	-	43,071	(11,163,802)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-	-
(Increase)Decrease Due from other agencies	-	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-	-
Increase(Decrease) Accrued salaries and withholding	-	-	-	(7,722)
Increase(Decrease) Compensated absences	-	-	-	-
Increase(Decrease) Post Employment benefit	-	-	-	-
Increase(Decrease) Accounts payable	-	-	-	1,279,333
Increase(Decrease) Due to other funds	-	-	-	-
Increase(Decrease) Claims payable	-	-	-	1,786,275
<b>Total adjustments</b>	-	-	-	3,057,886
<b>Net cash provided (used) by operating activities</b>	-	-	43,071	(8,105,916)
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of capital assets from government	214	51	77	232
Increase in fair value of investments				

Exhibit K-3  
**CITY OF GLENDALE**  
Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2008

	Compensation Insurance Fund	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund
Cash flows from operating activities:				
Cash from customers	9,654,665	1,335,360	12,257,088	309,045
Cash paid to employees	(1,493,337)	-	(51,202)	-
Cash paid to suppliers	(7,676,365)	(1,377,813)	(11,970,678)	(258,554)
Net Cash provided (used) by operating activities	484,963	(42,453)	235,208	50,491
Cash flows from noncapital financing activities:				
Operating transfers in				
Transfer-General Fund	-	-	-	-
Transfer-Capital Funds	-	-	-	-
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	-	-	-	-
Net cash provided (used in) capital and related financing activities	-	-	-	-
Cash provided by investing activities - interest received	491,251	19,533	57,045	3,432
Net increase (decrease) in cash and cash equivalents	976,214	(22,920)	292,253	53,923
Cash and cash equivalents at July 1	9,815,480	373,311	888,141	42,159
Cash and cash equivalents at June 30	10,791,694	350,391	1,180,394	96,082
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	518,917	(86,039)	252,514	42,556
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	7,261	-	-	-
(Increase)Decrease Accounts receivable net	5,805	-	-	-
(Increase)Decrease Due from other agencies	-	465	171,739	78
(Increase)Decrease Prepaid expenses	-	-	(26,631)	-
Increase(Decrease) Accrued salaries and withholding	(22,085)	-	(430)	-
Increase(Decrease) Compensated absences	-	-	-	-
Increase(Decrease) Post Employment benefit	-	-	-	-
Increase(Decrease) Accounts payable	(56,124)	122,117	102,420	13,565
Increase(Decrease) Due to other funds	-	-	-	-
Increase(Decrease) Claims payable	31,189	(78,996)	(264,404)	(5,708)
Total adjustments	(33,954)	43,586	(17,306)	7,935
Net cash provided (used) by operating activities	484,963	(42,453)	235,208	50,491
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government				
Increase in fair value of investments	1,818	59	190	16

Exhibit K-3  
**CITY OF GLENDALE**  
Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2008

	Employee Benefits Fund	RHSP Benefits Fund	Post Employment Benefits Fund	Graphics Operation Fund
<b>Cash flows from operating activities:</b>				
Cash from customers	738,622	1,743,368	-	444,530
Cash paid to employees	1,967,573	(7,373,613)	917,910	(477,001)
Cash paid to suppliers	(47,369)	6,949,992	-	42,413
<b>Net Cash provided (used) by operating activities</b>	<b>2,658,826</b>	<b>1,319,747</b>	<b>917,910</b>	<b>9,942</b>
<b>Cash flows from noncapital financing activities:</b>				
Operating transfers in				
Transfer-General Fund	-	-	-	-
Transfer-Capital Funds	-	-	-	-
<b>Net Cash provided (used) by noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from capital and related financing activities:</b>				
Interest on long term debt	-	-	-	-
Bond, premium and interest accrued	-	-	-	-
<b>Net cash provided (used in) capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash provided by investing activities - interest received</b>	<b>313,690</b>	<b>217,359</b>	<b>-</b>	<b>(9,942)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,972,516</b>	<b>1,537,106</b>	<b>917,910</b>	<b>-</b>
<b>Cash and cash equivalents at July 1</b>	<b>3,592,511</b>	<b>2,596,241</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at June 30</b>	<b>6,565,027</b>	<b>4,133,347</b>	<b>917,910</b>	<b>-</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	(1,537,408)	(4,440,327)	-	(207,687)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-	-
(Increase)Decrease Due from other agencies	-	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-	-
Increase(Decrease) Accrued salaries and withholding	(4,973)	(3,316)	-	(5,377)
Increase(Decrease) Compensated absences	4,201,445	6,949,492	-	-
Increase(Decrease) Post Employment benefit	-	(1,185,943)	917,910	-
Increase(Decrease) Accounts payable	(238)	(159)	-	(2,201)
Increase(Decrease) Due to other funds	-	-	-	225,207
Increase(Decrease) Claims payable	-	-	-	-
<b>Total adjustments</b>	<b>4,196,234</b>	<b>5,760,074</b>	<b>917,910</b>	<b>217,629</b>
<b>Net cash provided (used) by operating activities</b>	<b>2,658,826</b>	<b>1,319,747</b>	<b>917,910</b>	<b>9,942</b>
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of capital assets from government				
Increase in fair value of investments	1,106	696	-	(61)

Exhibit K-3  
**CITY OF GLENDALE**  
Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2008

	Wireless Communications Sys Fd	Financial System Operation Fd	Internal Service Funds
Cash flows from operating activities:			
Cash from customers	349,905	281,000	36,149,929
Cash paid to employees	(760,136)	(581,301)	(8,564,620)
Cash paid to suppliers	(1,473,586)	(222,114)	(31,463,961)
Net Cash provided (used) by operating activities	(1,883,817)	(522,415)	(3,878,652)
Cash flows from noncapital financing activities:			
Operating transfers in			
Transfer-General Fund	1,098,000	580,000	3,103,000
Transfer-Capital Funds	750,000	400,000	1,750,000
Net Cash provided (used) by noncapital financing activities	1,848,000	980,000	4,853,000
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	(110,990)
Bond, premium and interest accrued	-	-	(342,458)
Net cash provided (used in) capital and related financing activities	-	-	(453,448)
Cash provided by investing activities - interest received	35,817	99,830	2,695,364
Net increase (decrease) in cash and cash equivalents	-	557,415	3,216,264
Cash and cash equivalents at July 1	-	1,436,732	45,805,212
Cash and cash equivalents at June 30	-	1,994,147	49,021,476
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	(1,738,091)	(510,349)	(18,159,325)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	17,259	-	24,520
(Increase)Decrease Accounts receivable net	675	-	6,480
(Increase)Decrease Due from other agencies	-	-	172,282
(Increase)Decrease Prepaid expenses	-	-	(26,631)
Increase(Decrease) Accrued salaries and withholding	(7,161)	(9,489)	(60,553)
Increase(Decrease) Compensated absences	-	-	11,150,937
Increase(Decrease) Post Employment benefit	-	-	(268,033)
Increase(Decrease) Accounts payable	24,557	(2,577)	1,769,164
Increase(Decrease) Due to other funds	(181,056)	-	44,151
Increase(Decrease) Claims payable	-	-	1,468,356
Total adjustments	(145,726)	(12,066)	14,280,673
Net cash provided (used) by operating activities	(1,883,817)	(522,415)	(3,878,652)
Noncash investing, capital, and financing activities:			
Contributions of capital assets from government			
Increase in fair value of investments	(48)	336	7,984



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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, 2008

	Land	Construction in Progress	Infrastructure	Buildings	Equipment	Total
<b>General government</b>						
City Council	\$ -	242,588	-	-	2,016,555	2,259,143
City Clerk	-	4,306	-	5,482	-	9,788
City Treasurer	-	-	-	-	6,245	6,245
City Manager	-	156,873	-	-	430,301	587,174
Legal	-	-	-	10,000	40,578	50,578
Finance	-	-	-	-	6,130,204	6,130,204
Graphics	-	-	-	-	351,045	351,045
Information Technology	-	1,007,861	12,221,370	325,000	16,032,817	29,587,048
Planning	-	-	-	-	39,097	39,097
Personnel	-	-	-	-	239,371	239,371
Total	-	1,411,628	12,221,370	340,482	25,286,213	39,259,693
<b>Public Safety</b>						
Police	5,226,855	3,675,215	-	68,761,596	13,483,964	91,147,630
Fire	5,924,956	-	-	18,202,174	14,666,482	38,793,612
Fire Communications	-	-	-	12,507	5,029,922	5,042,429
Fire Paramedics	-	-	-	-	1,721,666	1,721,666
Emergency Services	-	-	-	-	140,008	140,008
Total	11,151,811	3,675,215	-	86,976,277	35,042,042	136,845,345
<b>Public Works</b>						
Public works	23,221,614	16,071,832	5,259,111	1,405,376	1,353,477	47,311,410
Engineering	-	-	-	-	236,813	236,813
Permit services/building inspection	-	-	-	-	788,267	788,267
Corporation yard	306,974	-	-	1,843,666	34,682	2,185,322
Building services	15,879,270	7,666,551	57,039	44,123,324	431,320	68,157,504
Streets	269,389,206	3,575,170	186,681,224	14,969,769	4,451,665	479,067,034
Mechanical maintenance	-	-	-	-	539,092	539,092
Traffic engineering	-	-	-	-	23,815	23,815
Traffic safety control	-	1,236,690	14,057,699	762,131	265,728	16,322,248
Transit administration	15,440,916	71,794	-	2,204,913	8,108,459	25,826,082
Air quality improvement	-	581,094	-	-	-	581,094
Total	324,237,980	29,203,131	206,055,073	65,309,179	16,233,318	641,038,681
<b>Housing, health, and community development</b>						
Housing administration	17,615,009	-	-	-	280,078	17,895,087
Community dev admin	2,055,170	504,917	326,000	4,726,528	95,416	7,708,031
Neighborhood services	-	-	-	-	249,404	249,404
Glendale redevelopment agency	28,917,992	4,159,704	-	14,040,843	653,829	47,772,368
Total	48,588,171	4,664,621	326,000	18,767,371	1,278,727	73,624,890
<b>Parks, recreation and community services</b>						
	51,048,968	6,253,808	-	76,010,941	3,389,671	136,703,388
<b>Library</b>						
	447,945	899,258	-	9,738,923	1,850,021	12,936,147
Total capital assets	435,474,875	46,107,661	218,602,443	257,143,173	83,079,992	1,040,408,144
Accumulated depreciation	-	-	(87,217,140)	(64,916,923)	-	(152,134,063)
Net capital assets	\$ 435,474,875	46,107,661	131,385,303	192,226,250	83,079,992	888,274,081

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, 2008

	Balance at July 1	Additions	Retirements	Reclass	Total
<b>General government:</b>					
City council	\$ 2,259,143	-	-	-	2,259,143
City clerk	9,788	-	-	-	9,788
City treasurer	6,245	-	-	-	6,245
City manager	536,693	50,481	-	-	587,174
Legal	50,578	-	-	-	50,578
Finance	6,130,204	-	-	-	6,130,204
Graphics	351,045	-	-	-	351,045
Information services	29,472,296	114,752	-	-	29,587,048
Planning	39,097	-	-	-	39,097
Personnel	239,371	-	-	-	239,371
<b>Total</b>	<b>39,094,460</b>	<b>165,233</b>	<b>-</b>	<b>-</b>	<b>39,259,693</b>
<b>Public safety:</b>					
Police	90,782,139	801,142	(503,370)	67,719	91,147,630
Fire	38,059,588	801,743	-	(67,719)	38,793,612
Fire communications	3,995,346	1,047,083	-	-	5,042,429
Fire paramedics	1,439,810	281,856	-	-	1,721,666
Emergency services	140,008	-	-	-	140,008
<b>Total</b>	<b>134,416,891</b>	<b>2,931,824</b>	<b>(503,370)</b>	<b>-</b>	<b>136,845,345</b>
<b>Public works:</b>					
Public works	58,624,751	369,748	-	(11,683,089)	47,311,410
Engineering	258,238	-	(21,425)	-	236,813
Permit services	980,478	-	-	(192,211)	788,267
Corporation yard	2,185,322	-	-	-	2,185,322
Building services	50,222,119	17,935,385	-	-	68,157,504
Street	460,471,136	11,044,419	(3,643,170)	11,194,649	479,067,034
Mechanical maintenance	515,477	35,607	(11,992)	-	539,092
Traffic engineering	23,815	-	-	-	23,815
Traffic safety controls	15,825,076	579,201	(95,596)	13,567	16,322,248
Transit Administration	25,754,288	71,794	-	-	25,826,082
Air quality improvement	581,094	-	-	-	581,094
<b>Total</b>	<b>615,441,794</b>	<b>30,036,154</b>	<b>(3,772,183)</b>	<b>(667,084)</b>	<b>641,038,681</b>
<b>Housing, health and community development:</b>					
Housing administration	13,828,941	4,066,146	-	-	17,895,087
Community dev admin	24,429,519	300,977	-	(17,022,465)	7,708,031
Neighborhood services	249,404	-	-	-	249,404
Glendale redevelopment agency	41,781,342	5,991,026	-	-	47,772,368
<b>Total</b>	<b>80,289,206</b>	<b>10,358,149</b>	<b>-</b>	<b>(17,022,465)</b>	<b>73,624,890</b>
<b>Parks, recreation and community services:</b>					
Parks administration	105,214,366	14,547,128	(60,995)	17,002,889	136,703,388
<b>Total</b>	<b>105,214,366</b>	<b>14,547,128</b>	<b>(60,995)</b>	<b>17,002,889</b>	<b>136,703,388</b>
Library	12,836,756	180,893	-	(81,502)	12,936,147
<b>Total capital assets</b>	<b>987,293,473</b>	<b>58,219,381</b>	<b>(4,336,548)</b>	<b>(768,162)</b>	<b>1,040,408,144</b>
Accumulated Depreciation	(189,717,556)	(23,716,980)	4,328,673	145,201	(208,960,662)
<b>Net Capital Assets</b>	<b>\$ 797,575,917</b>	<b>34,502,401</b>	<b>(7,875)</b>	<b>(622,961)</b>	<b>831,447,482</b>

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

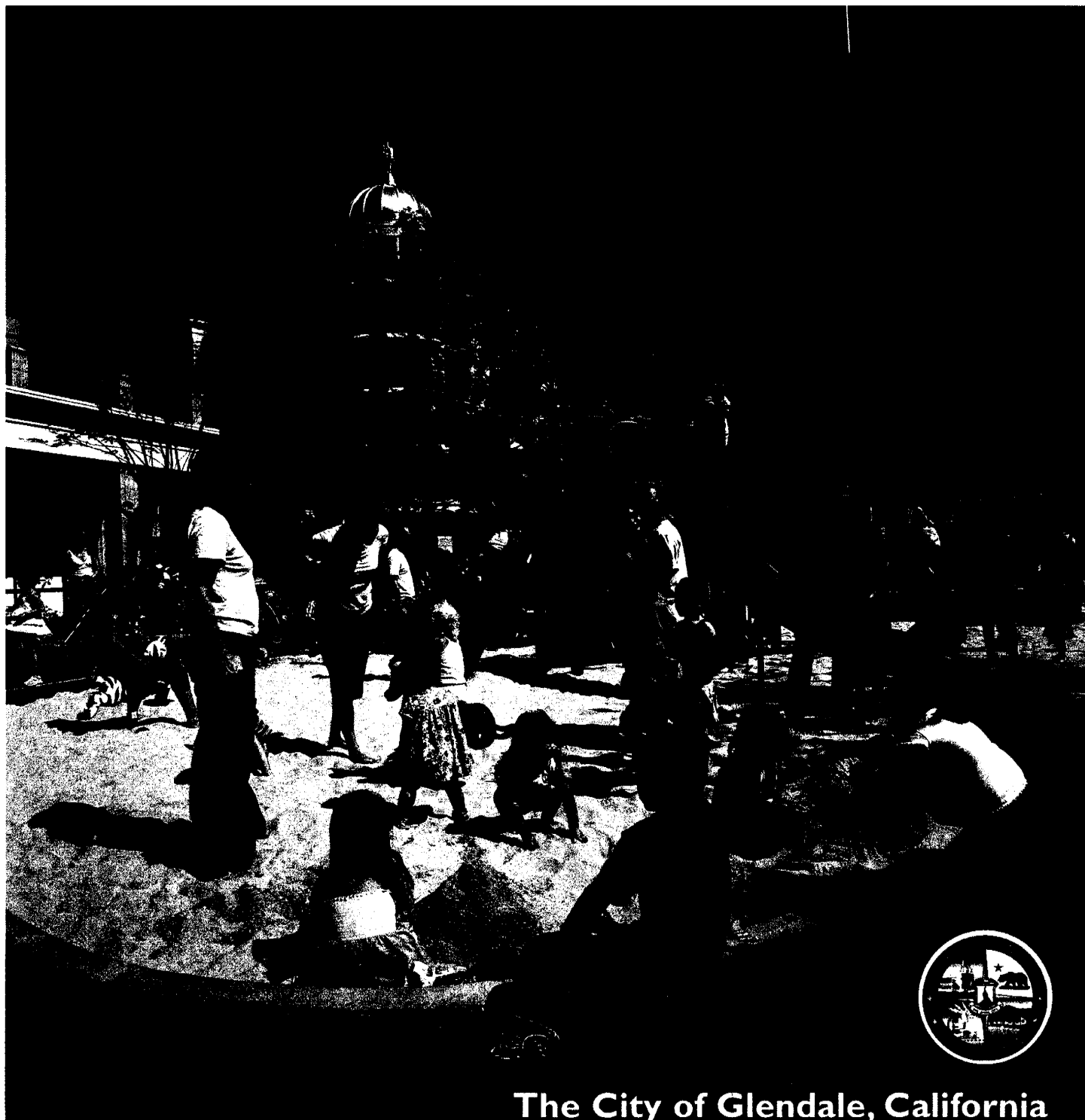
Accordingly, the capital assets reported in internal service funds are excluded from the above amounts.

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)

Year Ended  
June 30, 2008



**The City of Glendale, California**

## Statistical Section

This section of the City of Glendale's comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
<b>Financial Trends</b>	<b>124</b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>131</b>
These schedules contain information to help the reader assess the City's two most significant local revenue sources, the electric revenue and the property tax.	
<b>Debt Capacity</b>	<b>138</b>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>142</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	<b>144</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
<b>Sources</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.	

Schedule 1  
**CITY OF GLENDALE**  
Net Assets by Component,  
Last Seven Fiscal Years  
(accrual basis of accounting)

		Fiscal Year						
		2008	2007	2006	2005	2004	2003	2002
Governmental activities								
Invested in capital assets, net of related debt	\$	766,314,327	608,369,206	684,725,582	658,444,661	635,754,391	607,259,731	507,880,535
Restricted		48,391,944	59,781,793	58,668,240	60,899,466	51,899,739	95,244,662	152,983,113
Unrestricted		109,313,356	236,116,915	151,965,775	151,155,039	150,126,704	131,816,563	70,119,629
Total governmental activities net assets		924,019,627	904,267,914	895,359,597	870,499,166	837,780,834	834,320,956	730,983,277
Business-type activities								
Invested in capital assets, net of related debt		392,038,691	472,892,872	435,757,427	393,341,990	371,934,174	347,098,897	387,742,819
Restricted		14,058,150	8,392,602	8,652,549	12,460,324	11,947,183	4,813,514	56,758,155
Unrestricted		278,762,848	190,461,646	217,430,743	261,248,290	282,328,096	302,302,313	146,757,261
Total business-type activities net assets		684,859,689	671,747,120	661,840,719	667,050,604	666,209,453	654,214,724	591,258,235
Primary government								
Invested in capital assets, net of related debt		1,158,353,018	1,081,262,078	1,120,483,009	1,051,786,651	1,007,688,565	954,358,628	895,623,354
Restricted		62,450,094	68,174,395	67,320,789	73,359,790	63,846,922	100,058,176	209,741,268
Unrestricted		388,076,204	426,578,561	369,396,518	412,403,329	432,454,800	434,118,876	216,876,890
Total primary government net assets	\$	1,608,879,316	1,576,015,034	1,557,200,316	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 Seven Fiscal Years  
(accrual basis of accounting)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Expenses</b>							
<b>Governmental activities:</b>							
General government	\$ 15,165,409	25,841,852	20,300,937	17,536,301	11,120,654	20,470,968	17,312,420
Public safety	118,200,083	107,660,027	94,711,206	83,073,619	50,085,239	67,710,304	73,553,870
Public works	40,252,625	35,442,170	37,075,514	39,261,265	46,434,742	37,845,995	33,002,905
Housing, health, and commun dev	51,601,539	63,525,888	53,213,875	39,683,369	49,923,044	29,670,727	29,565,756
Employment programs	5,961,787	6,807,872	6,105,555	5,136,068	4,824,151	5,472,648	5,479,175
Public service	4,681,865	6,931,844	3,900,125	5,023,909	5,693,244	5,216,198	3,356,978
Parks, recreation and community services	15,698,657	14,954,785	15,560,751	10,065,778	25,219,090	24,428,978	9,516,116
Library	9,915,990	8,463,518	7,918,028	7,002,416	1,544,076	6,959,472	6,968,227
Interest and fiscal charges on bonds	9,609,649	10,097,510	8,404,125	7,284,073	6,728,374	1,754,409	4,753,104
Total governmental activities expenses	271,087,604	279,725,466	247,190,116	214,066,798	201,572,614	199,529,699	183,508,551
<b>Business-type activities:</b>							
Recreation	2,457,305	2,071,874	1,852,614	2,078,111	2,267,888	2,013,220	1,946,339
Hazardous disposal	1,801,342	1,538,703	1,420,062	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	6,416,125	6,617,879	5,592,788	5,913,574	5,704,504	7,236,084	5,502,362
Sewer	17,783,937	11,993,350	6,874,370	8,111,849	9,790,039	3,588,226	6,479,740
Refuse disposal	16,282,632	15,073,905	14,387,665	14,636,096	14,638,968	13,023,662	11,975,653
Electric	195,589,540	178,219,698	184,913,493	147,377,059	141,988,922	141,798,777	168,388,851
Water	31,262,809	29,927,301	26,150,586	25,607,770	25,605,566	23,623,578	23,815,732
Total business-type activities expenses	271,593,690	245,442,710	241,191,578	213,224,680	209,167,193	199,565,749	223,257,617
Total primary government expenses	\$ 542,681,294	525,168,176	488,381,694	427,291,478	410,739,807	399,095,448	406,766,168

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 Seven Fiscal Years, continued  
(accrual basis of accounting)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Program revenues</b>							
Governmental activities:							
Charges for services:							
General government	\$ 9,173,023	9,533,390	8,762,201	8,599,712	9,167,221.00	8,270,990	7,846,676
Public safety	14,391,097	13,738,609	12,169,254	3,757,348	3,949,372.00	5,684,897	5,401,658
Public works	12,497,748	15,013,920	12,673,911	11,255,858	10,833,546.00	8,786,285	6,960,323
Housing, health, and comm dev	54,882	86,217	110,157	98,407	104,401.00	130,263	780,585
Employment programs	1,131,181	1,422,638	1,154,398	937,334	806,376.00	346,113	-
Parks, recreation and community services	28,873	46,852	28,414	31,234	94,477.00	35,522	34,900
Library	235,768	211,542	201,576	150,409	192,994.00	148,301	137,520
Operating grants and contributions	38,170,040	43,199,013	40,616,748	33,854,952	36,000,980.00	44,369,195	32,812,220
Capital grants and contributions	7,271,190	12,227,698	17,531,970	6,859,992	9,503,962.00	13,766,472	23,652,782
Total governmental activities program revenues	82,953,802	95,479,879	93,248,629	65,545,246	70,653,329.00	81,538,038	77,626,664
Business-type activities:							
Charges for services:							
Recreation	2,092,170	1,841,718	1,943,314	1,736,065	1,617,037	1,552,402	1,628,997
Hazardous disposal	1,560,277	1,585,736	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	7,779,883	7,329,493	7,024,251	7,139,345	6,159,057	6,058,328	5,464,878
Sewer	16,857,313	17,447,578	16,610,496	16,323,362	16,036,332	19,040,614	18,252,337
Refuse disposal	18,951,571	18,204,596	16,115,129	15,403,846	13,758,613	13,132,318	11,432,177
Electric	204,496,899	178,979,264	170,207,430	148,798,618	151,718,142	178,631,530	188,297,461
Water	34,817,321	33,276,765	31,188,695	29,752,971	31,377,023	31,633,490	28,467,545
Operating grants and contributions	631,828	1,415,351	511,385	658,669	714,908	1,542,480	1,112,852
Capital grants and contributions	4,016,368	5,221,810	2,712,227	1,376,259	3,344,256	1,471,846	5,974,204
Total business-type activities program revenues	291,203,630	265,302,311	247,716,313	229,478,637	232,552,588	260,639,340	266,135,882
Total primary government program revenues	374,157,432	360,782,190	340,964,942	295,023,883	303,205,917	342,177,378	343,762,546
<b>Net (Expense) / Revenue</b>							
Governmental activities	(188,133,802)	(184,245,587)	(153,941,487)	(148,521,552)	(130,919,285)	(117,991,661)	(105,881,887)
Business-type activities	19,609,940	19,859,601	6,524,735	16,253,957	23,385,395	61,073,591	42,878,265
Total primary government net expense	\$ (168,523,862)	(164,385,986)	(147,416,752)	(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 Seven Fiscal Years, continued  
 (accrual basis of accounting)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Taxes							
Property taxes	\$ 72,689,656	67,393,977	60,960,571	55,715,841	39,491,452	39,180,640	32,515,435
Sales taxes	24,731,315	23,944,140	23,984,472	22,350,550	28,327,671	30,316,912	27,546,950
Utility users tax	27,781,257	26,201,816	24,386,420	23,772,356	22,666,281	19,488,127	18,699,935
Other taxes	21,507,692	21,261,764	19,216,137	18,561,727	11,920,357	10,914,956	9,957,957
Investment income	14,254,370	15,825,779	6,804,729	9,057,355	2,695,593	13,354,054	18,415,113
Other	21,611,275	13,715,236	21,411,260	15,461,239	14,194,165	19,485,092	23,091,895
Transfers	25,309,950	24,811,192	24,357,406	27,126,871	21,986,833	19,170,585	14,642,469
Contributions	-	-	-	-	-	-	(7,747,000)
Total governmental activities	207,885,515	193,153,904	181,120,995	172,045,939	141,282,352	151,910,366	137,122,754
Business-type activities:							
Investment income	10,425,224	11,568,504	6,420,738	8,250,726	2,696,808	10,588,925	13,196,106
Other	8,387,355	3,289,489	3,882,971	3,463,339	5,948,859	10,464,558	6,886,469
Transfers	(25,309,950)	(24,811,192)	(24,357,406)	(27,126,871)	(21,986,833)	(19,170,585)	(14,642,469)
Contributions	-	-	-	-	-	-	7,747,000
Total business-type activities	(6,497,371)	(9,953,199)	(14,053,697)	(15,412,806)	(13,341,166)	1,882,898	13,187,106
Total primary government	201,388,144	183,200,705	167,067,298	156,633,133	127,941,186	153,793,264	150,309,860
<b>Change in Net Assets</b>							
Governmental activities	19,751,713	8,908,317	27,179,508	23,524,387	10,363,067	33,918,705	31,240,867
Business-type activities	13,112,569	9,906,402	(7,528,962)	841,151	10,044,229	62,956,489	56,065,371
Total primary government	\$ 32,864,282	18,814,719	19,650,546	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 Seven Fiscal Years  
(accrual basis of accounting)

		Fiscal Year						
		2008	2007	2006	2005	2004	2003	2002
General Fund								
Reserved	\$	88,748,113	85,873,327	86,010,321	83,852,172	80,144,635	78,283,090	77,300,951
Unreserved		32,749,270	41,838,023	30,172,974	33,998,485	43,138,383	48,132,941	44,094,861
Total general fund		121,497,383	127,711,350	116,183,295	117,850,657	123,283,018	126,416,031	121,395,812
All Other Governmental Funds								
Reserved		62,752,926	48,032,395	126,930,959	158,662,978	210,280,587	143,494,066	104,347,001
Unreserved, reported in:								
Glendale redevelopment agency fund		(27,258,596)	(25,354,461)	(32,769,597)	(24,234,365)	(76,576,266)	3,367,505	(41,368,709)
Special revenue funds		29,601,472	35,966,800	33,451,540	21,339,056	19,177,683	23,355,973	36,849,150
Debt service funds		42,895,998	44,090,763	44,983,538	45,178,348	46,890,553	-	-
Capital project funds		18,866,191	37,070,124	4,585,742	1,703,148	283,213	36,074,869	54,598,434
Total all other governmental funds	\$	126,857,991	139,805,621	177,182,182	202,649,165	200,055,770	206,292,413	154,425,876

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 Seven Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>							
Property taxes	\$ 72,689,656	67,393,977	60,960,570	55,715,841	39,491,452	39,180,640	32,515,435
Other taxes	74,020,264	71,407,721	69,172,321	66,178,382	64,277,231	62,095,758	57,389,360
Revenue from other agencies	48,551,677	64,206,433	49,246,893	45,578,712	54,001,109	60,288,829	65,307,956
Licenses and permits	6,354,053	8,588,818	6,247,517	5,303,096	4,698,326	3,924,707	3,045,465
Fines and forfeitures	2,040,730	1,503,230	1,671,182	1,822,191	1,031,667	2,256,706	1,571,118
Charges for services	23,347,555	23,201,969	21,078,843	12,036,406	12,004,530	11,522,159	10,955,713
Use of money and property	14,676,370	16,388,738	8,914,281	10,821,080	5,259,400	16,363,459	19,791,565
Intergovernmental revenue	2,000,000	2,000,000	1,500,000	1,250,000	1,000,000	-	-
Interfund revenue	7,853,372	8,262,381	7,773,550	7,490,799	8,445,531	7,640,762	5,916,913
Sales of property	5,985,022	-	-	-	-	-	-
Miscellaneous revenue	5,913,144	5,168,085	12,499,088	4,688,826	4,728,408	3,323,677	8,671,241
Total revenues	<u>263,431,843</u>	<u>268,121,352</u>	<u>239,064,245</u>	<u>210,885,333</u>	<u>194,937,654</u>	<u>206,596,697</u>	<u>205,164,766</u>
<b>Expenditures</b>							
General government	20,939,594	20,284,621	17,984,332	16,729,750	16,430,751	14,941,501	13,865,233
Community promotion	151,027	115,197	244,919	116,288	55,789	63,163	62,305
Public safety	110,044,736	100,962,992	97,465,712	82,324,253	68,452,749	62,727,802	58,827,518
Public works	30,581,178	29,713,801	29,767,155	25,968,096	22,828,915	22,293,403	21,230,878
Housing, health and community development	38,012,264	32,611,568	37,746,572	35,587,996	45,043,645	33,826,832	24,310,362
Employment programs	3,544,809	6,649,365	6,129,226	4,968,111	4,869,807	5,372,957	5,423,572
Public service	4,492,312	6,770,450	3,931,325	4,859,416	5,474,212	5,118,860	3,356,978
Parks, recreation and community services	13,217,464	12,383,827	11,966,344	10,286,410	9,329,411	9,003,763	8,090,339
Library	8,929,725	8,097,554	7,667,600	6,815,400	6,409,179	6,392,455	6,534,562
Capital outlay	59,488,746	91,918,847	59,299,236	41,255,317	34,383,554	65,872,657	62,019,580
Debt service							
Interest	6,024,597	6,654,597	6,378,990	5,706,641	6,967,915	6,313,921	4,648,390
Principal	7,623,937	6,300,232	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	<u>303,050,389</u>	<u>322,463,051</u>	<u>284,156,411</u>	<u>241,099,842</u>	<u>225,275,651</u>	<u>236,602,281</u>	<u>211,603,211</u>
Excess of revenues over (under) expenditures	\$ (39,618,546)	(54,341,699)	(45,092,166)	(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 Seven Fiscal Years, continued  
 (accrual basis of accounting)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Other Financing Sources (Uses)</b>							
Proceeds from borrowing	\$ -	8,200,000	-	-	61,494,516	52,521,755	-
Payments to escrow agent			-	-	(62,110,058)	-	-
Transfers in	42,051,848	31,311,803	33,684,317	31,423,778	55,860,497	46,814,788	19,772,036
Transfers out	(21,594,898)	(11,018,611)	(13,407,420)	(13,242,178)	(40,403,664)	(25,644,203)	(4,813,845)
Total other financing sources (uses)	20,456,950	28,493,192	20,276,897	18,181,600	14,841,291	73,692,340	14,958,191
Net change in fund balances	\$ (19,161,596)	(25,848,507)	(24,815,269)	(12,032,909)	(15,496,706)	43,686,756	8,519,746
Debt service as a percentage of noncapital expenditures	5.6%	5.0%	5.0%	6.2%	4.8%	5.1%	4.5%

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

Not covered by independent auditor's report

Schedule 5  
**CITY OF GLENDALE**  
Electric Revenue by Type of Customers  
Last Seven Fiscal Years

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Number of Customers:</b>							
Residential	71,380	70,921	70,810	70,798	70,662	70,612	70,344
Commercial	12,424	12,481	12,385	12,331	12,329	12,296	12,265
Industrial	296	224	220	220	223	221	218
Other (Government)	18	18	18	18	18	18	18
<b>Total</b>	<b>84,118</b>	<b>83,644</b>	<b>83,433</b>	<b>83,367</b>	<b>83,232</b>	<b>83,147</b>	<b>82,845</b>
<b>Megawatt-Hour Sales:</b>							
Residential	399,644	395,260	381,010	371,057	380,997	344,078	353,509
Commercial	351,990	345,407	345,315	338,411	341,482	328,806	318,596
Industrial	399,689	396,997	407,151	389,919	399,081	388,208	391,834
Public Street and Highway Lighting	9,243	9,164	9,106	9,012	9,074	9,009	9,089
<b>Total Retail Energy Sales</b>	<b>1,160,566</b>	<b>1,146,828</b>	<b>1,142,582</b>	<b>1,108,399</b>	<b>1,130,634</b>	<b>1,070,101</b>	<b>1,073,028</b>
Sales to Other Utilities	55,968	114,465	114,247	52,140	-	-	- (1)
Wholesale	194,423	126,627	147,207	72,615	84,264	236,380	530,879 (2)
<b>Total Energy Sales</b>	<b>1,410,957</b>	<b>1,387,920</b>	<b>1,404,036</b>	<b>1,233,154</b>	<b>1,214,898</b>	<b>1,306,481</b>	<b>1,603,907</b>
<b>Revenue from Sale Energy</b>							
Residential	\$ 63,778,774	58,251,508	50,347,062	48,775,385	49,466,888	46,479,601	41,967,749
Commercial	58,121,923	53,302,463	47,141,992	45,627,641	45,584,694	44,317,317	36,880,800
Industrial	56,307,557	51,908,777	43,976,070	41,457,748	41,611,313	40,569,086	33,524,176
Public Street and Highway Lighting	1,983	1,810	1,487	1,258	1,326	10,376	17,036 (3)
Adjustable Rate Revenue	-	-	-	-	-	19,602,506 (4)	-
Sales to Other Utilities	7,461,421	5,969,693	15,640,657	8,579,688	-	-	- (1)
Wholesale	18,825,241	9,545,014	13,100,161	4,356,897	15,053,921	27,652,643	75,907,661 (2)
<b>Total Energy Sales</b>	<b>204,496,899</b>	<b>178,979,265</b>	<b>170,207,429</b>	<b>148,798,617</b>	<b>151,718,142</b>	<b>178,631,529</b>	<b>188,297,422</b>

Notes:

(1) Sales to other utilities were classified as wholesale prior to fiscal year 2005.

(2) Fluctuations in wholesale sales volume and revenue were due to changing market demand and price volatility.

(3) Starting in fiscal year 2004, Glendale Water and Power department assumed ownership of the City's Street light system and no longer collects street light sales revenue from the City.

(4) Reflects an over-collection of the fuel adjustment charge.

(5) Data prior Fiscal Year 2002 are not available.

Source: Glendale Water & Power Department

Not covered by independent auditor's report

## Schedule 6

**CITY OF GLENDALE**

Electric Rates (Dollars per Kilowatt Hour)

Last Seven Fiscal Years

		Fiscal Year						
		2008	2007	2006	2005	2004	2003	2002
Customer Class								
Residential	\$	0.1596	0.1474	0.1321	0.1314	0.1298	0.1351	0.1393
Commercial		0.1651	0.1543	0.1365	0.1348	0.1335	0.1348	0.1358
Industrial		0.1409	0.1308	0.1080	0.1063	0.1043	0.1045	0.1004
Lighting		0.0002	0.0002	0.0002	0.0001	0.0001	0.0012	0.1430

## Notes:

(1) Data prior Fiscal Year 2002 are not available.

(2) These are the average rates for the indicated customer classes, including energy cost adjustment charge.

Source: Glendale Water &amp; Power Department

Not covered by independent auditor's report

Schedule 7  
**CITY OF GLENDALE**  
Principal Electric Payer Groups  
Current Year and Two Years Ago

<b>Electric Payer Groups</b>	<b>Fiscal Year 2008</b>		<b>Fiscal Year 2006</b>	
	<b>Electric Charges</b>	<b>Rank</b>	<b>Percentage of Total City Electric Charges</b>	<b>Percentage of Total City Electric Charges</b>
Hospitals/Medical Facilities	10,659,084	1	5.21%	3.18%
Retail Stores/Malls	10,369,453	2	5.07%	4.30%
Entertainment Industry	9,727,206	3	4.76%	3.46%
Government Agencies	7,271,760	4	3.56%	3.39%
High-Rise Buildings	6,698,859	5	3.28%	3.14%
Schools/Colleges	5,090,789	6	2.49%	2.16%
Grocery Stores	4,390,271	7	2.15%	2.14%
Utilities	2,904,529	8	1.42%	1.12%
Manufacturing	2,864,838	9	1.40%	1.28%
Hotels/Motels	1,620,011	10	0.79%	0.69%
<b>Total</b>	<b>61,596,800</b>		<b>30.12%</b>	<b>24.85%</b>

Notes:

(1) Individual customer's information is not public record and cannot be released without customer's permission. Therefore, top ten electric payer group are presented instead of top ten customers.

(2) Data prior Fiscal Year 2006 are not available.

Source: Glendale Water & Power Department

Not covered by independent auditor's report

## Schedule 8

**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
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%
2007	13,984,200,759	3,942,463,947	681,900,343	1,405,426,135	112,666,846	19,901,324,338	0.25543%
2008	14,990,159,371	4,295,767,333	715,557,433	1,311,529,446	102,692,999	21,210,320,584	0.25637%

## 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 9

**CITY OF GLENDALE**

## Direct and Overlapping Property Tax Rates

## Last Three Fiscal Years

Fiscal Year	City Direct Rates			Overlapping Rates				
	City Basic Rate	Redevelopment Agency Rate	Total Average Direct Tax Rate	Metropolitan Water District	Flood Control District	Detention Facilities	Glendale Community College District	Glendale Unified School District
2006	0.13687%	1.00600%	0.25043%	0.00520%	0.00005%	0.00080%	0.01858%	0.05220%
2007	0.13687%	1.00541%	0.25543%	0.00470%	0.00005%	0.00066%	0.02214%	0.05205%
2008	0.13687%	1.00450%	0.25637%	0.00450%	0.00000%	0.00000%	0.02408%	0.04742%

## 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.

(3) The data prior to FY2006 are not available.

Not covered by independent auditor's report

Schedule 10  
**CITY OF GLENDALE**  
Principal Property Tax Payers  
Current Year and Three Years Ago

Taxpayer	Fiscal Year 2008			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	431,792,141	1	1.97%			
Walt Disney World Company	314,169,747	2	1.43%	254,944,894	1	1.49%
Adventist Health System West	240,249,853	3	1.10%			
PR Glendale Plaza Office California LLC	214,503,707	4	0.98%			
Wells Reit Glendale California LLC	156,748,003	5	0.71%	159,931,189	3	0.94%
CLPF-500 Brand	141,270,000	6	0.64%			
Metropolitan Life Insurance Company	124,161,335	7	0.57%			
Napi Glendale I LLC	110,925,000	8	0.51%			
Legacy Partners II Glendale	106,386,000	9	0.49%			
Glendale Memorial Hospital	104,078,157	10	0.47%	112,154,115	6	0.66%
Glendale Adventist Medical Center				150,689,481	4	0.88%
Maguire Partners				165,494,929	2	0.97%
Glendale Plaza Realty Holding Company				136,399,382	5	0.80%
NBB Associates Limited Partnership				105,000,000	7	0.62%
DW Statutory Trust 2002				83,123,584	8	0.49%
TST Glendale City Center				80,474,930	9	0.47%
Glendale I Mall Associates LLC				71,870,806	10	0.42%
Total	<u>1,944,283,943</u>		<u>8.87%</u>	<u>1,320,083,310</u>		<u>7.74%</u>

Note: Data prior to Fiscal Year 2005 are not available.

Not covered by independent auditor's report

## Schedule 11

**CITY OF GLENDALE**

## Property Tax Levies and Collections

## Last Seven 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%
2007	22,246,849	35,458,240	159.4%	2,518,653	37,976,893	170.7%	29,117,851	27,415,326	94.2%	2,001,758	29,417,084	101.0%
2008	23,853,238	38,319,925	160.6%	2,035,505	40,355,430	169.2%	31,204,888	30,982,192	99.3%	1,352,034	32,334,226	103.6%

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

Not covered by independent auditor's report

Schedule 12  
**CITY OF GLENDALE**  
Ratios of Outstanding Debt by Type,  
Last Seven 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	Capital Lease	Section 108	Notes Payable	
2002	64,200,000	440,000	1,025,000	61,250,000	-	-	-	-	-	
2003	63,100,000	-	-	59,315,000	49,968,945	-	2,000,000	-	-	
2004	62,000,000	-	-	-	48,053,327	58,128,833	1,630,487	1,700,000	4,615,000	
2005	60,800,000	-	-	-	46,082,708	56,183,716	4,989,115	1,590,000	3,692,000	
2006	59,600,000	-	-	-	44,057,089	53,923,599	4,272,885	1,450,000	2,769,000	
2007	58,300,000	-	-	-	41,971,470	51,543,482	11,729,252	1,280,000	1,846,000	
2008	56,900,000	-	-	-	39,830,852	49,043,366	9,934,928	1,100,000	923,000	
Business-Type Activities										
Fiscal Year	2000 Electric Revenue Bond	2003 Electric Revenue Bond	2006 Electric Revenue Bond	2008 Electric Revenue Bond	2008 Water Revenue Bond	Total Primary Government (1)	Total Personal Income (2)	Percentage of Personal Income	Population (3)	per Capita
2002	37,000,000	-	-	-	-	163,915,000	8,352,544,200	1.96%	200,200	819
2003	37,146,292	32,106,903	-	-	-	243,637,140	8,458,807,587	2.88%	202,747	1,202
2004	37,137,933	31,295,613	-	-	-	244,561,193	7,743,409,110	3.16%	205,341	1,191
2005	37,143,196	30,614,988	-	-	-	241,095,723	7,805,405,942	3.09%	207,007	1,165
2006	-	29,798,800	36,779,663	-	-	232,651,036	8,015,891,032	2.90%	206,308	1,128
2007	-	28,982,613	36,212,239	-	-	231,865,056	10,994,029,147	2.11%	207,157	1,119
2008	-	28,166,426	35,381,201	61,686,853	51,915,681	334,882,307	11,274,312,568	2.97%	207,157	1,617

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 13

**CITY OF GLENDALE**

## Direct &amp; Overlapping Governmental Activities Debt

As of June 30, 2008

	Gross Bonded Debt Balance	Percentage applicable to Glendale	Amount applicable to Glendale
<b>Direct Debt</b>			
Glendale Certificate of Participation	56,900,000	100%	56,900,000
Glendale 2002 Tax Allocation Bond	38,405,000	100%	38,405,000
Glendale 2003 Tax Allocation Bond	49,575,000	100%	49,575,000
Glendale 2003 Electric Revenue Bond	27,665,000	100%	27,665,000
Glendale 2006 Electric Revenue Bond	37,145,000	100%	37,145,000
Glendale 2008 Electric Revenue Bond	60,000,000	100%	60,000,000
Glendale 2008 Water Revenue Bond	50,000,000	100%	50,000,000
Glendale Capital Lease	9,934,927	100%	9,934,927
Glendale Notes Payable	923,000	100%	923,000
Glendale Section 108 Loan	1,100,000	100%	1,100,000
<b>Total Direct Debt</b>			<b>331,647,927</b>
<b>Overlapping Debt</b>			
METROPOLITAN WATER DISTRICT	150,054,336	2.272%	3,409,082
METROPOLITAN WATER DISTRICT	150,054,336	0.021%	32,157
Glendale CCD DS 2002 Ser-A	3,625,000	89.113%	3,230,360
Glendale CCD DS 2002 Ser-C	12,499,930	89.113%	11,139,110
Glendale CCD DS RF BD 02, 05 S-A	16,951,097	89.113%	15,105,696
Glendale CCD DS 2002 Ser 2006	33,640,000	89.113%	29,977,742
Pasadena Area CCD DS 2002 S-A	4,570,000	0.106%	4,825
Pasadena CCD DS 2006 Series B	58,840,000	0.106%	62,121
Pasadena CCD DS 2006 REF BD SR C	21,705,552	0.106%	22,916
Glendale Unified DS 1997 Ser A	13,940,000	89.113%	12,422,405
Glendale Unified DS 1997 Ser B	17,970,000	89.113%	16,013,675
Glendale Unified DS 1997 Ser C	22,030,000	89.113%	19,631,678
Glendale USD DS 1997 Ser D	33,615,000	89.113%	29,955,463
Glendale USD DS 1997 Ser E	17,025,000	89.113%	15,171,553
Glendale USD DS 1997 Ser F	17,865,000	89.113%	15,920,106
Glendale USD DS 1997 Ser G	20,425,000	89.113%	18,201,408
La Canada Unified SD 1995 DS	6,933,786	1.212%	84,024
La Canada Unif SD DS 1999 Ser A	2,950,000	1.212%	35,748
La Canada USD DS 1999 Ser B	2,240,000	1.212%	27,145
La Canada USD DS 2004 Ser A	13,835,000	1.212%	167,654
<b>Total Overlapping Debt</b>			<b>190,614,868</b>
<b>Total Direct and Overlapping Debt</b>			<b>522,262,795</b>

## Source:

County of Los Angeles, Auditor-Controller

City of Glendale, Finance Division

HdL Coren &amp; Cone

Not covered by independent auditor's report

Schedule 14  
**CITY OF GLENDALE**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2007	
Assessed value	\$ 21,210,320,584
Debt limit (15% of assessed value)	3,181,548,088
Debt applicable to limit	-
Legal debt margin	\$ <u>3,181,548,088</u>

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Debt limit	\$ 3,181,548,088	2,985,198,651	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
Total net debt applicable to limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	\$ <u>3,181,548,088</u>	<u>2,985,198,651</u>	<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>
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 15  
**CITY OF GLENDALE**  
Pledged-Revenue Coverage  
Last Seven Fiscal Years

Fiscal Year	Tax Allocation Bonds						Electric Revenue Bonds						Water 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	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					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	4,366,228	1.00	170,207,430	183,171,685	(12,964,255)	795,000	3,402,983	(3.09)	-	-	-	-	-	-
2007	8,606,978	-	8,606,978	4,415,000	4,188,978	1.00	178,979,264	170,966,981	8,012,283	1,520,000	3,177,219	1.71	-	-	-	-	-	-
2008	8,194,003	-	8,194,003	4,590,000	4,004,003	0.95	204,496,899	184,377,790	20,119,109	1,755,000	3,126,901	4.12	34,817,321	29,899,512	4,917,809	-	-	N/A

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

Note: The debt service portion of Electric Revenue Bond in FY2007 was missing the principal and interest from the 2003 Tax Allocation Bond but has been updated in 2008 CAFR.

Not covered by independent auditor's report

Schedule 16  
**CITY OF GLENDALE**  
 Demographic and Economic Statistics  
 Last Seven Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Total Personal Income</u>	<u>Median Age (3)</u>	<u>Percent High School Graduate or Higher (3)</u>	<u>Percent Bachelor's Degree or Higher (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
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%
2007	207,157	53,071	10,994,029,147	39.0	81%	33%	42,223	4.70%
2008	207,157	54,424	11,274,312,568	41.2	83%	35%	45,116	6.10%

Source:

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

(2) Business Decision Website

(3) U.S. Census, updated survey data 2006

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

(5) California Employment Development Department

(6) Data prior Fiscal Year 2002 are not available.

Not covered by independent auditor's report



Schedule 17  
**CITY OF GLENDALE**  
Principal Employers  
Current Year and Two Years Ago

Employer	2008			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
CITY OF GLENDALE	2,565 (4)	1	2.59% (5)	2,706 (4)	1	3.55% (5)
NESTLE COMPANY	2,153 (2)(7)	2	2.18% (5)	1,735 (2)	4	2.27% (5)
GLENDALE ADVENTIST MED CENTER #262	2,112 (2)	3	2.14% (5)	1,999 (2)	3	2.62% (5)
GLENDALE COMMUNITY COLLEGE DIST.	1,442 (2)	4	1.46% (5)	1,141 (2)	6	1.50% (5)
GLENDALE UNIFIED SCHOOL DISTRICT	1,328 (2)(3)	5	1.34% (5)	2,681 (3)	2	3.51% (5)
GLENDALE MEMORIAL	1,300 (2)	6	1.31% (5)	1,248 (2)	5	1.64% (5)
PUBLIC STORAGE INC	1,036 (2)	7	1.05% (5)	967 (2)	7	1.27% (5)
WALT DISNEY IMAGINEERING	902 (2)	8	0.91% (5)	765 (2)	9	1.00% (5)
BANK AMERICA NORTH AMERICA	815 (2)	9	0.82% (5)	834 (2)	8	1.09% (5)
ACCO ENGINEERED SYSTEMS	786 (2)	10	0.79% (5)	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, 2007 and 2008
- (3) Does not include the individual schools only admin.
- (4) City of Glendale Payroll Section, 1,911 full-time employees and 654 hourly employees.
- (5) % of total employment is calculated using a baseline of 98,900 workers employed in Glendale.
- (6) The data for nine years ago are not available, so only current year and last two years data are presented.
- (7) Includes the three subsidiaries of Nestle in Glendale.

Not covered by independent auditor's report

Schedule 18  
**CITY OF GLENDALE**  
 Full-time City Government Employees by Function/Program  
 Last Three Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government			
City attorney	22	23	25
City clerk	10	11	11
City manager	33	34	26
City treasurer	5	5	5
Finance	32	37	32
Graphics	6	7	9
Human resources	30	28	28
Information services	52	53	53
Planning	32	30	33
Purchasing	6	7	6
Community Development & Housing	91	101	107
Library	65	60	64
Parks and recreation	117	119	137
Fire			
Firefighters and officers	209	194	189
Civilians	48	48	51
Police			
Officers	283	275	289
Civilians	126	129	129
Public works			
Engineering	40	40	45
Streets	86	76	87
Traffic	23	19	18
Integrated waste	14	13	16
Landfill management	58	52	54
Other	111	121	117
Redevelopment	11	11	13
Water and Power	<u>401</u>	<u>392</u>	<u>409</u>
Total	<u>1,911</u>	<u>1,885</u>	<u>1,953</u>

Note: The data prior to FY2006 are not available.

Source: City Payroll Section

Not covered by independent auditor's report

## Schedule 19

**CITY OF GLENDALE**

## Operations Indicators by Function/Program

## Last Three Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Refuse collection			
Inert waste recycling - Brand Park landfill (tons per year)	4,500 (3)	10,500	10,500
Other public works			
Street resurfacing (miles)	0.55	3.5	2.6
Street reconstructing (miles)	0.29	1.4	0.4
Potholes repaired (square feet per year)	15,119	9,886	10,000
Parks and recreation			
Athletic field permits issued	873	648 (1)	7,114
Community center admissions	1,192	1,797 (2)	1,236
Library			
Volumes in collections	722,790	761,314	770,784
Total volumes borrowed	1,185,385	1,088,286	1,075,073
Electric			
New connections	474	211	133
Average daily consumption (MWH)	3,180	3,142	3,130
Electricity generated (MWH)	1,007,011	1,025,235	887,263
Electricity purchased (MWH)	583,906	490,592	626,304
Electricity sold (MWH)	1,160,566	1,146,828	1,142,582
Peak demand (MW)	333	336	313
Water			
New connections	53	125	72
Average daily consumption (millions of gallons)	138	28	27
Water mains breaks	18	12	11
Water purchased (AF)	21,705	23,643	22,239
Water sold (AF)	30,691	31,889	29,907
Wastewater			
Average daily sewage treatment (millions of gallons)	11.5	12	17
Transit			
Total route miles	880,991	981,792	1,040,192
Passengers	2,152,200	2,332,006	2,336,396

## Notes:

(1) Beginning January 2007, Parks department started using Safari system to issue permits, which issues one permit for one participant for multiple events. The old system issues one permit for one participant for one event, so the number of permits issued is more in FY2006.

(2) The data in FY2007 CAFR was incorrect but is updated in FY 2008 CAFR.

(3) Glendale Water and Power takes the inerts to an outside recycling site.

(4) The data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditor's report

Schedule 20  
**CITY OF GLENDALE**  
 Capital Asset Statistics by Function/Program  
 Last Three Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police			
Stations	2 (1)	1	1
Vehicular patrol units	68	69	71
Helicopters	3 (2)	2	2
Motocycles	24	26	24
Fire			
Stations	9	9	9
Refuse collection			
Collection trucks	44 (3)	44	43
Other public works			
Streets (miles)	365	365	365
Traffic signals	225	229	225
Parks and recreation			
Open space acres	5,020	5,020	5,020
Developed parkland acres	275	274	274
Parks, community centers and other facilities	41	40	40
Baseball/softball diamonds	15	15	15
Soccer/football fields	2	2	2
Golf course	1	1	1
Library			
Branches	7	7	7
Electric			
Number of electric meters	84,118	83,644	83,433
Number of streetlights	10,622	11,117	10,210
Grayson power plant capacity (MW)	249	249	249
Water			
Number of water meters	33,173	33,120	32,995
Water mains (miles)	397	397	397
Fire hydrants	2,970	2,950	2,950
Storage capacity (millions of gallons)	185	185	185
Wastewater			
Storm catch basin	3,320	1,125	1,364
Treatment capacity (millions of gallons)	17	20	25
Transit			
Buses	34	34	35

Note: The data prior to FY2006 are not available.

(1) One main facility and one substation at the Galleria.

(2) The helicopters are shared with the City of Burbank.

(3) This number does not include the small bin trucks

Sources: Various city departments

Not covered by independent auditor's report