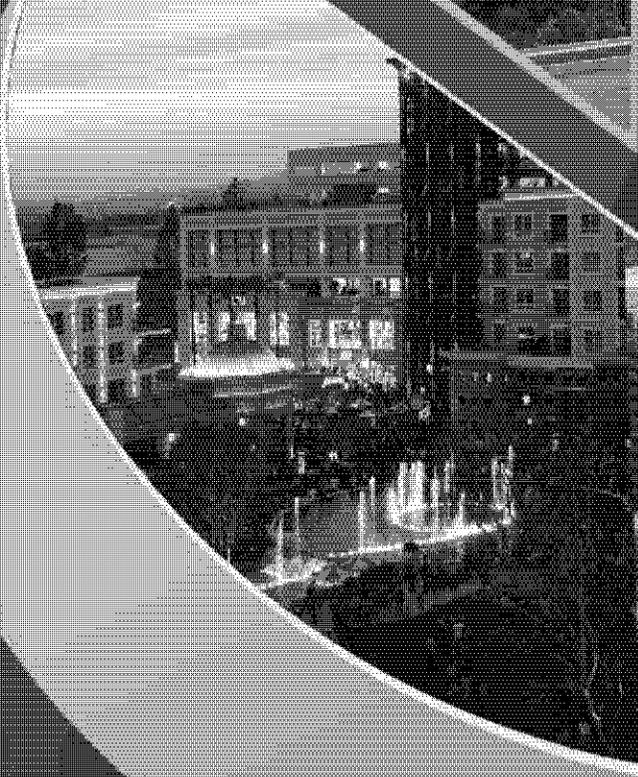


COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2010
GLENDALE, CALIFORNIA



During a period when most communities nationwide have experienced a dramatic reduction in the number of housing “starts,” the City of Glendale has made notable progress in this area through the approval, oversight and financing of a variety of residential units, including those made available to families with lower-than-average incomes.

(From upper right, clockwise)

Glendale City Lights

With the number of applications for affordable housing at an all-time high, the completion of this 68-unit rental project was a welcome addition to the City’s residential inventory. Located at 3673 San Fernando Road, the two- and three-bedroom units were fully occupied shortly after opening in late winter. Glendale’s Housing Authority contributed almost \$10 million towards the construction.

Kenwood Homes

Through a joint effort with Habitat for Humanity, the City has completed six housing projects, with a seventh currently in development. The partnership recently celebrated the grand-opening of this 11-unit multi-family residence at 711 - 717 N. Kenwood. The homes have been purchased by low-income, first-time homebuyers who dedicated 500 hours each to the construction of the facility.

The Americana at Brand

One of the finest retail, restaurant and residential developments in Southern California, The Americana at Brand now offers upscale living in this successful project in south Glendale. Working with the City’s Community Redevelopment and Housing Department, Caruso Affiliated Properties has produced a unique lifestyle environment. The property offers both condominium and apartment units whose residents have access to valet parking, a concierge, a variety of upscale eating establishments and shops, as well as a theater...all on-site.

Gardens on Garfield

This 30-unit affordable rental housing facility for lower-income families, opened in June. Mature landscaping and additional amenities have made this project a showplace in its neighborhood. As in other affordable housing projects, residents were chosen through a random selection process (lottery) and then underwent an extensive qualification project. Over 4100 applications were received for the Gardens, illustrating a great need for this type of housing in the City.

Glendale, California

The City of Glendale **City Council**



Ara Najarian, Mayor

Council Members:

John Drayman, Laura Friedman, Frank Quintero, Dave Weaver

**CITY OF GLENDALE
CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2010**

Robert Elliot, CPA, Director of Administrative Services-Finance

Lily Fang, Accounting Services Administrator

CITY OF GLENDALE, CALIFORNIA

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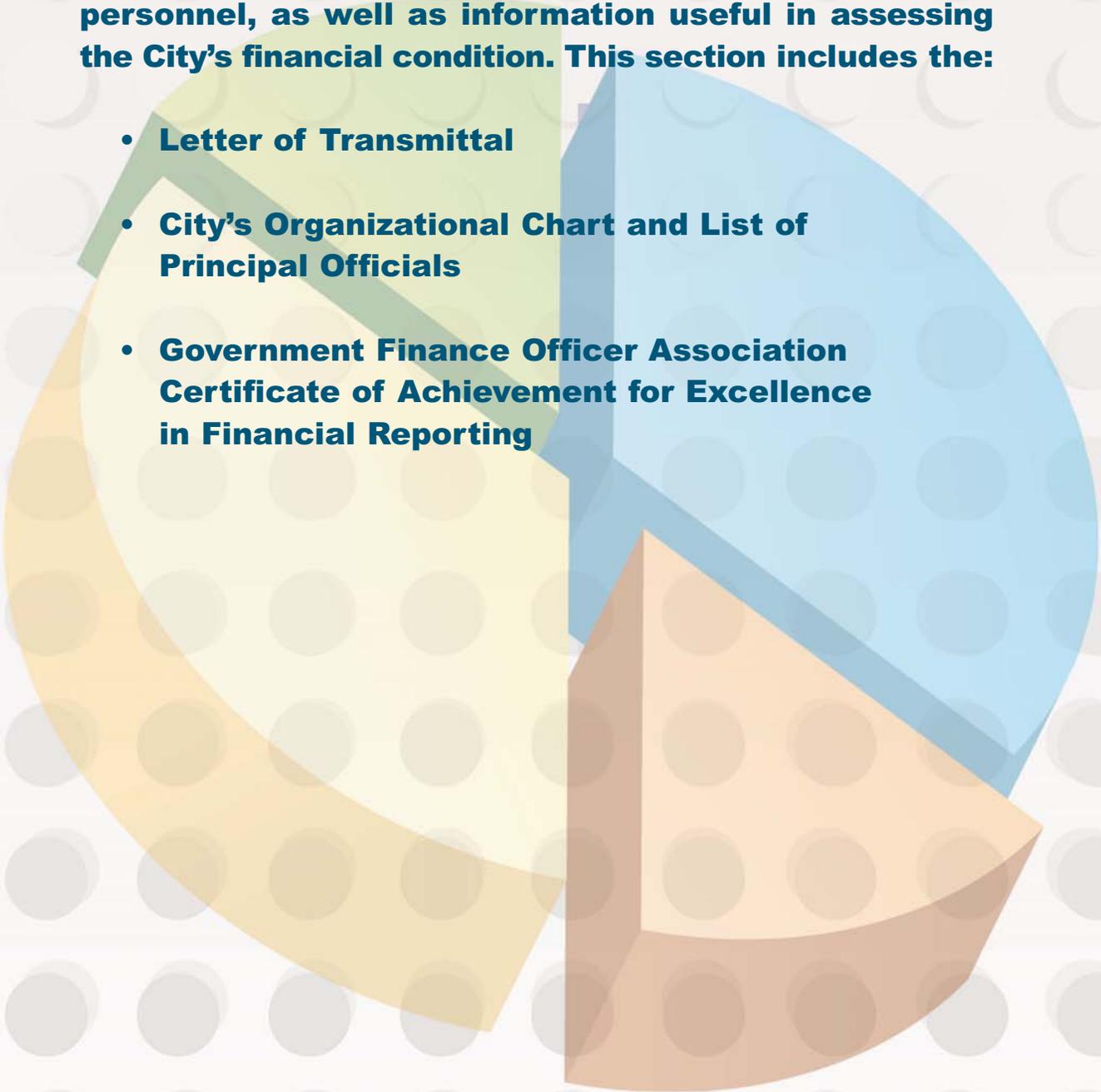
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INTRODUCTORY SECTION

The Introductory Section of the Comprehensive Annual Financial Report provides general information of the City of Glendale, California's structure and its personnel, as well as information useful in assessing the City's financial condition. This section includes the:

- **Letter of Transmittal**
- **City's Organizational Chart and List of Principal Officials**
- **Government Finance Officer Association Certificate of Achievement for Excellence in Financial Reporting**





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

November 29, 2010

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, 2010.

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.

Factors Affecting the Glendale Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Glendale operates.

The Local Economy. New investment continues to take place throughout the city in the form of business expansion as well as businesses attracted to Glendale's central location, public safety record and low cost business environment. The city's economy is one of the most diverse within the Los Angeles region largely due to a healthy mix of business and industry that operates within its borders. Industry clusters include:

- Retail Trade
- Healthcare
- Business Services
- Animation & Entertainment
- Manufacturing & Wholesale Trade
- Automotive Sales & Service
- Financial Services
- Technology and New Media

Economic Development. Economic development accomplishments for 2010 in Glendale are numerous and vary in size and scope. Highlights include:

- The Glendale City Council strongly endorsed a 338,000 square foot expansion to Walt Disney Co.'s creative campus that will create 1,200 new jobs.

- LegalZoom, the online document company will relocate its headquarters from Hollywood bringing close to 400 employees to Downtown.
- Subaru of Glendale opened a 17,000 square foot showroom and service center on South Brand Boulevard.
- Calstar Motors, an authorized Mercedes-Benz Dealer in Glendale is currently undergoing a major renovation and expansion at their South Brand Boulevard location.
- Retailer Beverages and More will open a new location on South Brand Boulevard.
- Citing the city's business friendliness and proximity to freeways, Bay Alarm Company the largest independently owned burglar alarm company in the nation, purchased a 9,700 square foot building on Standard Avenue.
- EVS, a leading supplier of video equipment relocated and expanded within Glendale by purchasing a building on Victory Boulevard.
- Glendale will soon have its first museum in 106 years of history with the opening of the Museum of Neon Art on South Brand Boulevard.

The Glendale Galleria along with The Americana at Brand continue to help solidify the City of Glendale as a regional center for retail activity. With over 1.4 Million SF of retail space, the Galleria is one of Southern California's premier regional malls attracting over 25 million visitors annually. Major anchor tenants include Nordstrom, Macys, JC Penney's, and Target.

The Americana at Brand successfully integrates retail, restaurant, cinema, and high-end residential uses in a series of mid-rise buildings located around three acres of public open space and pedestrian promenades. The development is helping to create the envisioned "18-hour downtown" with urban dwellers and patrons of cinemas, restaurants, and retail shops.

Employment. The theme for employment from September 2009 through September 2010 in the City of Glendale was recovery and stabilization, following periods of soaring unemployment rates.

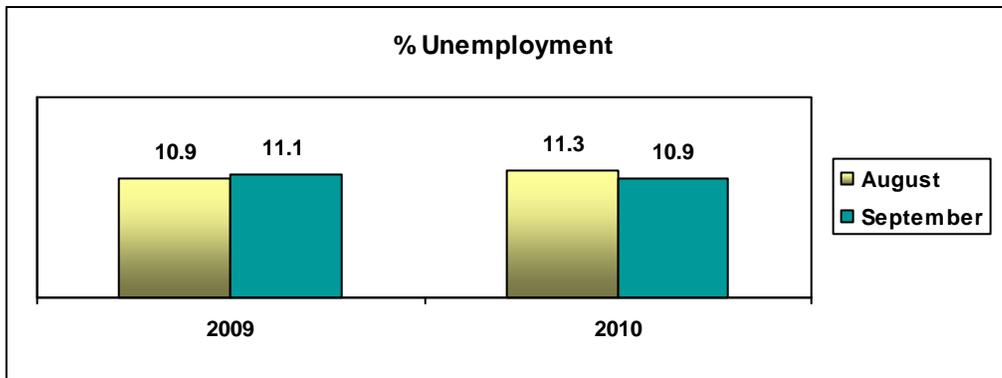
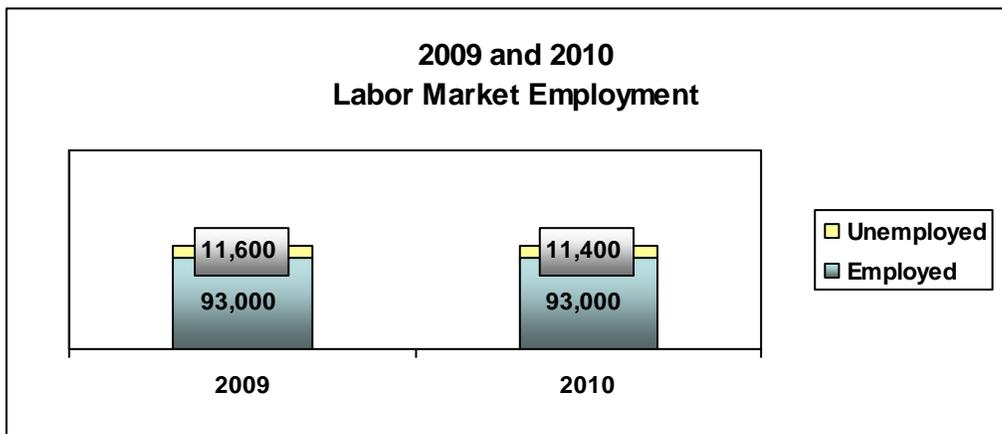
Glendale's top industry in terms of employment, health care, remained stable during the year. The industry's large hospital sector, which includes 3 major hospitals within the city, has been cautious in hiring new workers, but the industry has also avoided any mass layoffs due to continuing demand for health care services. With the advent of health care reform, the health care sector could face additional challenges to its financial stability and employment. However, over the long term, the demographic changes—namely the aging of the baby boomer population in the city—has sparked continuing facilities expansion at all three hospitals in anticipation of long-term future demand for services.

Despite a high unemployment rate and subdued consumer spending, employment in the retail sector, the city's second largest employer, has surprisingly held relatively steady. Any upturn in the U.S. employment picture, or stronger than expected growth in the U.S. economy, could spark a revival in consumer spending and increased employment in the sector over the near term. In fact, retailers are anticipating one of the strongest holiday spending seasons in the past 3 years. Over the long term, this sector faces fundamental challenges as consumers cope with high amounts of debt and the general economy struggles with a below average growth trend.

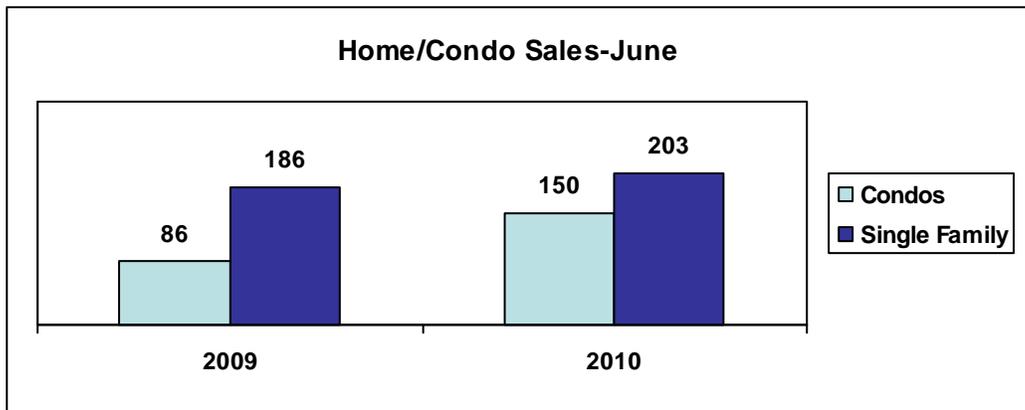
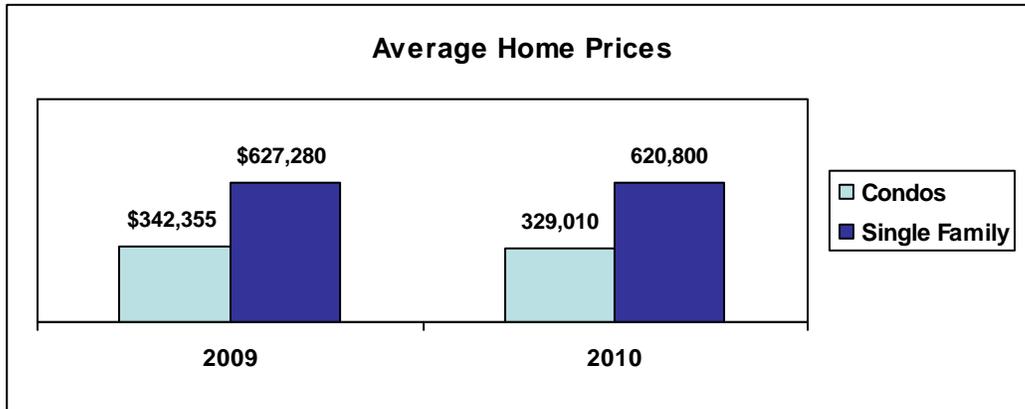
The city's manufacturing sector continued to suffer serious job losses in the past year, despite a mildly improving economy. As the city's third largest sector of employment, manufacturing enjoyed a slight rebound during the economic recovery as demand for products, particularly export products, increased as the recovery progressed. However, manufacturing has been hurt by a rising dollar, which makes exports more expensive, and by the large U.S. budget deficit, which could cause major future cuts in the federal budget, including aerospace/defense manufacturing. In the near term, the outlook for manufacturing has improved slightly as the value of the U.S. dollar has fallen due to the continuing slow growth in the U.S. economy and record low interest rates.

The city's finance industry, previously a city employment stronghold, continues to lose jobs as the real estate and mortgage industry continues to struggle with foreclosures and low home sales. It may be many years before employment in this industry returns.

The city's unemployment rate continues to remain stubbornly high in the low double-digits. Its strong exposure to the still-vibrant health care sector is offset by continuing job losses in manufacturing and finance. While the city's unemployment rate of 10.9% in September was higher than the U.S. rate of 9.6%, it was better than the 12.5% rate in Los Angeles County and the 12.4% rate in California.



Housing. According to the City’s property tax consultant, HDL, Glendale’s housing market showed an increase in sales volume and decrease in sales prices, reflected in an average home price of \$620,800 as of June 2010, compared to \$627,280 in June 2009. Condominium sales followed the same pattern, with an average value of \$329,010 in June 2010, compared to \$342,355 in June 2009.



Local Government Finance. The economic situation in the U.S. has continued to negatively impact local resources in the form of reduced revenues. For the General Fund, sales taxes, property taxes, utility users’ taxes, licenses and permits, and interest revenue have declined over the past fiscal year. For FY 2009-10, the General Fund experienced a deficit of \$5.2 million. Revenues and transfer from other funds were \$129.8 million and \$37 million respectively for a total of \$166.8 million compared to expenditures and transfer to other funds of \$154.1 million and \$17.9 million respectively for a total of \$172.0 million.

While the City made every effort to maintain a balanced budget by employing numerous cost saving strategies, actual revenue was lower than originally anticipated. The cause of the decreased revenue is directly related to the economic downturn that has significantly impacted cities not only throughout the state of California but nationwide as well. Sales tax and property tax were impacted the most in the General Fund. Sales tax receipts were approximately \$2 million lower than originally anticipated at adoption and property tax was \$900,000 lower than initially estimated. Compared to FY 2008-09, cumulative sales tax decreased 4.7%, or \$1.2 million, and property tax decreased 3.5%, or \$1.4 million. Other General Fund revenues that were impacted by the economic slowdown include interest and investment income (down

12.0%), utility users' tax (down 3.4%), and licenses and permits (down 5.9%). All together, actual revenues were nearly \$5 million lower than what was estimated at budget adoption.

While the \$5.2 million deficit was significant, this was not completely unexpected and the City took several measures to deal with the shortfall. First, revenue estimates were revised at the mid-year report and again at the 3rd quarter report, totaling \$3.6 million in reduced revenue. On the expenditure side, a total of \$171 million was appropriated during FY 2009-10 as a result of the budget adoption, additional appropriations during the year and carry-overs. Of this amount, actual expenditures were \$164 million, which represented a savings of \$7 million. All departments employed numerous cost savings strategies, including a hiring freeze, to come in under budget.

The state budget situation continues to be a major concern to not only local governments but businesses throughout the state. In FY 2009-10, one of the state's budget balancing efforts was to borrow funds from Cities. Glendale loaned nearly \$4M to the state but was reimbursed via the Proposition 1A securitization program, so the City Glendale was kept whole. During FY 2010, the state's revenue edged up by 1%, primarily due to higher sales tax and personal income tax revenues. While the state ran a slight surplus for FY 2010, a \$9.9 billion "operating cash deficit" still remained at the end of FY 2010. Even though the state ultimately submitted a "balanced" budget for FY 2011, it now has an estimated \$24.5 billion dollar gap. Economists tend to agree that whatever the state ultimately does to balance their budget, its actions will impact California's economic recovery.

Long-term financial planning

Several years ago, the City engaged in a goal setting process that sought to identify the areas and services provided by the City that were deemed most important by not only employees but also residents of Glendale. The intent of this planning process was to help ensure that resources were allocated to areas deemed most important or in need of improvement by the community. Multiple teams that consisted of a cross section of employees throughout the organization were formed that began the process of developing the overall framework and goals. Once a framework work was established, numerous meetings were held with stakeholders in the community to help prioritize needs of the community which in turn will shape how city resources will be allocated. There were a series of interactive meetings that engaged community members to provide their feedback which was recorded by city staff. This process resulted in the development of 16 strategic goals that was presented to the City Council and formerly adopted. These goals have become the foundation of the City's strategic planning and have been incorporated in to the annual budget process. Each department prepares their budgets and allocates city resources around these strategic goals. The adopted budget for FY 2010-11 continues to fund programs and initiatives that promote the strategic goals. In addition, departments have prepared performance measures which continue to support the City's goals and act as a tool by which to measure the programs and services provided. The 16 strategic goals are as follows:

Arts & Culture	Housing
Community Planning & Character	Parks & Open Space
Community Services & Facilities	Safe Community
Diversity	Sense of Community
Economic Vitality	Technology
Education	Transportation & Mobility
Environment & Conservation	Trust in Government
Health & Wellness	Utilities

Current capital projects. Major capital projects include a complete revitalization of the Central Library, the recent opening of the Adult Recreation Center, as well as other projects that include the SR 134/San Fernando Road Bridge, improvements at Maple Park, as well as street resurfacings.

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 2007, 2008, 2009 and 2010.

Fiscal years ended June 30,

	2010	2009	2008	2007
Average portfolio balance	\$451,176,000	\$444,787,000	\$464,426,000	\$482,547,000
Total portfolio's interest income	\$ 8,520,000	\$ 12,462,000	\$ 19,443,000	\$ 18,842,000
Average return on invested cash	1.89%	2.80%	4.17%	3.90%

The average return on invested cash decreased by 91 basis points from 2.80% in fiscal year 2009 to 1.89% in fiscal year 2010. Interest earnings for the fiscal year nudged over \$8.5 million for the year, down \$3.9 million from the \$12.4 million for last year. Interest earnings follow interest rates, and during the year interest rates in the marketplace traded in narrow ranges with each range trending lower as the year came to a close. 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 both Comprehensive General Liability and Workers' Compensation claims up to \$2 million. The City purchases an Excess Liability layer of \$20 million, and purchases an Excess Workers' Compensation layer up to statutory limits. The City also purchases Property/Casualty, Aviation, Employment Practices, Directors and Officers, and other smaller policies for specific activities.

The City's Risk Management program is comprised of Insurance Services, Workers' Compensation and Safety. The primary goal of Risk Management is to effectively address potential risk factors that affect both the City and its employees. Insurance coverage's and their resulting premiums are reviewed annually to insure the City is properly covered. Workers' Compensation and our Safety Staff work to protect our work force, when workers are injured, staff insures that they are properly cared for, and returned to work as soon as possible.

Risk Management Staff continually reviews internal funding levels to address ever increasing claims costs. Failure to address these issues may result in significant impacts to department budgets in future years. Internal insurance premiums are set annually based upon input from Risk Management and additional analysis from an outside biannual actuarial study. Employee

medical coverage is obtained through a broker and provides a variety of choices for the employees.

Independent Audit

The City's financial statements have been audited by the firm of McGladrey & Pullen, LLP, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Glendale, California for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Glendale, California's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. Their unqualified opinion on the City's basic financial statements is included within this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the City's separately issued *Single Audit Report*.

GAAP requires 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 compliment MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

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 fifteen fiscal years ended June 30, 1995 through June 30, 2009. 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.

In closing, without the leadership and support of the Glendale City Council and the City Manager, preparation of this report, as well as the favorable financial results of the past year, would not have been possible.

RESPECTFULLY SUBMITTED,



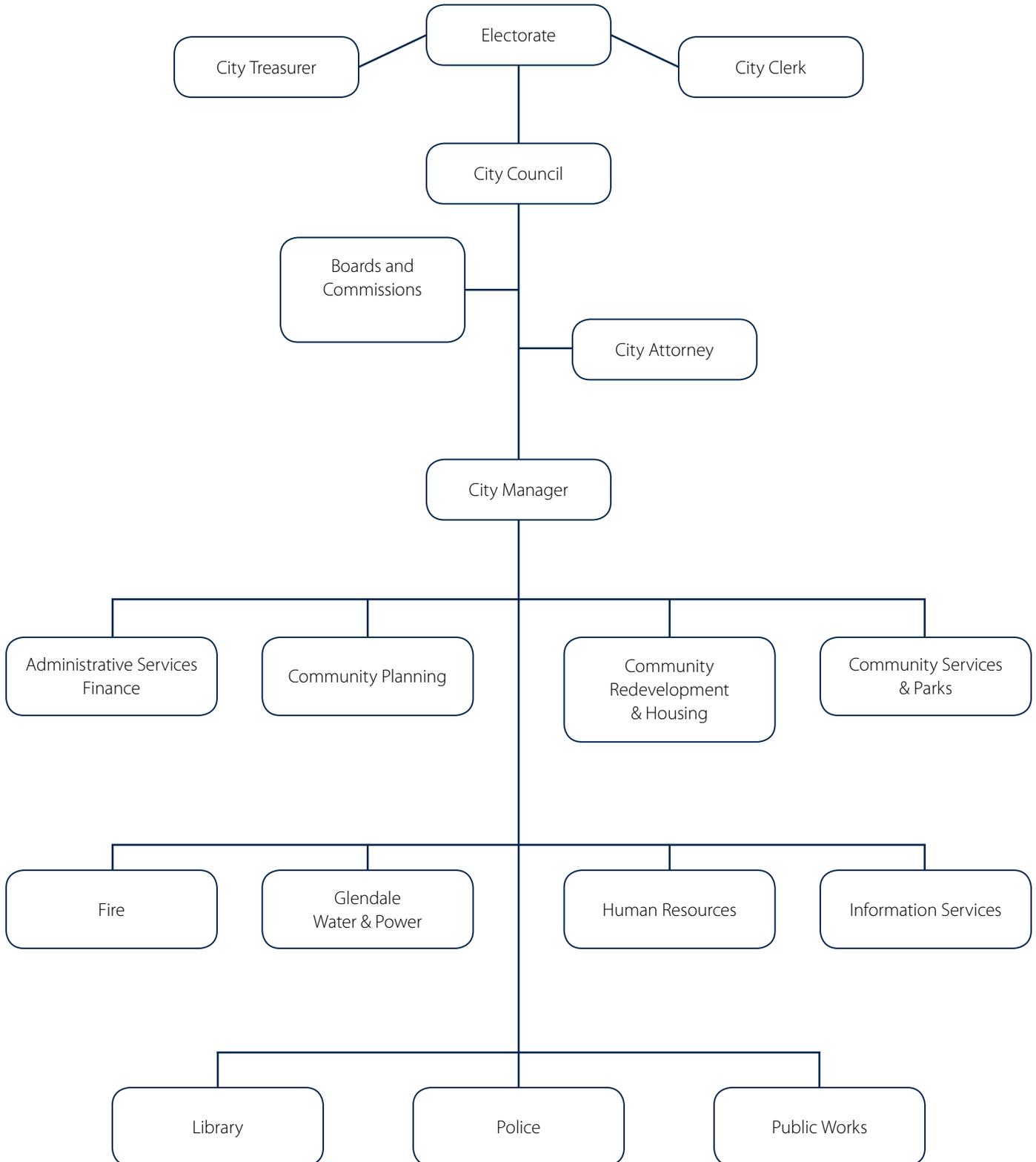
ROBERT ELLIOT, CPA
DIRECTOR OF ADMINISTRATIVE SERVICES-FINANCE

CITY OF GLENDALE
Officials of the City of Glendale
June 30, 2010

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	Ronald L. DePompa
Fire Chief	Harold Scoggins
Director of Public Works	Stephen Zurn
Director of Administrative Services-Finance	Robert P. Elliot, CPA
Director of Human Resources	Matthew Doyle
Director of Community Redevelopment & Housing	Philip Lanzafame
Director of Community Planning	Hassan Haghani
Director of Information Services	Edward Fraga
Director of Community Services and Parks	George Chapjian
Director of Libraries	Cindy Cleary
Acting City Auditor	Jason Bradford, CPA
City Treasurer	Ronald T. Borucki
City Clerk	Ardashes Kassakhian

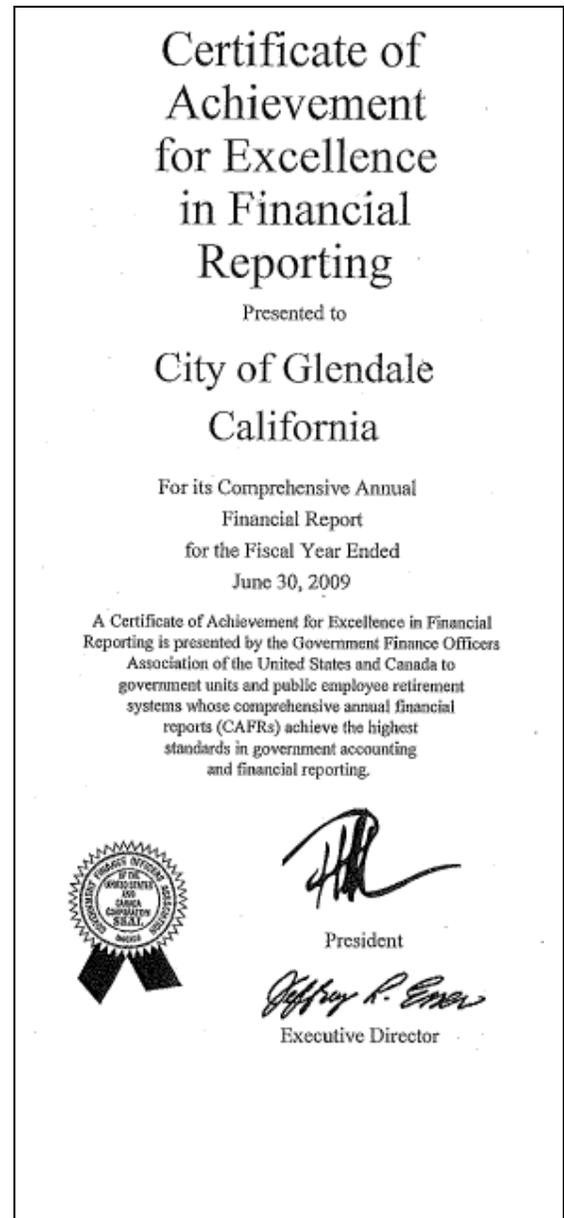
City of Glendale, CA
Organization Chart



CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Glendale for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the 15th consecutive year that the City of Glendale has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

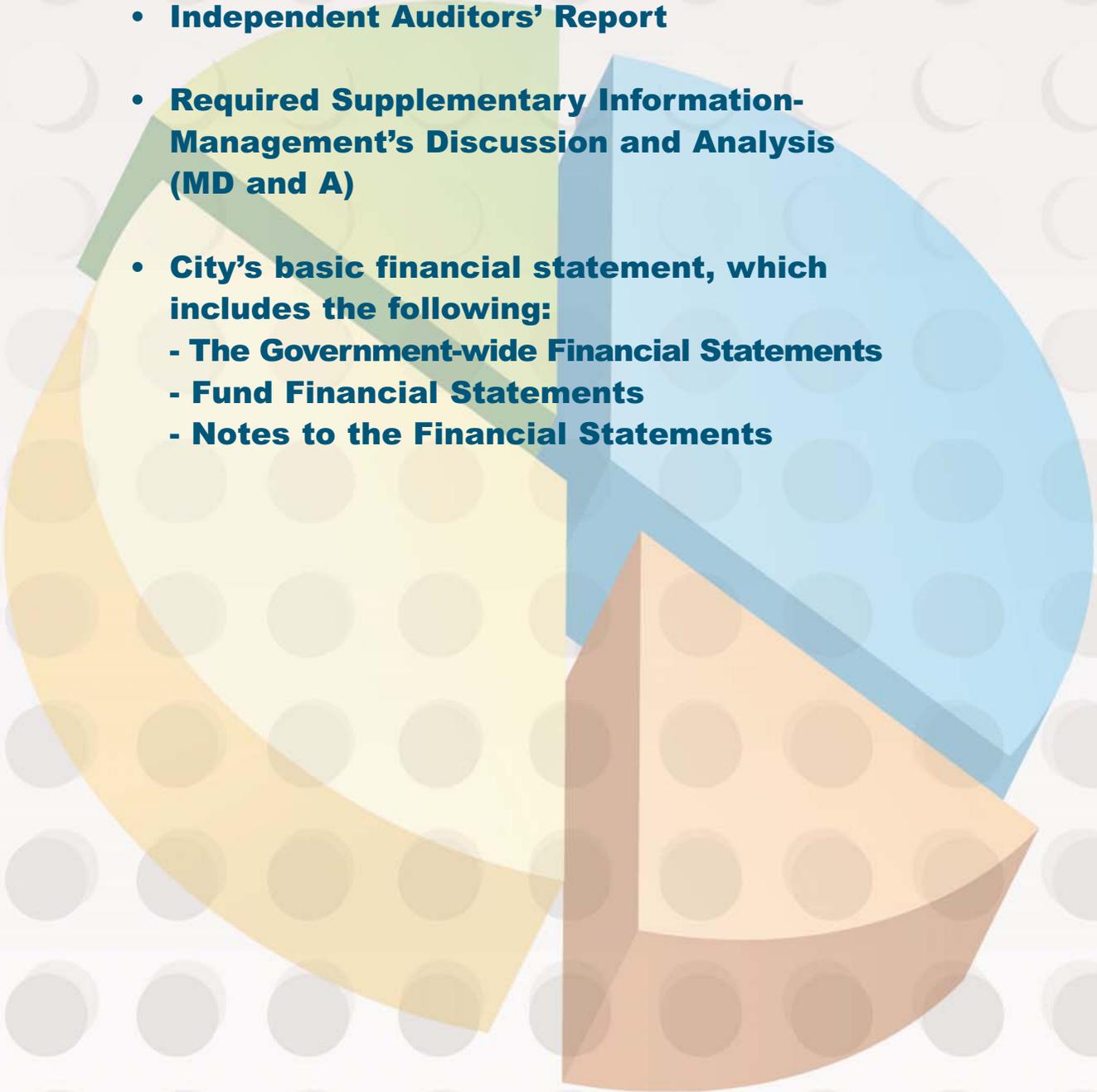
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



FINANCIAL SECTION

The Financial Section of the Comprehensive Annual Financial Report contains the following:

- **Independent Auditors' Report**
- **Required Supplementary Information-
Management's Discussion and Analysis
(MD and A)**
- **City's basic financial statement, which
includes the following:**
 - **The Government-wide Financial Statements**
 - **Fund Financial Statements**
 - **Notes to the Financial Statements**





Independent Auditor's Report

To the Honorable Members of the City Council
City of Glendale, CA

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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express 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 the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof and the 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 29, 2010 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.

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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and other schedules and statistical section, 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, CA
November 29, 2010

City of Glendale

Management's Discussion and Analysis

June 30, 2010

(in thousands)

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, 2010. 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 - ix of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by 1,654,023 (*net assets*). Of this amount, \$300,144 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. Of the \$300,144, \$91,582 is for governmental activities, and \$208,562 is for business-type activities.
- The City's total net assets increased by \$997. Most of this increase is attributable to increases in operating grants and contribution.
- As of the close of the current fiscal year, the City governmental funds reported combined ending fund balances of \$250,036, a decrease of \$1,897 in comparison with the prior year. About 47% of this total amount, \$116,629 is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved General Fund balance of \$28,766 and the charter required reserve of \$20,619 for the General Fund total \$49,385, or 32% of total general fund expenditures or 30% of the original total General Fund budget including transfers out. The General Fund has adopted a target reserve level of 35%, with a floor of 30% of the original adopted general fund budget including transfers out.
- The City's total debt increased by \$39,546 (9.19%) during the current fiscal year. The factors of this increase was the combination of items such as compensated absences, claims payable, post employment benefits, postclosure liability of Scholl Canyon landfill, Glendale Housing Authority Residential Development Loan Program and the Glendale Redevelopment Agency's 2010 Tax Allocation Bonds as well as 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, police, fire, public works, housing, health, and community development, employment programs, public service, parks, recreation, and community services, library, and interest and fiscal charges on bonds. The business-type activities of the City include recreation, hazardous disposal, fire communications, 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

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2010

(in thousands)

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 17-19 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 37 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 34 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 20-38 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its recreation, hazardous disposal, fire communications, 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), joint helicopter operation, uninsurable litigation, employee benefits, and various other insurances.

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 39-42 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 43-76 of this report.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2010

(in thousands)

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 77-147 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 \$1,654,023 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (77.6%) 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

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 388,598	375,191	260,755	299,048	649,353	674,239
Capital assets	880,231	852,666	649,864	606,968	1,530,095	1,459,634
Total assets	<u>1,268,829</u>	<u>1,227,857</u>	<u>910,619</u>	<u>906,016</u>	<u>2,179,448</u>	<u>2,133,873</u>
Long-term liabilities	258,777	221,559	181,096	180,906	439,873	402,465
Other liabilities	54,895	53,861	30,657	24,521	85,552	78,382
Total liabilities	<u>313,672</u>	<u>275,420</u>	<u>211,753</u>	<u>205,427</u>	<u>525,425</u>	<u>480,847</u>
Investment in capital assets, net of related debt	806,721	782,170	476,440	448,099	1,283,161	1,230,269
Restricted	56,854	56,506	13,864	14,047	70,718	70,553
Unrestricted	91,582	113,761	208,562	238,443	300,144	352,204
Total net assets	<u>\$ 955,157</u>	<u>952,437</u>	<u>698,866</u>	<u>700,589</u>	<u>1,654,023</u>	<u>1,653,026</u>

- 4.3% 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* of \$300,144 may be used to meet the government's ongoing obligations to citizens and creditors. Of the total, \$208,562 is in business type activities such as our electric, water, and sewer utilities.

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

City of Glendale

Management's Discussion and Analysis, continued

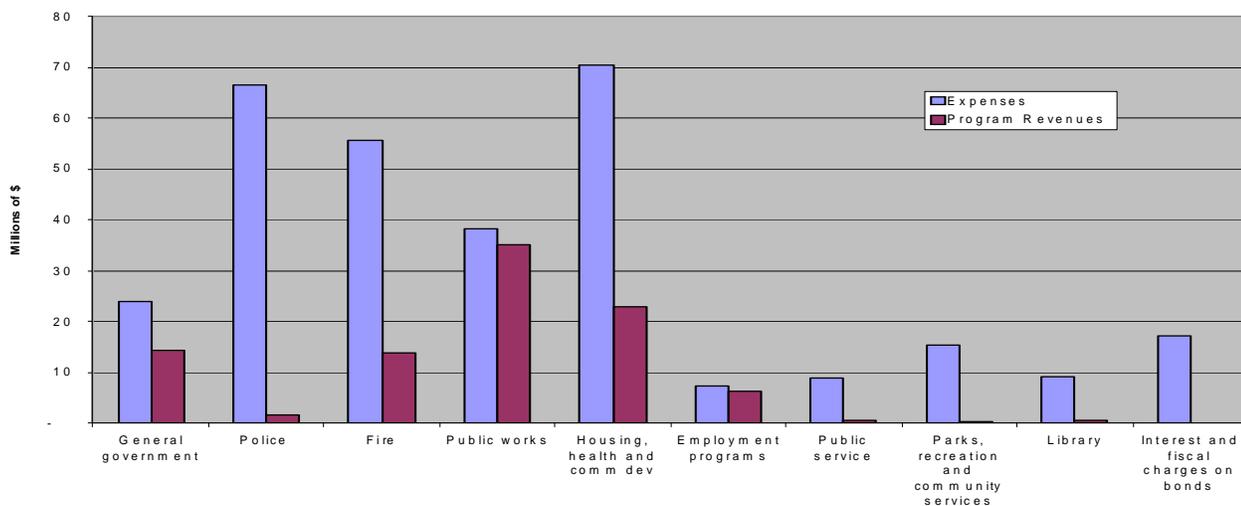
June 30, 2010

(in thousands)

Governmental activities. Governmental activities increased the City's net assets by \$2,720. Key elements of this increase are as follows:

- Operating grants and contribution revenue increased by \$13,963 (25%) during the year mostly due to the accounting change for Section 8 grant portable voucher fees. When tenants move to Glendale holding the vouchers issued from other Housing Authorities, Glendale Housing Authority acts as a pass-through agency to pay the landlords the rent, then request reimbursement from the originating Housing Authorities. The fees and expenses were recorded in the receivable account in prior years. Based on Department of Housing and Urban Development's recommendation, the fees and expenses need to be recorded in revenue and expense accounts.
- Sales tax increased by \$4,839 (21.3%) and Other taxes decreased by \$8,377 (37.6%) during the year mostly due to the different categorizing of Educational Revenue Augmentation Fund (ERAF) in lieu of sales tax. ERAF in lieu of sales tax is categorized as part of other taxes in fiscal year 2009, and as part of sales tax in fiscal year 2010, which is more appropriate.
- Investment income decreased by \$2,337 (28.7%) during the year mostly due to lower interest rates resulting from the economy.
- Housing, health & community development expense increased by \$21,250 (42.9%) during the year mostly due to the accounting change for Section 8 grant portable voucher expenses (see explanation above), and the Redevelopment Agency's transfer of property tax increment to the State's Supplemental Educational Revenue Augmentation Fund.
- Employment programs expense increased by \$1,965 (36.2%) and Public service expense increased by \$1,520 (22.6%) during the year most due to additional grants resulting from American Recovery and Investment Act of 2009.
- Interest and fiscal charges on bonds increased by \$9,921 (135.7%) during the year mostly due to County Sanitation District of Los Angeles County's revised post-closure maintenance costs estimates for the Scholl Canyon, and higher City-Agency debt interest because the interest rate on these co-operation agreements changed from City's portfolio rate to a fixed 7%.

Expenses and Program Revenues – Governmental Activities



City of Glendale

Management's Discussion and Analysis, continued

June 30, 2010

(in thousands)

City of Glendale's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue:						
Program revenues:						
Charges for services	\$ 39,010	34,526	263,298	292,541	302,308	327,067
Operating grants & contribution	69,905	55,942	421	738	70,326	56,680
Capital grants & contribution	6,905	6,912	7,440	3,292	14,345	10,204
General revenues:						
Taxes:						
Property taxes	80,422	77,060	-	-	80,422	77,060
Sales tax	27,594	22,755	-	-	27,594	22,755
Utility users tax	27,827	28,798	-	-	27,827	28,798
Other taxes	13,891	22,268	-	-	13,891	22,268
Investment income	5,806	8,143	4,770	8,331	10,576	16,474
Miscellaneous	18,077	16,368	4,274	3,614	22,351	19,982
Total revenues	289,437	272,772	280,203	308,516	569,640	581,288
Expenses:						
General government	24,157	23,508	-	-	24,157	23,508
Police	66,923	64,113	-	-	66,923	64,113
Fire	55,743	50,793	-	-	55,743	50,793
Public works	38,529	35,903	-	-	38,529	35,903
Housing, health & community development	70,813	49,563	-	-	70,813	49,563
Employment programs	7,397	5,432	-	-	7,397	5,432
Public service	8,249	6,729	-	-	8,249	6,729
Parks, recreation & community services	15,578	16,229	-	-	15,578	16,229
Library	9,241	9,162	-	-	9,241	9,162
Interest & fiscal charges on bonds	17,232	7,311	-	-	17,232	7,311
Recreation	-	-	2,645	2,552	2,645	2,552
Hazardous disposal	-	-	1,848	1,680	1,848	1,680
Fire communications	-	-	3,306	2,790	3,306	2,790
Parking	-	-	7,609	6,520	7,609	6,520
Sewer	-	-	17,874	12,195	17,874	12,195
Refuse disposal	-	-	18,101	16,450	18,101	16,450
Electric	-	-	170,423	192,326	170,423	192,326
Water	-	-	34,953	33,886	34,953	33,886
Total expenses	313,862	268,743	256,759	268,399	570,621	537,142
Excess (deficiency) before transfers	(24,425)	4,029	23,444	40,117	(981)	44,146
Transfers	25,167	26,100	(25,167)	(26,100)	-	-
Gain on exchange of land	1,978	-	-	-	1,978	-
Capital contributions	-	(1,712)	-	1,712	-	-
Increase in net assets	2,720	28,417	(1,723)	15,729	997	44,146
Net assets - Beginning of the year	952,437	924,020	700,589	684,860	1,653,026	1,608,880
Net assets - End of the year	\$ 955,157	952,437	698,866	700,589	1,654,023	1,653,026

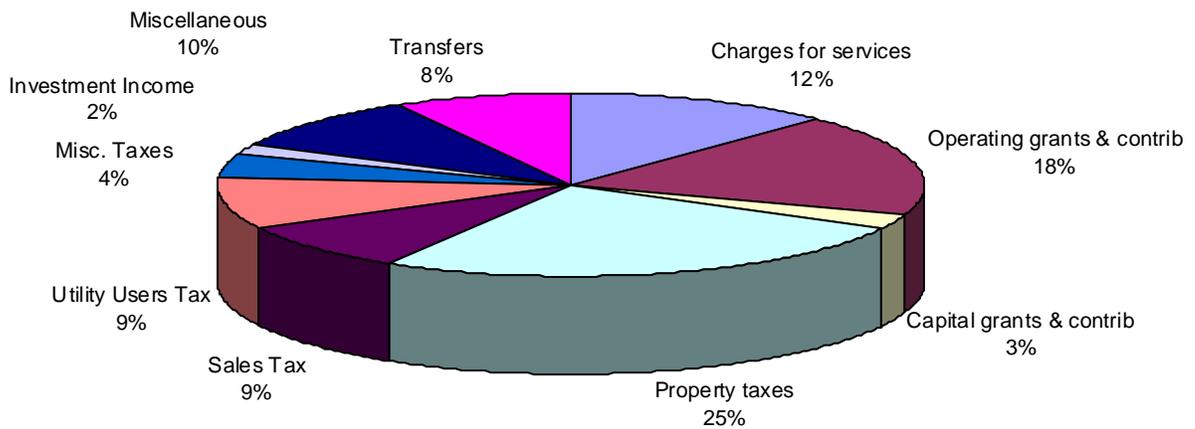
City of Glendale

Management's Discussion and Analysis, continued

June 30, 2010

(in thousands)

Revenues By Source – Governmental Activities



Business-type activities. Business-type activities decreased the City of Glendale's net assets by \$1,723. Key elements of this decrease are as follows.

- Charges for services decreased overall by \$29,243 (10.0%) during the year. This decrease can be attributed to a decrease in Electric Sales because of lower usage due to better weather conditions and reduction in Fuel Adjustment Charge, decrease in Water Sales because of lower usage due to the mandatory water conservation, and an increase in Parking fees due to higher parking citations and parking meter collections.
- Capital grants and contribution increased by \$4,148 (126.0%) during the year. The increase is mostly due to the Smart Grid Investment Grant Program (SGIG) by the City of Glendale in conjunction with Glendale Water and Power to upgrade all electric and water meters in the City to Smart Meters.
- Investment income decreased by \$3,561 (42.8%) during the year due to a decrease in return on investment, an overall decrease in interest rates in the market, and financial turmoil due to the downturn in the economy.
- Electric expense decreased by \$21,903 (11.4%) during the year. This decrease can primarily be attributed to decrease in the cost of energy and transmission costs, gas savings from the Scholl Canyon Landfill contract buyout in January 2010, and reduction in wholesale activities.

City of Glendale

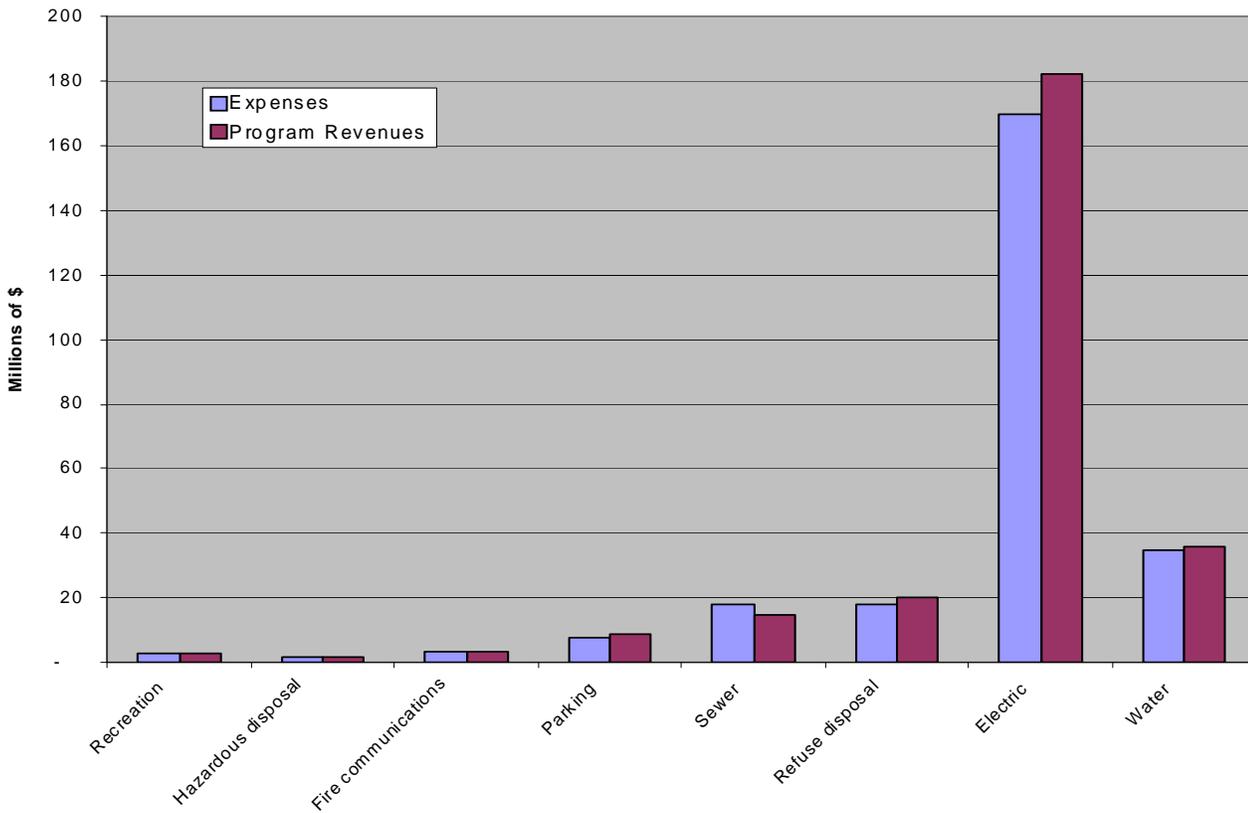
Management's Discussion and Analysis, continued

June 30, 2010

(in thousands)

- Sewer expense increased by \$5,679 (46.6%) during the year due to the payment of the Glendale's share of the Los Angeles Glendale Water Reclamation Plant and an increase in the cost allocation and fleet charges for fiscal year 09-10.
- Parking expense increased by \$1,089 (16.7%) during the year due to an increase in the cost allocation charges for fiscal year 09-10 and higher parking citation processing payments to Los Angeles Superior Court.
- Refuse expense increased by \$1,651 (10.1%) during the year due to an increase in the cost allocation charges for fiscal year 09-10 and higher contractual service expenditures.

Expenses and Program Revenues –Business-type Activities



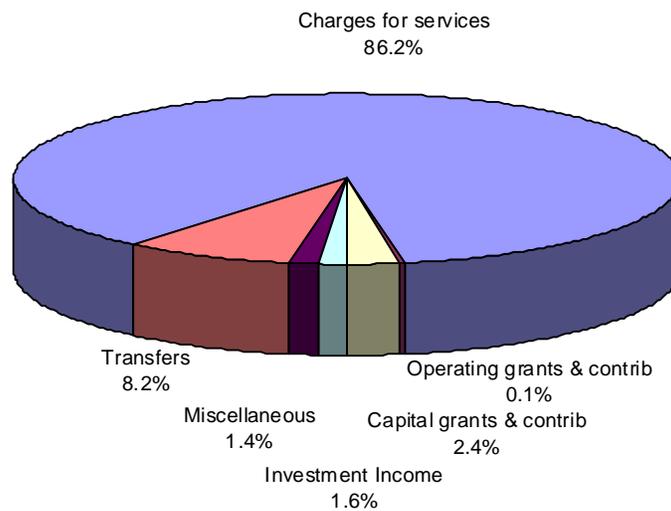
City of Glendale

Management's Discussion and Analysis, continued

June 30, 2010

(in thousands)

Revenues By Source –Business-type Activities



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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$250,036, a decrease of \$1,897 in comparison with the prior year. About 47% of this total amount \$116,629 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 \$7,946, 2) to meet the charter reserve requirement \$20,619, 3) to hold property for future development \$15,883, 4) to pay debt service \$11,445, 5) advance of City funds to the Glendale Redevelopment Agency \$71,086, 6) for prepaid items \$3,077, 7) for the return of deposits \$7 and 8) for the loans receivable \$3,344.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2010

(in thousands)

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 \$28,766 and \$20,619, respectively, while total fund balance was \$120,471. 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 \$49,385, represent 32% of total general fund expenditures.

The fund balance of the City's General fund decreased by \$5,192 during the current fiscal year, and it is mainly due to lower property tax revenue, sales tax revenue and investment earnings resulting from the continued recession.

The Glendale Redevelopment Agency fund has a fund balance of \$6,468. This is primarily due to the increase in the other financing sources due to the issuance of the 2010 Tax Allocation Bonds to fund economic development activities of the Agency primarily relating to the Adult Recreation Center Improvement; Glendale Central Library Renovation and Columbus Soccer Field Project, of which the bond proceeds have not been fully expended as of the end of the current fiscal year. During the current fiscal year, the total fund balance in this fund increased by \$17,708.

The Capital Improvement Fund has a negative fund balance of \$8,457. In comparison with the prior fiscal year, the fund balance decreased by \$22,697. The key factors in this decrease are as follows:

- In fiscal year 2009-10, cash reserve for Scholl Canyon landfill post-closure of \$22,100 was transferred from Capital Improvement Fund to a separate Landfill Post-closure Fund.
- Percentage of sales tax deposited into Capital Improvement Fund decreased from 14% to 4% from fiscal year 2008-09 to fiscal year 2009-10.

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 \$63,254 for the Sewer Fund, \$155,672 for the Electric Fund, \$778 for the Water Fund, and \$28,106 for the other proprietary funds. The net assets for the Sewer Fund decreased by \$1,459, followed by with an increase in Electric Fund of \$3,401, a \$119 decrease for the Water Fund, and a \$3,765 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

The significant change between the original and adopted General Fund budget was a transfer of \$2.7 million from the undesignated fund balance to the Liability Insurance Fund. Other changes included an increase to the final budget for Fire and Public Works for approximately \$407k and \$340k respectively. For the Fire Department, most of the increase was due to a Firefighter Recruit Academy and for Public Works, the increase was attributable to recovery efforts for the Station Fire.

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, 2010, amounts to \$1,283,161 (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 progress. The total increase in the City's investment in capital assets for the current fiscal year was 4.3%; this represents a 3.1% increase for governmental activities and a 6.3% increase for business-type activities.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2010

(in thousands)

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

- Land purchases include \$169 for Tax Defaulted Property Purchases, and \$215 for Interstate 5/Western Interchange. Gangi Development procured a land swap of 4201 Pennsylvania Ave. for Deerpass Open Space Parcel of \$1,978.
- At the close of the fiscal year, the Electric fund reflected a \$2,065 increase in buildings & improvements, and a \$37,969 increase in machinery and equipment compared to the prior year. The increases are mostly due to improvements and upgrades of GWP physical plant and electric facilities.
- At the close of the fiscal year, the Water fund reflected a \$741 increase in buildings & improvements, and a \$2,087 increase in machinery and equipment compared to the prior year. The increases are mostly due to improvements of water facilities and capital purchases for the Automated Meters Infrastructure (AMI-Smart Grid Program).

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

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 437,717	\$ 435,058	15,043	14,986	452,760	450,044
Natural Gas Reserve	-	-	15,633	14,876	15,633	14,876
Buildings and improvements	267,844	267,141	392,011	383,199	659,855	650,340
Machinery & equipment	90,329	84,206	504,869	461,672	595,198	545,878
Infrastructure	231,170	230,401	-	-	231,170	230,401
Construction in progress	80,267	52,847	111,277	100,241	191,544	153,088
Total capital assets	1,107,327	1,069,653	1,038,833	974,974	2,146,160	2,044,627
Less: Accumulated depreciation	(227,096)	(216,987)	(386,832)	(366,154)	(613,928)	(583,141)
Less: Gas depletion	-	-	(2,137)	(1,852)	(2,137)	(1,852)
Net of depreciation	\$ 880,231	\$ 852,666	649,864	606,968	1,530,095	1,459,634

Additional information on the City's capital assets can be found in note III B on pages 56-57 as well as pages 144-147 of this report.

Long-term debt. At the end of the current fiscal year, the City has total debt outstanding of \$469,876. Of this amount, \$40,776 is claims payable, \$27,447 is compensated absences ; \$11,868 is post employment benefits; and \$31,826 is set aside for the postclosure and postclosure care of Scholl Canyon landfill. Bonds payable totaling \$332,937 include \$54,000 in Certificates of Participation (COPs) that were issued in 2000 to fund the new police facility; \$103,122 are tax allocation bonds backed by the property tax increment collected from the Central redevelopment project area; \$121,150 are the revenue bonds secured solely by Electric Utility revenue; \$50,000 are the revenue bonds secured solely by Water Utility revenue; \$6,726 is for bond premiums; a negative of \$349 is for the net original bond discount on 2010 tax allocation bonds; a negative \$1,712 is for a deferred amount on the refunding of the 2006 Electric revenue bond. Other long term liabilities totaling \$25,123 comprise of the following capital leases: \$4,993 for the MSB retrofit project, \$2,038 and \$1,835 for the 2005 and 2009 fire equipments; \$103 for arbitrage rebate liability; \$690 is for section 108 loan, \$10,716 is for low and moderate income loans; \$4,643 is for the Residential Development Loan Program (RDLP).

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2010

(in thousands)

City of Glendale's Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
General long-term debts:						
Claims payable	\$ 40,776	36,124	-	-	40,776	36,124
Compensated absences	20,197	18,654	7,250	7,063	27,447	25,717
Post employment benefits	8,168	2,796	3,700	1,201	11,868	3,997
Landfill postclosure and postclosure care liability	31,826	24,542	-	-	31,826	24,542
Bonds payable:						
Police building project (COPs)	54,000	55,500	-	-	54,000	55,500
2002 GRA Tax allocation bonds	34,140	36,305	-	-	34,140	36,305
2003 GRA Tax allocation bonds	42,012	44,627	-	-	42,012	44,627
2010 GRA Tax allocation bonds	26,970	-	-	-	26,970	-
Electric revenue bonds, 2003 series	-	-	26,075	26,870	26,075	26,870
Electric revenue bonds, 2006 refunding series	-	-	35,075	36,135	35,075	36,135
Electric revenue bonds, 2008 series	-	-	60,000	60,000	60,000	60,000
Water revenue bonds, 2008 series	-	-	50,000	50,000	50,000	50,000
Bond premium	2,861	3,112	3,869	4,061	6,730	7,173
Net original bond discount - 2010 TAB	(349)	-	-	-	(349)	-
Deferred amount on refunding – 2006 series	-	-	(1,712)	(1,863)	(1,712)	(1,863)
Total bonds payable	159,634	139,544	173,307	175,203	332,941	314,747
Other long-term liabilities:						
Capital leases:						
MSB retrofit lease - Capital One Public	4,993	6,110	-	-	4,993	6,110
Fire equip't lease 2005 - Sun Trust Leasing	2,038	2,404	-	-	2,038	2,404
Fire equip't lease 2009 - Wells Fargo Equip.	1,835	2,026	-	-	1,835	2,026
Arbitrage rebate liability (COPs) & 2006 series	83	492	20	19	103	511
Section 108 loan	690	690	-	-	690	690
Low and mod loan	10,716	13,352	-	-	10,716	13,352
Residential development loan program (RDLP)	4,643	-	-	-	4,643	-
Accrued interest	-	-	-	110	-	110
Total other long-term liabilities	24,998	25,074	20	129	25,018	25,203
Total general long-term debts	\$ 285,599	246,734	184,277	183,596	469,876	430,330

- The City's total debt increased by \$39,546 (9.19%) in the current fiscal year. The primary factors in this increase were issuance of new debt: \$26,970 of 2010 GRA Tax Allocation Bonds and \$4,643 of the new Housing Authority Residential Development Loan Program (RDLP). Other significant increases were: \$7,871 in post employment benefits, \$7,284 in the post-closure and post-closure care liability for the Scholl Canyon landfill, \$4,652 increase in claims payable as well \$1,730 increase in compensated absences. The remaining difference is the regular retirement of annual debt service payments.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2010

(in thousands)

The City's Debt Ratings (based on insurance purchased related to the issues):

Debt Issue	Moody's	Standard & Poor's (S & P)	Fitch Ratings'
Police building project (COP)	Aa3(Con)/VMIG-1 *	AA+/A-1+ *	AA-/F1+ *
2002 GRA tax allocation bonds	Aaa	AAA	N/A
2003 GRA tax allocation bonds	Aaa	AAA	N/A
2010 GRA tax allocation bonds	Baa2	A-	N/A
Electric revenue bonds, 2003 series	Aaa	AAA	AAA
Electric revenue bonds, 2006 refunding series	Aaa	AAA	AAA
Electric revenue bonds, 2008 series	Aaa	AAA	AAA
Water revenues bonds, 2008 series	Aaa	AAA	AAA

* These ratings are based upon the issuance of the Liquidity Facility. The City's Liquidity Facility Provider is JPMorgan Chase Bank, N.A. (JPMorgan). The JPMorgan's ratings were based in the year 2000 when the CPOs was issued.

In February 2010, the Standard & Poor's Rating Services raised the City's General Obligation (GO) credit rating from 'AA+' to 'AAA'. The rating action reflects the S&P's view of the City's improved General Fund reserves and sound management practices. As of June 30, 2010, the City has no General Obligation (GO) debt outstanding. At the same time, Standard & Poor's raised the City's long-term rating from 'AA' to 'AA+' on the City's outstanding Certificates of Participation (COPs).

In November 2009 Fitch Ratings has affirmed that the City of Glendale Financing Authority, California Variable Rate Demand Certificates of Participation (COPs) - 2000 police building project is at '**AA-; Outlook Stable**'. The COPs' full rating is 'AA-/F1+'. The 'F1+' short-term rating is based upon a Standby Bond Purchase Agreement (SBPA) provided by JPMorgan Chase Bank, N. A. The 'F1+' rating was not affirmed in conjunction with Fitch Ratings' press release. The 'AA-' rating reflects the city of Glendale's (the City) sound financial management, high fund balance levels, low debt burden and significant financial flexibility. The City's solid management practices are evidenced by very high reserve levels supported by a strong policy, conservative budgeting, and regular financial reporting. The City's strong debt service cash balance offsets the risk posed by the COPs' interest rate volatility. Fitch views the City's maintenance of high reserve levels as offsetting concerns regarding the economic sensitivity of a sizable share of General Fund revenues.

Bonds which are rated 'AAA' & 'Aaa' are judged to be of the best quality. They carry the smallest degree of investment risk. Interest payments are protected by a large or an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues. Bonds rated 'AAA' are generally known as investment grade bonds of which the issuer of the Bonds is judged to have a very strong capacity to meet its financial commitments.

Additional information on the City's long-term debt can be found in note III C on pages 58-65 of this report.

Economic Factors and Next Year's Budget and Rates

For the 2010-11 adopted budget, a variety of strategies were deployed in an effort to maintain a balanced General Fund budget. Included in the balancing efforts were a combination of restructuring of other funds/departments, cost recovery through Citywide Cost Allocation, and interfund transfers. Negotiations with the Employee Associations to reduce City benefit costs and a hard hiring freeze resulted in some cost savings to the General Fund. For the third year in a row, departments have implemented reductions in an effort to continue to reduce operating costs. In regards to the revenue estimates for the upcoming year, the following is a brief discussion on the major revenues sources for the General Fund:

- The property tax revenue projection for 2010-11 will not see an increase in the "current" property tax category. However, other property tax revenues have seen a slight increase during the 2009-10 fiscal year which will likely be the case again for next year. As a result, the total Property Tax category is projected to increase slightly by 2.4%.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2010

(in thousands)

- Sales tax revenues are expected to remain flat for the upcoming year. This is attributable to a variety of economic factors that include high unemployment, the State's continuing fiscal problems and the continued slump in construction activity. It should be noted that 4% of the sales tax revenues have historically been deposited to the Capital Improvement Program; however this will be suspended for the 2010-11 fiscal year, and will be re-evaluated every year.
- Utility users' tax is expected to remain flat for the 2010-11 fiscal year and comprises 16.5% of the total General Fund revenue.
- Licenses and permits continue to see a decline as a result of decreased building activity. The 2010-11 fiscal year projection indicates a 9.4% reduction from 2009-10.
- Fines and Forfeitures are projected to increase of 32% when compared to last year. The increase is attributable to the revenues collected by the Red Light Camera. These revenues were previously deposited to the Police Staffing Augmentation Fund, but since that fund will be closed during the 2010-11 fiscal year, the revenues will be deposited to the General Fund.
- The Interfund Revenue will increase 21% relative to last year. The increase is attributable to the increase in cost recovery through the Citywide Cost Allocation Plan due to central support departments staff previously budgeted outside of the General Fund being moved back to the General Fund and cost allocated out. This increase directly offsets the increase costs of budgeting central support staff into the General Fund (rather than the operating departments) and cost allocating their costs out to the operating departments through the Cost Plan.

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.

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Exhibit A-1
CITY OF GLENDALE
Statement of Net Assets
June 30, 2010 (in thousands)

	Governmental Activities	Business Type Activities	Total
Assets			
Current assets:			
Cash and invested cash	\$ 257,536	159,868	417,404
Cash with fiscal agent	17,322	8,189	25,511
Restricted Investment	-	2,408	2,408
Interest receivable	1,697	996	2,693
Accounts receivable, net	36,885	39,113	75,998
Internal balances	26,964	(26,964)	-
Inventories	435	6,238	6,673
Prepaid items	3,591	21,525	25,116
	<hr/>		
Total current assets	344,430	211,373	555,803
Noncurrent assets:			
Capital assets:			
Land	437,717	15,043	452,760
Natural gas reserve	-	13,496	13,496
Buildings and improvements	188,494	248,829	437,323
Machinery and equipment	29,920	261,219	291,139
Infrastructure	143,833	-	143,833
Construction in progress	80,267	111,277	191,544
	<hr/>		
Total capital assets	880,231	649,864	1,530,095
Designated & invested cash	22,100	46,002	68,102
Deferred charges	2,841	3,380	6,221
Loans receivable	3,344	-	3,344
Property held for resale	15,883	-	15,883
	<hr/>		
Total non current assets	924,399	699,246	1,623,645
	<hr/>		
Total assets	\$ 1,268,829	910,619	2,179,448

(Continued)

Exhibit A-1
CITY OF GLENDALE
Statement of Net Assets
June 30, 2010 (in thousands)

	Governmental Activities	Business Type Activities	Total
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	\$ 15,187	20,049	35,236
Accrued wages and withholding	6,877	-	6,877
Interest payable	1,114	3,387	4,501
Claims payable	13,108	-	13,108
Compensated absences	2,094	771	2,865
Bonds payable, due in one year	6,846	2,390	9,236
Unearned revenues	883	-	883
Deposits	4,012	4,040	8,052
Other current liabilities	4,774	20	4,794
	<u>54,895</u>	<u>30,657</u>	<u>85,552</u>
Total current liabilities			
Noncurrent liabilities:			
Claims payable	27,668	-	27,668
Post employment benefits	8,168	3,700	11,868
Compensated absences	18,103	6,479	24,582
Landfill postclosure	31,826	-	31,826
Long term bonds payable	152,788	170,917	323,705
Long term debt	20,224	-	20,224
	<u>258,777</u>	<u>181,096</u>	<u>439,873</u>
Total noncurrent liabilities			
	<u>313,672</u>	<u>211,753</u>	<u>525,425</u>
Total liabilities			
Net assets:			
Invested in capital assets, net of related debt	806,721	476,440	1,283,161
Restricted			
Charter	20,619	-	20,619
Low and moderate housing	24,790	-	24,790
Debt service	11,445	8,123	19,568
SCAQMD emission controls	-	5,741	5,741
Unrestricted	91,582	208,562	300,144
	<u>955,157</u>	<u>698,866</u>	<u>1,654,023</u>
Total net assets			

CITY OF GLENDALE

Statement of Activities

For Fiscal Year Ended June 30, 2010 (in thousands)

	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		Total
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	
Governmental Activities:							
General government	\$ 24,157	13,922	444	-	(9,791)	-	(9,791)
Police	66,923	1,136	611	-	(65,176)	-	(65,176)
Fire	55,743	12,070	1,682	88	(41,903)	-	(41,903)
Public works	38,529	10,170	25,062	6,817	3,520	-	3,520
Housing, health and comm dev	70,813	37	35,758	-	(35,018)	-	(35,018)
Employment programs	7,397	1,427	5,022	-	(948)	-	(948)
Public service	8,249	-	702	-	(7,547)	-	(7,547)
Parks, recreation and community services	15,578	9	346	-	(15,223)	-	(15,223)
Library	9,241	239	278	-	(8,724)	-	(8,724)
Interest and fiscal charges on bonds	17,232	-	-	-	(17,232)	-	(17,232)
Total governmental activities	313,862	39,010	69,905	6,905	(198,042)	-	(198,042)
Business-type activities:							
Recreation	2,645	2,353	175	32	-	(85)	(85)
Hazardous disposal	1,848	1,533	84	-	-	(231)	(231)
Fire Communications	3,306	3,199	17	-	-	(90)	(90)
Parking	7,609	8,944	-	-	-	1,335	1,335
Sewer	17,874	14,709	16	4	-	(3,145)	(3,145)
Refuse disposal	18,101	19,941	45	-	-	1,885	1,885
Electric	170,423	176,903	-	6,799	-	13,279	13,279
Water	34,953	35,716	84	605	-	1,452	1,452
Total business-type activities	256,759	263,298	421	7,440	-	14,400	14,400
Total primary government	\$ 570,621	302,308	70,326	14,345	(198,042)	14,400	(183,642)

General revenues:		
Taxes:		
Property taxes	\$ 80,422	80,422
Sales taxes	27,594	27,594
Utility users tax	27,827	27,827
Other taxes	13,891	13,891
Investment income	5,806	10,576
Other	18,077	22,351
Transfers	25,167	-
Gain on exchange of land	1,978	1,978
Total general revenues, transfers and gain on exchange of land	200,762	184,639
Change in net assets	2,720	997
Net assets, July 1	952,437	1,653,026
Net assets, June 30	\$ 955,157	1,654,023

Exhibit B-1
CITY OF GLENDALE
 Balance Sheet
 Governmental Funds
 June 30, 2010 (in thousands)

	Major Funds				
	General Fund	Glendale Redevelopment Agency Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and invested cash	\$ 43,318	65,245	-	85,127	193,690
Cash with fiscal agent	-	1,996	-	15,326	17,322
Designated & invested cash	-	-	-	22,100	22,100
Interest receivable	337	449	6	402	1,194
Accounts receivable, net	11,904	3,755	12,304	8,755	36,718
Advances to other funds	71,086	-	-	-	71,086
Due from other funds	15,136	-	-	-	15,136
Inventories	435	-	-	-	435
Prepaid items	-	222	-	2,855	3,077
Loans receivable	-	3,344	-	-	3,344
Property held for resale	-	5,074	-	10,809	15,883
Total assets	142,216	80,085	12,310	145,374	379,985
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	3,235	2,460	4,707	2,828	13,230
Due to other funds	-	-	6,700	9,767	16,467
Interest payable	-	-	-	12	12
Wages and benefits payable	6,877	-	-	-	6,877
Unearned/Deferred revenues	7,769	-	9,360	1,136	18,265
Deposits	3,864	71	-	77	4,012
Advances from other funds	-	71,086	-	-	71,086
Total liabilities	\$ 21,745	73,617	20,767	13,820	129,949

(Continued)

Exhibit B-1
CITY OF GLENDALE
 Balance Sheet
 Governmental Funds
 June 30, 2010 (in thousands)

	Major Funds				
	General Fund	Glendale Redevelopment Agency Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Agency Fund	Fund	Funds	Funds
Fund Balances (Deficit):					
Reserved:					
Deposit	\$ -	7	-	-	7
Prepaid	-	222	-	2,855	3,077
Charter	20,619	-	-	-	20,619
Debt service	-	-	-	11,445	11,445
Encumbrance	-	-	-	7,946	7,946
Loans receivable	-	3,344	-	-	3,344
City/Agency advances	71,086	-	-	-	71,086
Property held for resale	-	5,074	-	10,809	15,883
Unreserved, reported in:					
General funds	28,766	-	-	-	28,766
Special revenue funds	-	(2,179)	-	25,424	23,245
Capital project funds	-	-	(8,457)	35,234	26,777
Debt service	-	-	-	37,841	37,841
Total fund balances (deficit)	120,471	6,468	(8,457)	131,554	250,036
Total liabilities and fund balances	\$ 142,216	80,085	12,310	145,374	379,985

Exhibit B-2

CITY OF GLENDALE

Reconciliation of Balance Sheet of

Governmental Funds to the Statement of Net Assets

June 30, 2010 (in thousands)

Fund balances of governmental funds	\$	250,036
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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	\$	437,717	
Buildings and improvements		188,494	
Equipment		29,920	
Infrastructure		143,833	
Construction in progress		<u>80,267</u>	880,231

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	460	
Low & Mod Housing loan	48	
2002 Tax allocation bonds	663	
2003 Tax allocation bonds	1,323	
2010 Tax allocation bonds	<u>347</u>	2,841

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

Due within one year:

Police building bonds	(1,600)	
2002 Tax allocation bonds	(2,240)	
2003 Tax allocation bonds	(2,755)	
Capital lease	(1,745)	
Arbitrage liability	(83)	
2002 Tax allocation bond premium-current	(106)	
2003 Tax allocation bond premium-current	(145)	
Section 108	(220)	
Loans Payable Current - Low & Mod Housing	<u>(2,726)</u>	(11,620)

Due more than one year:

Police building bonds	(52,400)	
2002 Tax allocation bonds	(31,900)	
2003 Tax allocation bonds	(39,257)	
2010 Tax allocation bonds	(26,970)	
Post closure and post closure care	(31,826)	
2002 Tax allocation bond premium-long term	(1,109)	
2003 Tax allocation bond premium-long term	(1,501)	
2010 Tax allocation bond discount-long term	349	
Capital lease	(7,121)	
Section 108	(470)	
RDLP Loan	(4,643)	
Loans Payable LT - Low & Mod Housing	<u>(7,990)</u>	(204,838)

(Continued)

Exhibit B-2

CITY OF GLENDALE

Reconciliation of Balance Sheet of

Governmental Funds to the Statement of Net Assets

June 30, 2010 (in thousands)

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

2002 Tax allocation bonds	\$	(134)	
2003 Tax allocation bonds		(157)	
2010 Tax allocation bonds		(486)	
RDLP Loan		(37)	
Section 108		(11)	
Low & Mod Housing		(53)	
Capital lease		<u>(224)</u>	(1,102)

Deferred revenue in the governmental funds is revenue in the statement of activities: 17,382

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. 22,227

Net assets of governmental activities \$ 955,157

Exhibit C-1

CITY OF GLENDALE

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Fund

Year Ended June 30, 2010 (in thousands)

	Major Funds				
	General Fund	Glendale Redevelopment Agency Fund	Capital Improvement Fund	Non Major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 40,336	23,877	-	16,209	80,422
Sales tax	25,146	-	1,133	1,315	27,594
Utility users tax	27,827	-	-	-	27,827
Other taxes	5,850	-	2,049	5,992	13,891
Revenue from other agencies	2,024	2,333	18,449	57,516	80,322
Licenses and permits	4,553	-	1,048	-	5,601
Fines and forfeitures	1,206	-	-	1,820	3,026
Charges for services	3,237	16	3,860	15,332	22,445
Use of money and property	5,976	1,621	3	2,051	9,651
Interfund revenue	12,012	-	-	-	12,012
Sales of property	2	-	-	8	10
Miscellaneous revenue	1,665	130	25	1,527	3,347
Total Revenues	129,834	27,977	26,567	101,770	286,148
Expenditures:					
Operating expenditures					
General government	19,539	-	36	640	20,215
Community promotion	55	-	-	-	55
Police	53,842	-	15	7,820	61,677
Fire	37,098	-	10	14,360	51,468
Public works	21,482	-	1,734	10,817	34,033
Housing, health and community development					
	2,828	27,567	-	44,007	74,402
Employment programs	-	-	-	5,060	5,060
Public service	-	-	-	8,053	8,053
Parks, recreation and community services					
	11,277	-	1,113	462	12,852
Library	7,773	-	122	448	8,343
Capital	234	7,352	19,074	14,383	41,043
Debt service	-	-	-	14,914	14,914
Total expenditures	154,128	34,919	22,104	120,964	332,115
Excess of revenues over (under) expenditures	\$ (24,294)	(6,942)	4,463	(19,194)	(45,967)

(Continued)

Exhibit C-1

CITY OF GLENDALE

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Fund

Year Ended June 30, 2010 (in thousands)

	Major Funds				
	General Fund	Glendale Redevelopment Agency Fund	Capital Improvement Fund	Non Major Governmental Funds	Total Governmental Funds
Other financing sources (use):					
Issuance of debt	\$ -	24,650	-	6,431	31,081
Transfer from					
Transfer-General Fund	-	-	-	4,737	4,737
Transfer-Capital Funds	5,850	-	1,182	23,492	30,524
Transfer-Debt Service	5,000	-	-	-	5,000
Transfer-Electric	19,107	-	-	-	19,107
Transfer-Water	4,160	-	-	-	4,160
Transfer-Parking	1,900	-	-	-	1,900
Transfer-Internal Service Fund	1,000	-	-	-	1,000
Total transfer from	37,017	-	1,182	28,229	66,428
Transfer to					
Transfer-General Fund	-	-	(4,850)	(6,000)	(10,850)
Transfer-Special Revenue	(4,737)	-	-	-	(4,737)
Transfer-Debt Service	-	-	(1,392)	-	(1,392)
Transfer-Capital Funds	-	-	(22,100)	(1,182)	(23,282)
Transfer-Internal Service	(13,178)	-	-	-	(13,178)
Total transfer to	(17,915)	-	(28,342)	(7,182)	(53,439)
Total financing sources (use)	19,102	24,650	(27,160)	27,478	44,070
Net change in fund balances	(5,192)	17,708	(22,697)	8,284	(1,897)
Fund balance (deficit), July 1	125,663	(11,240)	14,240	123,270	251,933
Fund balance (deficit), June 30	\$ 120,471	6,468	(8,457)	131,554	250,036

Exhibit C-2

CITY OF GLENDALE

Reconciliation of the Statement of Revenue, Expenditures, and Changes in the Fund balances of
 Governmental Funds to the Statement of Activities
 Year Ended June 30, 2010 (in thousands)

Net change in fund balances - total governmental funds	\$	(1,897)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital assets as expenditures		41,634
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		(16,555)
In the statement of activities, bond issuance costs are deferred and allocated to expense over the life of bonds:		
Police building bonds	\$	(23)
Low & Mod Housing Loan		(16)
2002 Tax allocation bonds		(58)
2003 Tax allocation bonds		(118)
		(215)
Issuance of long-term debt provide current financial resources to the governmental funds but increases long-term liabilities in the statement of net assets		(31,082)
In the statement of activities, bond premium is allocated over the life of bonds as revenue		
2002 Tax allocation bonds		106
2003 Tax allocation bonds		145
		251
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		1,500
2002 Tax allocation bonds		2,165
2003 Tax allocation bonds		2,615
Capital lease		1,117
RDLP Loan		165
Low & Mod Housing Loan		2,636
		10,198

(Continued)

Exhibit C-2

CITY OF GLENDALE

Reconciliation of the Statement of Revenue, Expenditures, and Changes in the Fund balances of
 Governmental Funds to the Statement of Activities
 Year Ended June 30, 2010 (in thousands)

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 2009			
2002 Tax allocation bonds	\$	6	
2003 Tax allocation bonds		12	
2010 Tax allocation bonds		(486)	
RDLP Loan		(37)	
Section 108		3	
Low & Mod Housing Loan		(36)	
Capital lease - MSB Retrofit		<u>56</u>	(482)
Landfill postclosure care liability increased from prior year			(7,283)
Arbitrage liability decreased from prior year			410
Deferred revenue in the governmental funds is a revenue in the statement of activities			3,683
Change in net assets of Internal Service funds allocated to governmental activities			4,058
Change in net assets for governmental activities	\$		<u><u>2,720</u></u>

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues - Budget to Actual

General Fund

Year Ended June 30, 2010 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Property taxes	\$ 41,237	41,237	40,336	(901)
Sales taxes				
Sales tax	17,116	19,736	18,243	(1,493)
ERAF in lieu of sales tax	5,705	5,705	5,572	(133)
State 1/2% sales tax	1,600	1,600	1,331	(269)
Total	24,421	27,041	25,146	(1,895)
Utility users tax	28,525	28,525	27,827	(698)
Other Taxes				
Franchise tax	2,713	2,713	2,587	(126)
Occupancy tax	2,900	2,900	2,690	(210)
Property transfer tax	550	550	573	23
Total	6,163	6,163	5,850	(313)
Licenses and permits:				
Dog licenses	130	130	106	(24)
Building permits	3,800	3,800	2,768	(1,032)
Plan check fees	290	290	133	(157)
Variance permits	675	675	817	142
Grading permits	10	10	25	15
Street permits	300	300	272	(28)
Business license permits	425	425	431	6
Total	5,630	5,630	4,553	(1,077)
Fines & forfeitures-Traffic safety fines	1,200	1,200	1,206	6
Use of money and property:				
Interest & inv. revenue	2,382	2,382	959	(1,423)
Interest & inv GASB 31	-	-	175	175
Landfill gas royalties	2,750	2,750	2,071	(679)
Rental income	240	240	240	-
Lease income	450	450	450	-
Subtotal	5,822	5,822	3,895	(1,927)
Interest on advance to GRA	2,081	2,081	2,081	-
Total	\$ 7,903	7,903	5,976	(1,927)

(Continued)

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues - Budget to Actual

General Fund

Year Ended June 30, 2010 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Revenue from other agencies:				
Federal grant	\$ -	-	128	128
Disaster relief reimb	-	-	638	638
Mutual aid reimbursement	-	-	149	149
Historic preserve grant	-	9	9	-
Disaster relief reimb - State	-	-	167	167
State S/B 90	100	100	75	(25)
Motor vehicle in lieu	500	500	608	108
State library grant	80	80	27	(53)
State H/O exemptions	225	225	218	(7)
County grants	10	10	5	(5)
Joint project	-	-	1	1
Total	915	924	2,024	1,100
Miscellaneous revenue:				
Donations & contribution	40	40	7	(33)
Rose float donations	-	-	50	50
Sponsorships	-	-	16	16
Advertising revenue	4	4	35	31
Miscellaneous Revenue	350	350	1,559	1,209
Total	394	394	1,667	1,273
Charges for services:				
Zoning-Subdivision fees	24	24	26	2
Map and publication fees	40	40	32	(8)
Filing-certification fee	10	10	3	(7)
Notary fees	-	-	2	2
Child identification kits	-	-	1	1
Film rentals of city property	100	100	41	(59)
Special event fees	-	-	90	90
Finger print fees	200	200	219	19
Special police fees	500	500	410	(90)
Vehicle tow admin fee (VTACR)	150	150	160	10
Fire fees	475	475	277	(198)
Fire mechanical maint fees	10	10	-	(10)
Hazardous vegetation fee	-	-	1	1
Code enforcement fees	60	60	37	(23)
Administrative code enforcemen	35	35	-	(35)
Youth employment fees	1,558	1,558	1,359	(199)
Outreach revenue	130	130	68	(62)
Express plan check fees	21	21	95	74

(Continued)

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues - Budget to Actual

General Fund

Year Ended June 30, 2010 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Excavation fees	\$ 90	90	100	10
Collectible jobs - A & G	80	80	88	8
Library fines and fees	125	125	115	(10)
Aquatics	15	15	9	(6)
Local assessment fees	5	5	72	67
Graphics fees (external)	-	-	32	32
Total	3,628	3,628	3,237	(391)
Interfund revenue				
Charges to enterprise funds for:				
Salary O/H budget Job	408	408	494	86
Cost allocation revenue	11,818	11,818	11,518	(300)
Total	12,226	12,226	12,012	(214)
Total revenues	\$ 132,242	134,871	129,834	(5,037)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2010 (in thousands)

		Salaries and Benefits			
		Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
General government:					
	City clerk	\$ 883	883	828	55
	City treasurer	486	486	481	5
	City manager	2,965	2,965	2,862	103
	City auditor	770	745	584	161
	Legal	1,544	1,544	1,500	44
	Finance	2,163	2,163	2,001	162
	Purchasing	444	444	370	74
	Information services	3,798	3,773	3,723	50
	Planning	3,169	3,169	3,189	(20)
	Personnel	1,257	1,257	1,175	82
	Training	-	-	-	-
	Total	<u>17,479</u>	<u>17,429</u>	<u>16,713</u>	<u>716</u>
Community promotion:					
	Special events	-	-	-	-
	Membership and dues	-	-	-	-
	Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Police:					
	Police	47,657	47,657	47,268	389
	Total	<u>47,657</u>	<u>47,657</u>	<u>47,268</u>	<u>389</u>
Fire:					
	Fire	30,270	30,665	31,633	(968)
	Fire prevention	1,226	1,226	867	359
	Fire communications	-	-	-	-
	Emergency services	109	109	108	1
	Total	<u>\$ 31,605</u>	<u>32,000</u>	<u>32,608</u>	<u>(608)</u>

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2010 (in thousands)

		Maintenance and Operation			
		Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
General government:					
	City clerk	\$ 148	148	142	6
	City treasurer	60	60	58	2
	City manager	860	979	588	391
	City auditor	68	68	33	35
	Legal	152	152	117	35
	Finance	699	699	542	157
	Purchasing	25	25	17	8
	Information services	769	794	838	(44)
	Planning	151	250	215	35
	Personnel	355	355	155	200
	Training	175	175	121	54
	Total	<u>3,462</u>	<u>3,705</u>	<u>2,826</u>	<u>879</u>
Community promotion:					
	Special events	40	40	22	18
	Membership and dues	68	68	33	35
	Total	<u>108</u>	<u>108</u>	<u>55</u>	<u>53</u>
Police:					
	Police	6,879	6,879	6,574	305
	Total	<u>6,879</u>	<u>6,879</u>	<u>6,574</u>	<u>305</u>
Fire:					
	Fire	3,071	3,166	3,254	(88)
	Fire prevention	358	358	284	74
	Fire communications	911	886	884	2
	Emergency services	78	103	69	34
	Total	<u>\$ 4,418</u>	<u>4,513</u>	<u>4,491</u>	<u>22</u>

(Continued)

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures - Budget to Actual
General Fund
Year Ended June 30, 2010 (in thousands)

		Capital Outlay			
		Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
General government:					
City clerk	\$	-	-	-	-
City treasurer		-	-	-	-
City manager		6	26	25	1
City auditor		-	25	-	25
Legal		-	-	-	-
Finance		-	-	-	-
Purchasing		-	-	-	-
Information services		-	-	13	(13)
Planning		-	-	-	-
Personnel		-	-	-	-
Training		-	-	-	-
Total		6	51	38	13
Community promotion:					
Special events		-	-	-	-
Membership and dues		-	-	-	-
Total		-	-	-	-
Police:					
Police		-	-	-	-
Total		-	-	-	-
Fire:					
Fire		54	22	-	22
Fire prevention		-	-	-	-
Fire communications		-	-	-	-
Emergency services		-	15	15	-
Total	\$	54	37	15	22

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2010 (in thousands)

		Total			Variance With
		Original Budget	Final Budget	Actual	Final Budget (Over)/Under
General government:					
	City clerk	\$ 1,031	1,031	970	61
	City treasurer	546	546	539	7
	City manager	3,831	3,970	3,475	495
	City auditor	838	838	617	221
	Legal	1,696	1,696	1,617	79
	Finance	2,862	2,862	2,543	319
	Purchasing	469	469	387	82
	Information services	4,567	4,567	4,574	(7)
	Planning	3,320	3,419	3,404	15
	Personnel	1,612	1,612	1,330	282
	Training	175	175	121	54
	Total	<u>20,947</u>	<u>21,185</u>	<u>19,577</u>	<u>1,608</u>
Community promotion:					
	Special events	40	40	22	18
	Membership and dues	68	68	33	35
	Total	<u>108</u>	<u>108</u>	<u>55</u>	<u>53</u>
Police:					
	Police	54,536	54,536	53,842	694
	Total	<u>54,536</u>	<u>54,536</u>	<u>53,842</u>	<u>694</u>
Fire:					
	Fire	33,395	33,853	34,887	(1,034)
	Fire prevention	1,584	1,584	1,151	433
	Fire communications	911	886	884	2
	Emergency services	187	227	192	35
	Total	<u>\$ 36,077</u>	<u>36,550</u>	<u>37,114</u>	<u>(564)</u>

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2010 (in thousands)

	Salaries and Benefits			Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
Public works:				
Public works	\$ 639	639	640	(1)
Engineering	2,677	2,677	2,581	96
Building inspection	3,092	3,092	2,846	246
Corporation yard	-	-	-	-
Custodial services	919	919	925	(6)
Building services	1,542	1,542	1,518	24
Street administration	328	308	207	101
Street maintenance	1,443	1,508	1,057	451
Sidewalk maintenance	1,331	1,331	1,058	273
Street trees maintenance	956	956	861	95
Mechanical maintenance	-	-	-	-
Warehouse	112	112	93	19
Traffic engineering	576	576	839	(263)
Traffic signals	-	-	-	-
Traffic safety controls	388	388	283	105
Total	<u>14,003</u>	<u>14,048</u>	<u>12,908</u>	<u>1,140</u>
Housing, health and community development:				
Economic development	-	-	-	-
Community dev admin	-	-	7	(7)
Neighborhood services	1,078	1,184	975	209
Youth Employment	1,820	1,787	1,412	375
Total	<u>2,898</u>	<u>2,971</u>	<u>2,394</u>	<u>577</u>
Parks, recreation and community services:				
Parks administration	818	818	765	53
Parks	5,102	5,102	4,586	516
Facility & events services	1,223	1,223	1,196	27
Recreation & community services	2,284	2,284	1,923	361
Total	<u>9,427</u>	<u>9,427</u>	<u>8,470</u>	<u>957</u>
Library	<u>6,275</u>	<u>6,275</u>	<u>5,985</u>	<u>290</u>
Total expenditures	\$ <u>129,344</u>	<u>129,807</u>	<u>126,346</u>	<u>3,461</u>

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2010 (in thousands)

Maintenance and Operation				
	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Public works:				
Public works	\$ 53	53	40	13
Engineering	212	222	221	1
Building inspection	298	443	182	261
Corporation yard	112	112	118	(6)
Custodial services	146	146	116	30
Building services	1,259	1,515	1,328	187
Street administration	32	52	30	22
Street maintenance	375	769	435	334
Sidewalk maintenance	1,434	2,539	1,784	755
Street trees maintenance	701	910	667	243
Mechanical maintenance	2,412	2,412	2,420	(8)
Warehouse	7	7	4	3
Traffic engineering	491	576	319	257
Traffic signals	1,161	1,161	803	358
Traffic safety controls	110	110	106	4
Total	<u>8,803</u>	<u>11,027</u>	<u>8,573</u>	<u>2,454</u>
Housing, health and community development:				
Economic development	11	11	-	11
Community dev admin	-	-	-	-
Neighborhood services	303	398	288	110
Youth Employment	123	156	145	11
Total	<u>437</u>	<u>565</u>	<u>433</u>	<u>132</u>
Parks, recreation and community services:				
Parks administration	125	128	90	38
Parks	2,043	2,043	2,073	(30)
Facility & events services	168	168	144	24
Recreation & community services	612	711	501	210
Total	<u>2,948</u>	<u>3,050</u>	<u>2,808</u>	<u>242</u>
Library	<u>1,793</u>	<u>1,793</u>	<u>1,788</u>	<u>5</u>
Total expenditures	<u>\$ 28,848</u>	<u>31,640</u>	<u>27,548</u>	<u>4,092</u>

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2010 (in thousands)

	Capital Outlay			Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
Public works:				
Public works	\$ -	-	-	-
Engineering	-	50	-	50
Building inspection	-	-	-	-
Corporation yard	-	-	-	-
Custodial services	-	-	-	-
Building services	-	-	-	-
Street administration	-	-	-	-
Street maintenance	-	-	32	(32)
Sidewalk maintenance	-	-	-	-
Street trees maintenance	-	-	-	-
Mechanical maintenance	-	-	-	-
Warehouse	-	-	-	-
Traffic engineering	-	-	-	-
Traffic signals	-	-	-	-
Traffic safety controls	-	-	-	-
Total	-	50	32	18
Housing, health and community development:				
Economic development	-	-	-	-
Community dev admin	-	-	-	-
Neighborhood services	-	7	7	-
Youth Employment	-	-	-	-
Total	-	7	7	-
Parks, recreation and community services:				
Parks administration	-	-	-	-
Parks	39	39	30	9
Facility & events services	-	-	-	-
Recreation & community services	-	-	-	-
Total	39	39	30	9
Library	31	132	112	20
Total expenditures	\$ 130	316	234	82

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2010 (in thousands)

	Total			Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
Public works:				
Public works	\$ 692	692	680	12
Engineering	2,889	2,949	2,802	147
Building inspection	3,390	3,535	3,028	507
Corporation yard	112	112	118	(6)
Custodial services	1,065	1,065	1,041	24
Building services	2,801	3,057	2,846	211
Street administration	360	360	237	123
Street maintenance	1,818	2,277	1,524	753
Sidewalk maintenance	2,765	3,870	2,842	1,028
Street trees maintenance	1,657	1,866	1,528	338
Mechanical maintenance	2,412	2,412	2,420	(8)
Warehouse	119	119	97	22
Traffic engineering	1,067	1,152	1,158	(6)
Traffic signals	1,161	1,161	803	358
Traffic safety controls	498	498	389	109
Total	<u>22,806</u>	<u>25,125</u>	<u>21,513</u>	<u>3,612</u>
Housing, health and community development:				
Economic development	11	11	-	11
Community dev admin	-	-	7	(7)
Neighborhood services	1,381	1,589	1,270	319
Youth Employment	1,943	1,943	1,557	386
Total	<u>3,335</u>	<u>3,543</u>	<u>2,834</u>	<u>709</u>
Parks, recreation and community services:				
Parks administration	943	946	855	91
Parks	7,184	7,184	6,689	495
Facility & events services	1,391	1,391	1,340	51
Recreation & community services	2,896	2,995	2,424	571
Total	<u>12,414</u>	<u>12,516</u>	<u>11,308</u>	<u>1,208</u>
Library	<u>8,099</u>	<u>8,200</u>	<u>7,885</u>	<u>315</u>
Total expenditures	<u>\$ 158,322</u>	<u>161,763</u>	<u>154,128</u>	<u>7,635</u>

Exhibit E-1
CITY OF GLENDALE
Statement of Net Assets
Proprietary Funds
June 30, 2010 (in thousands)

	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets						
Cash and invested cash	\$ 61,933	68,810	2,315	26,810	159,868	63,846
Cash with fiscal agent	-	4,704	3,485	-	8,189	-
Interest receivable	269	563	44	120	996	503
Restricted investments	-	2,408	-	-	2,408	-
Accounts receivable, net	1,869	28,392	5,593	3,259	39,113	167
Due from other funds	-	1,331	-	-	1,331	-
Inventories	-	6,238	-	-	6,238	-
Prepaid items	-	21,525	-	-	21,525	514
Total current assets	64,071	133,971	11,437	30,189	239,668	65,030
Noncurrent assets						
Designated & invested cash	-	43,181	2,821	-	46,002	-
Deferred charges	-	2,749	631	-	3,380	-
	-	45,930	3,452	-	49,382	-
Capital assets						
Land	578	6,141	1,034	7,290	15,043	-
Natural gas reserve	-	15,633	-	-	15,633	-
Buildings and improvements	195,863	58,875	88,322	48,949	392,009	-
Machinery and equipment	2,054	428,420	49,320	25,075	504,869	32,429
Accumulated Depreciation	(45,159)	(248,102)	(56,558)	(37,011)	(386,830)	(18,084)
Gas depletion	-	(2,137)	-	-	(2,137)	-
Construction in progress	-	50,096	61,181	-	111,277	-
Total capital assets	153,336	308,926	143,299	44,303	649,864	14,345
Total non-current assets	153,336	354,856	146,751	44,303	699,246	14,345
Total assets	\$ 217,407	488,827	158,188	74,492	938,914	79,375

(Continued)

Exhibit E-1
CITY OF GLENDALE
Statement of Net Assets
Proprietary Funds
June 30, 2010 (in thousands)

	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Liabilities and Net Assets						
Current liabilities						
Accounts payable	\$ 517	8,963	8,941	1,628	20,049	1,957
Interest payable	-	2,425	962	-	3,387	56
Claims payable	-	-	-	-	-	13,108
Compensated absences	-	-	-	-	-	2,865
Bonds payable, due in one year	-	2,345	65	-	2,410	578
Deposits	300	2,563	722	455	4,040	-
Total current liabilities	817	16,296	10,690	2,083	29,886	18,564
Noncurrent liabilities						
Claims payable	-	-	-	-	-	27,668
Compensated absences	-	-	-	-	-	24,582
Bonds payable, net of current	-	119,195	51,722	-	170,917	-
Long term debt	-	-	-	-	-	3,295
Total noncurrent liabilities	-	119,195	51,722	-	170,917	55,545
Total liabilities	817	135,491	62,412	2,083	200,803	74,109
Net assets						
Invested in capital assets, net of related debt	153,336	187,285	91,513	44,303	476,437	10,472
Restricted						
Debt service	-	4,638	3,485	-	8,123	-
SCAQMD emission controls	-	5,741	-	-	5,741	-
Unrestricted	63,254	155,672	778	28,106	247,810	(5,206)
Total net assets	\$ 216,590	353,336	95,776	72,409	738,111	5,266

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. (39,245)

Total net assets of business-type activities \$ 698,866

CITY OF GLENDALE

Statement of Revenues, Expenses and

Changes in Net Assets

Proprietary Funds

Year Ended June 30, 2010 (in thousands)

	Sewer Fund	Electric Fund	Water Fund	Non Major Enterprise Funds	Total	Internal Service Funds
Operating revenues:						
Charges for services	\$ 14,709	176,903	35,716	35,970	263,298	58,616
Miscellaneous revenue	-	1,901	1,290	954	4,145	62
Total operating revenue	14,709	178,804	37,006	36,924	267,443	58,678
Operating expenses	11,822	142,502	29,125	29,845	213,294	24,331
Claims and settlement	-	-	-	-	-	41,091
Equipment Purchased	-	-	-	-	-	33
Depreciation	5,668	18,130	3,229	2,373	29,400	2,196
Gas depletion	-	285	-	-	285	-
Total operating expenses	17,490	160,917	32,354	32,218	242,979	67,651
Operating income (loss)	(2,781)	17,887	4,652	4,706	24,464	(8,973)
Non operating revenues (expenses):						
Use of money and property	1,302	2,793	198	605	4,898	1,204
Disaster relief reimb	16	2	18	18	54	-
Recyclables - State grant	-	-	-	45	45	-
Disaster relief reimb - State	4	1	5	-	10	-
Federal grants	-	5,445	65	259	5,769	-
Interest on bonds	-	(4,971)	(1,497)	-	(6,468)	-
Accr int cap lease -fire equip	-	-	-	-	-	(86)
Int cap lease - fire equip 09	-	-	-	-	-	(84)
Total non operating revenues, net	1,322	3,270	(1,211)	927	4,308	1,034
Income before contributions and transfers	(1,459)	21,157	3,441	5,633	28,772	(7,939)
Capital Contributions	-	1,351	600	32	1,983	438
Transfer from						
Transfer-General Fund	-	-	-	-	-	13,178
Transfer-Internal Service Fund	-	-	-	-	-	3,379
Total transfer from	-	-	-	-	-	16,557
Transfer to						
Transfer-General Fund	-	(19,107)	(4,160)	(1,900)	(25,167)	(1,000)
Transfer-Internal Service	-	-	-	-	-	(3,379)
Total transfer to	-	(19,107)	(4,160)	(1,900)	(25,167)	(4,379)
Change in net assets	(1,459)	3,401	(119)	3,765	5,588	4,677
Total net assets, July 1	218,049	349,935	95,895	68,644		589
Total net assets, June 30	\$ 216,590	353,336	95,776	72,409		5,266
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.					(7,311)	
Total change in net assets of business-type activities				\$	(1,723)	

Exhibit E-3

CITY OF GLENDALE

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2010 (in thousands)

	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Cash from customers	\$ 14,771	177,333	37,392	36,911	266,407	58,866
Cash paid to employees	(2,712)	(40,716)	(4,509)	(14,377)	(62,314)	(11,375)
Cash paid to suppliers	(9,011)	(120,581)	(21,228)	(14,862)	(165,682)	(47,184)
Net cash provided (used) by operating activities	3,048	16,036	11,655	7,672	38,411	307
Cash flows from noncapital financing activities:						
Transfers out	-	(19,107)	(4,160)	(1,900)	(25,167)	(4,379)
Transfers in	-	-	-	-	-	16,557
Grant received	21	5,448	89	322	5,880	-
Net cash provided (used) by noncapital financing activities	21	(13,659)	(4,071)	(1,578)	(19,287)	12,178
Cash flows from capital and related financing activities:						
Interest on long term debt	-	(4,534)	(1,305)	-	(5,839)	(170)
Bond, premium and interest accrued	-	(1,840)	(64)	-	(1,904)	(556)
Contribution in aid	-	1,351	600	32	1,983	378
Acquisition of property, plant, gas and equipment	(5,940)	(37,623)	(24,982)	(4,037)	(72,582)	(2,763)
Investment - gas/electric commodity	-	(733)	-	-	(733)	-
Net cash provided (used in) capital and related financing activities	(5,940)	(43,379)	(25,751)	(4,005)	(79,075)	(3,052)
Cash provided by investing activities - interest received	1,343	3,027	281	605	5,256	1,222
Net increase (decrease) in cash and cash equivalents	(1,528)	(37,975)	(17,886)	2,694	(54,695)	10,655
Cash and cash equivalents at beginning of year	63,461	154,670	26,507	24,116	268,754	53,191
Cash and cash equivalents at end of year	61,933	116,695	8,621	26,810	214,059	63,846
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	(2,781)	17,887	4,652	4,706	24,464	(8,973)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	5,668	18,130	3,229	2,373	29,400	2,196
Gas Depletion	-	285	-	-	285	-
(Increase)Decrease Accounts receivable net	(61)	(2,468)	106	(392)	(2,815)	120
(Increase)Decrease Unbilled receivable	143	3,385	87	112	3,727	-
(Increase)Decrease Due from other agencies	(20)	(2,388)	193	267	(1,948)	67
(Increase)Decrease Inventories	-	868	-	-	868	-
(Increase)Decrease Prepaid expenses	-	(20,621)	-	-	(20,621)	2
(Increase)Decrease Deferred charges	-	111	23	-	134	-
Increase(Decrease) Compensated absences	-	-	-	-	-	1,728
Increase(Decrease) Accounts payable	77	769	3,108	632	4,586	515
Increase(Decrease) Contracts - retention	-	247	282	-	529	-
Increase(Decrease) Due to other agencies	-	-	-	3	3	-
Increase(Decrease) Deposits	22	(169)	(25)	(29)	(201)	-
Increase(Decrease) Claims payable	-	-	-	-	-	4,652
Total adjustments	5,829	(1,851)	7,003	2,966	13,947	9,280
Net cash provided (used) by operating activities	\$ 3,048	16,036	11,655	7,672	38,411	307
Noncash investing, capital, and financing activities:						
Increase in fair value of investments	337	611	30	151	1,129	308

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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

The Housing 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 \$64,200 in variable rate demand certificates of participation for the construction of the Police Services Building. The Financing Authority's financial data and transactions are included within the Debt Service Funds; no separate financial report is issued for the Financing Authority.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the City. The effect of inter-fund activity has been removed from these statements except the inter-fund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City is not involved in any other fiduciary activities.

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues, and expenditures or expenses, as appropriate. The City reports a total of 62 funds comprising of the General Fund, 26 Special Revenue Funds, 6 Debt Service Funds, 4 Capital Project Funds, 8 Enterprise Funds and 17 Internal Service Funds.

1) Governmental Fund Types

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

The following comprise the City's major governmental funds:

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

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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

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

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

C. Measurement Focus and Basis of Accounting

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

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 Other Post Employment Benefits (OPEB) and claims and judgments, are recorded only when payment is due.

Charges for services and intergovernmental revenue are recognized in the period they are susceptible to accrual when they become both measurable and available to finance the expenditures of the fiscal period. Intergovernmental revenue is considered available if it is expected to be collected within 120 days of fiscal year-end and all eligibility requirements are met.

Licenses and permits, fines and forfeitures, 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.

All property taxes are collected and allocated by the County of Los Angeles to the various taxing entities. Property taxes are determined annually as of January 1 and attached as enforceable liens on real property as July 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. Secured property taxes become a lien on the property on March 1. Property taxes on the unsecured roll are due on the March 1 lien date and become delinquent if unpaid on August 31. Property tax revenues are recognized in the fiscal period for which they are levied and collected, adjusted for any amounts deemed uncollectible and amounts expected to be collected more than 60 days after the fiscal year.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating revenues and expenses.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

D. Encumbrances

Appropriations in the General Fund lapse at the end of the year. Therefore, encumbrances are not reserved for commitments made. All commitments incurred in the General Fund will be paid with the new budget in the following year. The other governmental funds are primarily project based. Therefore, commitments made in these funds are reserved in the fund balances.

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, 2010, established a target of \$66,400 of designated cash in the following categories: \$40,400 for contingency reserve; \$10,000 for rate stabilization reserve; and \$16,000 for Reserve for Gas Reserve Project. As of June 30, 2010, \$43,181 was designated.

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, 2010, established a target of \$7,500 of designated cash in the following categories: \$6,500 for contingency reserve; and \$1,000 for rate stabilization reserve. As of June 30, 2010, \$2,821 was designated.

The designated cash of \$22,100 in Landfill Postclosure Fund is for Scholl Canyon Landfill Reserve.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

3. *Receivables*

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

Accounts Receivables – Are primarily revenues that have already been earned but not yet received by the City as of June 30 from individual customers, private entities & government agencies. In addition, this account includes accrued revenues due from other agencies for expenditure driven types of grants whereby the City accrues grant revenues for expenditures incurred but not yet reimbursed by the grantors. Also, Property taxes earned but not received from the County of Los Angeles as of June 30 and Unbilled services for utility and other services delivered to customers but not billed as of June 30, 2010 are included in this account. Utility customer closed accounts are written off when deemed uncollectible. Recoveries to utility customer receivables previously written off are recorded when received.

Loans receivable - Special Revenue Fund expenditures relating to long-term loans arising from loans subsidy programs are charged to operations upon funding and the loans are recorded, net of an estimated allowance for potentially uncollectible loans. As of June 30, 2010, the City's outstanding loans receivable total is \$3,344. The Agency's loan to the Glendale Unified School District (GUSD) in the amount of \$1,744 was to fund the Moyse Field improvement project of the school district and \$1,600 was to fund the purchase of the Embassy Suites Hotel property.

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 and in the respective proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5 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. Capital outlay is recorded as expenditures of the General, Special Revenue and Capital Project Funds and as assets in the government-wide financial statements to the extent the City's capitalization is met. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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.

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:

<u>Assets</u>	<u>Years</u>
Building and improvements	10-75
Machinery and equipment	4-10
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, that is recorded under building and improvements.

In June 2005, the City elected to participate in the Natural Gas Reserve Project through SCPPA and entered into a 25 year Gas Sales Agreement with 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, 2010, the net balance for Natural Gas Reserve Project, including drilling program capitalization was \$13,496.

7. Long-Term Debt

In the Government-wide Financial Statements and the proprietary fund types in the Fund Financial Statements, long – term debt and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance cost are reported as deferred changes and amortized over the term of the related debt. In the governmental funds statement of revenues, expenditures and changes in fund balances, issuance of debt is recorded as another financing source in the respective fund.

8. Compensated Absences

The City records and funds a liability for its employees’ earned but unused accumulated vacation and overtime. The unused accumulated vacation and overtime are expensed in the Employee Benefits Fund, an Internal Service Fund, which incurs the liability. As of June 30, 2010, the total liability is \$14,710, and the City has \$7,025 available in the Internal Service Fund dedicated to this liability. Total payouts incurred during the fiscal year 2009-10 are \$1,381.

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), Glendale City Employee Association (GCEA) and Glendale Management Association (GMA). The account is used to pay healthcare premiums for the retiree and beneficiaries. After the account is exhausted, the retirees 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, 2010 is \$1,529.

Based on the most recent actuarial valuation, the actuarial accrued liability for the RHSP as of June 30, 2009 is \$17,074. The City has a reserve of \$4,245 in the RHSP Benefits Fund, an Internal Service Fund, dedicated to provide benefits, so the unreserved actuarial accrued liability is \$12,829 as of June 30, 2009. The City has \$5,014 in reserve for RHSP as of June 30, 2010, and the unreserved actuarial accrued liability is \$12,737. The actuarial accrued liability

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

takes into account an estimate of future sick leave usage, additional sick leave accumulation for current active employees, and investment return of \$4.5% and no increase for sick leave conversion hourly rate.

9. Post Employment Benefits

For Glendale City Employees Association (GCEA) and Glendale Management Employees Association(GMA) who retired prior to July 2001, Glendale Police Officers Association (GPOA) employees who retired prior to December 2001 and Glendale Fire Fighters Association (GFFA) employees who retired prior to September 2002, the accumulated unused sick leave upon their retirement may be converted to the number of months that the City will contribute all or partial of these retirees’ monthly medical insurance premiums. The conversion calculations are based on the respective bargaining units’ MOU or Benefit Ordinance. Currently, there are 37 retirees receiving this City paid benefit. These 37 retirees may also elect at any time to receive a one-time cash payment of a maximum of 50% of the value of the remainder of their unused sick leave conversion for the insurance plan for which they qualify. After all the accumulated unused sick leaves are exhausted or cashed out, the retirees can terminate coverage or elect to continue paying the medical insurance premiums from personal funds.

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 does not have a separate audited GAAP-basis postemployment benefit plan report for this defined benefit plan.

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 blended 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 2009-10, the City contributed \$1,537 in benefit payments (\$166 for the premium subsidy and \$1,371 for the implied subsidy). 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, the amount actually contributed to the plan, and changes in the City’s Net OPEB obligation:

	<u>Amount</u>
Annual required contribution	\$ 9,531
Interest on net OPEB obligation	180
Adjustment to annual required contribution	<u>(303)</u>
Annual OPEB cost (expense)	9,408
Contributions to irrevocable trust	0
Benefit payments	<u>(1,537)</u>
Increase in net OPEB obligation	7,871
Net OPEB obligation – beginning of year	<u>3,997</u>
Net OPEB obligation – end of year	<u>\$11,868</u>

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$ 3,109	39%	\$ 1,885
6/30/09	3,392	38%	3,997
6/30/10	9,408	16%	11,868

The funded status of the plan as of June 30, 2009, the plan's most recent actuarial valuation date, was:

Actuarial accrued liability (AAL)	\$103,947
Actuarial value of plan assets	<u>0</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$103,947</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active Plan members)	\$140,934
UAAL as a percentage of covered payroll	74%

The June 30, 2009 unfunded actuarial accrued liability has increased significantly from the June 30, 2007 valuation. There are two main reasons for the increases:

- Impact on blending rates: The 2007 valuation assumed the premiums charged to Medicare eligible retirees properly reflected the cost of providing medical coverage. In the 2009 valuation, it became evident that premiums were insufficient to cover the cost resulting in Medicare retirees being subsidized. Therefore, the implied subsidy was included in the 2009 valuation for Medicare retirees as well as for early retirees. The impact on the actuarial accrued liability is approximately \$49.8 million.
- Impact of not increasing Medicare eligible retiree rates by actual experience: The Medicare eligible retiree actual cost (unblended rates) experienced an increase ranging from 10% to 45% in 2009 and 2010 but the Medicare eligible premium rates were only increased 4% to 12%. The impact on the actuarial accrued liability is approximately \$25.6 million.

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.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

In the June 30, 2009 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 8.4% (9.0% for PPO's) for 2011 decreasing to 4.5% after 6 years. The post-Medicare eligible medical cost trend rate started 0.3% higher for 2011. The UAAL is being amortized as a level percentage of projected payroll over 30 years on an open basis. The remaining amortization period at June 30, 2009 was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

**Schedule of Funding Progress
Postemployment Healthcare Plan**

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%
6/30/09	0	103,947	103,947	0%	140,934	74%

10. 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.

11. 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 the lower of cost or net realizable value (realizable value less cost to sell).

12. 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 a fixed rate of 7% per annum effective fiscal year 2009-10. There is no repayment schedule. Repayment of the advances will be made as funds become available.

13. Fund Equity

Reservations of fund balance for governmental funds represent amounts that are not appropriable 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.

14. 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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

borrowings used for the acquisition, construction or improvement of those assets, excluding 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.

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 five 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. Appropriations in the General Fund lapse at the end of the year. Therefore, encumbrances are not reserved for commitments made. All commitments incurred in the General Fund will be paid with the new budget in the following year. 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: 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 or more as of June 30, 2010:

General Fund:		Amount Over
Fire	\$	<u>Expended</u>
		1,034

CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2010
(in thousands)

III. Detailed Notes on All Funds

A. Cash and Investments

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

Investments	\$	460,332
Cash with fiscal agents		<u>25,511</u>
		485,843
Cash held in financial institutions & imprest cash		<u>27,582</u>
Total	\$	<u><u>513,425</u></u>

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

Cash and invested cash	\$	417,404
Cash with fiscal agents		25,511
Restricted investment		2,408
Designated cash and investments		<u>68,102</u>
Total	\$	<u><u>513,425</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	20%
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 and reserve funds 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, 2010

(in thousands)

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.

		<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More than 60 Months</u>
Commercial Paper	\$ 19,498	19,498	-	-	-
U.S. Government Agency Callable Bonds	226,296	8,113	15,498	202,685	-
Corporate Notes	26,373	9,127	2,644	14,602	-
Negotiable Certificates of Deposits	4,997	4,997	-	-	-
Banker's Acceptances	13,307	13,307	-	-	-
State Investment Pool	150,247	150,247	-	-	-
Money Market Fund	19,614	19,614	-	-	-
Held by Fiscal Agents					
Federal Agency Term Notes	9,853	9,853	-	-	-
Guaranteed Investment Contracts	6,313	-	-	-	6,313
Money Market	9,344	9,344	-	-	-
	<u>\$ 485,842</u>	<u>244,100</u>	<u>18,142</u>	<u>217,287</u>	<u>6,313</u>

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 rated government securities, AAA or AA rated corporate securities, and A1,P1 rated commercial paper, negotiable certificates of deposits and banker's acceptance securities. The City's Investment Policy requires the City to sell any security with a credit rating below A.

		<u>Rating as of Year End</u>				
		<u>AAA</u>	<u>AA</u>	<u>Aa2</u>	<u>A1,P1</u>	<u>Unrated</u>
Commercial Paper	\$ 19,498	-	-	-	19,498	-
U.S. Government Agency Callable Bonds	226,296	226,296	-	-	-	-
Corporate Notes	26,373	-	18,014	-	8,359	-
Negotiable Certificates of Deposits	4,997	-	-	-	4,997	-
Banker's Acceptances	13,307	-	-	-	13,307	-
State Investment Pool	150,247	-	-	-	-	150,247
Money Market Fund	19,614	19,614	-	-	-	-
Held by Fiscal Agents						
Federal Agency Term Notes	9,853	9,853	-	-	-	-
Guaranteed Investment Contracts	6,313	-	-	6,313	-	-
Money Market	9,344	9,344	-	-	-	-
	<u>\$ 485,842</u>	<u>265,107</u>	<u>18,014</u>	<u>6,313</u>	<u>46,161</u>	<u>150,247</u>

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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:

<u>Issuer</u>	<u>Investment Type</u>		<u>Reported Amount</u>
FHLB	Federal Agency Callable Bonds	\$	74,668
FHLMC	Federal Agency Callable Bonds		65,859
FNMA	Federal Agency Callable Bonds		84,443

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 City'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. As of June 30, 2010, in accordance with the City's investment policy, none of the City's investments were held with counter-party. All of the City's investments were held with an independent third party custodian bank. The City uses Bank of America as a third party custody and safekeeping service for its investment securities. All City investments held in custody and safe-keeping by Bank of America are held in the name of the City and segregated from securities owned by the bank.

At June 30, 2010, the carrying amount of the City's deposits was \$27,582 and the corresponding bank balance was \$4,984. The difference of \$22,598 was principally due to outstanding warrants, wires, deposits in transit and some pending miscellaneous adjustments. Of the Bank balance, \$250 was insured by the FDIC depository insurance and \$4,734 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 City's investment in this pool is reported in the accompanying financial statements at fair value based upon the City's pro-rata share of the amortized cost basis provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

B. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance at July 1	Increases	Decreases (Reclass & Retirements)	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 435,058	2,659	-	437,717
Construction in progress	52,847	27,422	(2)	80,267
Total assets not being depreciated	<u>487,905</u>	<u>30,081</u>	<u>(2)</u>	<u>517,984</u>
Depreciable capital assets				
Building and improvements	267,141	701	2	267,844
Machinery and equipment	84,206	8,038	(1,915)	90,329
Infrastructure	230,401	7,497	(6,728)	231,170
Total other capital assets at cost	<u>581,748</u>	<u>16,236</u>	<u>(8,641)</u>	<u>589,343</u>
Less accumulated depreciation:				
Building and improvements	71,745	7,605	-	79,350
Machinery and equipment	57,005	5,305	(1,901)	60,409
Infrastructure	88,237	5,828	(6,728)	87,337
Total accumulated depreciation	<u>216,987</u>	<u>18,738</u>	<u>(8,629)</u>	<u>227,096</u>
Total assets being depreciated, net	<u>364,761</u>	<u>(2,502)</u>	<u>(12)</u>	<u>362,247</u>
Governmental activities capital assets, net	<u>\$ 852,666</u>	<u>27,579</u>	<u>(14)</u>	<u>880,231</u>

*\$32,429 of Machinery & Equipment from Internal Service funds is included in Governmental Activities.

**\$18,084 of Accumulated Depreciation from Internal Service funds is included in Governmental Activities.

Depreciation expense was charged to functions of the City for the year ended June 30, 2010 as follows:

Governmental Activities:	
General Government	\$ 2,262
Police	2,411
Fire	1,209
Public Works	9,287
Community Services & Parks	2,834
Library	244
Community Redevelopment & Housing	<u>491</u>
Total governmental activities depreciation expense	<u>\$ 18,738</u>

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

	Balance at July 1	Increases	Decreases (Reclass & Retirements)	Ending Balance
Business-type activities				
Capital assets not being depreciated/depleted				
Land	\$ 14,986	57	-	15,043
Construction in progress	100,241	11,036	-	111,277
Drilling in progress	-	1,473	(1,473)	-
Total assets not being depreciated/depleted	<u>115,227</u>	<u>12,566</u>	<u>(1,473)</u>	<u>126,320</u>
Depreciable capital assets				
Building and improvements	383,199	8,812	-	392,011
Machinery and equipment	461,672	51,919	(8,722)	504,869
Total other capital assets at cost	<u>844,871</u>	<u>60,731</u>	<u>(8,722)</u>	<u>896,880</u>
Depletable capital assets				
Natural Gas Reserve	14,876	757	-	15,633
Less accumulated depreciation:				
Building and improvements	115,914	27,268	-	143,182
Machinery and equipment	250,240	2,132	(8,722)	243,650
Total accumulated depreciation	<u>366,154</u>	<u>29,400</u>	<u>(8,722)</u>	<u>386,832</u>
Less allowance for gas depletion				
Natural Gas Reserve	1,852	285	-	2,137
Total assets being depreciated, net	<u>491,741</u>	<u>31,803</u>	<u>-</u>	<u>523,544</u>
Business-type activities capital assets, net	<u>\$ 606,968</u>	<u>44,369</u>	<u>(1,473)</u>	<u>649,864</u>

Depreciation and depletion expense was charged to functions of the City for the year ended June 30, 2010 as follows:

Business-type Activities:	
Sewer	\$ 5,668
Electric	18,130
Water	3,229
Recreation	3
Hazardous Disposal	46
Parking	1,143
Refuse Disposal	1,001
Fire Communication	180
Total business-type activities depreciation expense	<u>29,400</u>
Electric	<u>285</u>
Total business-type activities depletion expense	<u>\$ 285</u>

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

C. Long-Term Debt

The City's long-term debt as of June 30, 2010 consists of the following:

	Outstanding at June 30, 2009	Additions	Retirements	Amount outstanding at June 30, 2010	Due within one year
Governmental activities					
Claims payable	\$ 36,124	45,743	41,091	40,776	13,108
Compensated absences	18,654	9,740	8,197	20,197	2,094
Post employment benefits	2,796	5,372	-	8,168	-
Landfill post-closure and post closure care liability	24,542	7,284	-	31,826	-
Bonds payable:					
Police building project (COPs)	55,500	-	1,500	54,000	1,600
2002 GRA tax allocation bond	36,305	-	2,165	34,140	2,240
2003 GRA tax allocation bond	44,627	-	2,615	42,012	2,755
2010 GRA tax allocation bond	-	26,970	-	26,970	-
Bond premium	3,112	-	251	2,861	251
Net original bond discount – 2010 TAB	-	(349)	-	(349)	-
Total bonds payable	139,544	26,621	6,531	159,634	6,846
Other long-term liabilities					
Capital leases:					
MSB retrofit lease – Capital One Public Funding	6,110	-	1,117	4,993	1,167
Fire equip't lease 2005 - Sun Trust Leasing	2,404	-	366	2,038	379
Fire equip't lease 2009 – Wells Fargo Equip.	2,026	-	191	1,835	199
Arbitrage rebate liability (COPs)	492	-	409	83	83
Section 108 loan	690	-	-	690	220
Low & mod loan	13,352	-	2,636	10,716	2,726
Residential development loan program (RDLP)	-	4,808	165	4,643	-
Total other long-term liabilities	25,074	4,808	4,884	24,998	4,774
Total governmental long-term liabilities	246,734	99,568	60,703	285,599	26,822
Business Type Activities					
Compensated absences	7,063	2,768	2,581	7,250	771
Post employment benefits	1,201	2,499	-	3,700	-
Bonds payable:					
Electric revenue bonds, 2003 series	26,870	-	795	26,075	795
Electric revenue bonds, 2006 refunding series	36,135	-	1,060	35,075	1,110
Electric revenue bonds, 2008 series	60,000	-	-	60,000	-
Water revenue bonds, 2008 series	50,000	-	-	50,000	-
Bond premium	4,061	-	196	3,869	631
Deferred amount on 2006 refunding series	(1,863)	-	(151)	(1,712)	(146)
Total bonds payable	175,203	-	1,900	173,307	2,390
Other long-term liability:					
Arbitrage rebate liability - 2006 series	19	1	-	20	20
Accrued interest	110	-	110	-	-
Total other long-term liability	129	1	110	20	20
Total business type long-term liabilities	183,596	5,268	4,591	184,277	3,181
Total long-term debt	\$ 430,330	104,836	65,294	469,876	30,003

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

THE CITY OF GLENDALE FINANCING AUTHORITY

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

The Bonds were issued pursuant to the resolutions adopted by the City Council and the board of directors of the Glendale Financing Authority on June 6, 2000. The proceeds of the bonds were used to (a) finance for the acquisition, construction and improvement of a police building (the "Police Building"), (b) establish a bond reserve fund of \$5 million in accordance with the trust agreement, and (c) pay for the costs incurred to issue the bonds. The annual debt service requirement schedule for these bonds is included in note C. The Variable Rate Demand Certificates of Participation (COPs) mature in annual installments ranging from \$1,600 to \$4,200 annually from 2011-2030 with variable interest rates set in connection with remarketing efforts on a weekly basis.

The Bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on five days' notice and delivery to the City's Remarketing Agent, J.P. Morgan Securities, LLC. The Remarketing Agent is required its best efforts to sell the repurchased bonds at a price equal to 100% of the principal amount by adjusting the interest rate. The City agreed to pay to the Remarketing Agent a fee computed as .065% per annum of the average daily outstanding principal amount of the COPs during any quarter, payable in quarterly installments in arrears, based on a year of 365 or 366 days, as applicable and actual days elapsed.

The COPs are secured by Standby Bond Purchase Agreement (SBPA) with JPMorgan Chase Bank, N.A. (JPMorgan). The liquidity facility expires on July 15, 2013. Under the SBPA, if the Bonds are not successfully remarketed or repaid according to their terms, or if the existing SBPA is not renewed or the City does not replace the SBPA or otherwise refinance the Bonds, JPMorgan is required to purchase the Bonds, and all COPs outstanding are due in fiscal year 2013-14. The City has agreed to pay or cause to be paid (as Additional Payments) to the JPMorgan an annual Commitment Fee for the SBPA 0.76% per annum on the daily amount of the Available Commitment.

Accordingly, the Certificates of Participation are classified as long-term debt in the City's financial statements. The City did not draw on this liquidity facility during the year ended June 30, 2010, nor were there any amounts outstanding under this liquidity facility at June 30, 2010.

The Financing Authority has leased the Police Building back to the City of Glendale pursuant to a lease agreement dated July 1, 2000. The bond indebtedness is secured by a lease to the City and is payable from rentals received under terms of the lease agreement. The 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. As of June 30, 2010 the interest rate was 0.270%.

GLENDALE REDEVELOPMENT AGENCY BONDS

2002 GRA Tax Allocation Bonds

The Agency issued \$48,015 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 \$2,240 to \$3,655 from 2011 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.

2003 GRA Tax Allocation Bonds

The Agency issued \$58,880 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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

principal amounts ranging from \$2,955 to \$4,520 from 2011 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.

2010 GRA Tax Allocation Bonds

The agency issued \$26,970 in 2010 tax allocation bonds with an average rate of 5% for 15 years to fund economic development activities of the Agency primarily relating to the Adult Recreation Center Improvement; Glendale Central Library Renovation and Columbus Soccer Field Project, 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 bonds mature in amounts ranging from \$150 to \$8,510 from 2014 to 2025. 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 and 2003 tax allocation refunding bonds.

THE CITY OF GLENDALE HOUSING AUTHORITY

Section 108 Loan

Section 108 Loan of \$1,800 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 in August 2002, after HUD's deduction of loan and underwriter fees of \$9. The term of the loan is ten years, and the total interest is \$493. The City has pledged current and future CDBG funds as principal security for the loan. The principal amounts ranging from \$220 to \$240 for fiscal year 2011 to 2013. The Section 108 loan payment is budgeted as a CDBG project each year based on the payment schedule.

Low & Mod Loan

The Housing Authority obtained a \$14,000 loan from Union Bank of California in February 2009 to fund the development of affordable rental and owner housing projects. The Housing Authority received \$13,920 in February 2009, net of cost of issuance of \$80. The term of the loan is five years, and the interest rate is 3.35%. The total interest is \$1,281. The loan indebtedness is secured by a pledge of 20% of incremental property taxes (Redevelopment Set-aside funds) receive by the Housing Authority from Glendale Redevelopment Project areas.

Residential Development Loan Program (RDLP) Loan

The loan in the amount of \$5,000 was approved by the California Housing Finance Authority to the Housing Authority of the City of Glendale, from proceeds of the Housing and Emergency Shelter Trust Fund of 2006 (Proposition 1C Housing Bond.) on November 5, 2008. The loan has a 5 year 9 month term (as amended) with a 3% simple annual interest rate. The Housing Authority drew \$4,809 in August 2009, and returned \$253 unused funds in March 2010, of which \$165 was applied to principle repayment, and \$88 was applied to interest. The purpose of the loan is to provide land acquisition financing for a portion of the Doran Gardens project. The Loan Agreement states that it is an unsecured loan, and repayment is a general obligation of the Housing Authority. The RDLP loan principal and interest will be repaid upon the sale of the affordable units for the Doran Gardens project or fiscal year 2015.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

CAPITAL IMPROVEMENT PROJECTS

Landfill Closure and Post-closure 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 post-closure maintenance and to establish a financial mechanism to demonstrate the availability of funding to conduct closure and post-closure 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 post-closure 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, 2010 was 9.51 million tons. The total permitted capacity remains 14.75 million tons. Therefore, the City has 5.24 million tons unfilled capacity remaining. Based on an estimated average annual filled capacity of 460 tons the Scholl Canyon Landfill has a remaining life of approximately 11 years. Using an inflation factor from the U.S. Department of Commerce, Bureau of Economic Analysis of 1.012, the revised post-closure cost was \$49,362. Using the data above, the amount of \$31,826 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 \$17,536. The City records the annual provision for the required landfill deposits as designated cash in the Landfill Postclosure Fund. At the end of June 30, 2010 the City has set aside \$22,100 of this in the Landfill Postclosure Fund. The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

Capital Leases

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 (MSB) project. The lease amount is \$8,200 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. Payments are due on September 28 annually. The balance of this lease has been assigned by SunTrust Leasing Corporation to Capital One Public Funding, LLC in fiscal year 2010.

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 Trucks, four Pierce Quantum Pumper Trucks with CAFS Foam System, four fabrication and installation of equipment brackets to Pierce Pumper Trucks, 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 was \$3,743 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. Payments are due on April 20 annually.

In December 2008, the City entered into a Master Governmental Lease-Purchase Agreement (the "Master Lease") with Wells Fargo Equipment Finance, Inc. to provide funds for acquisition of fire equipments, which include one new Pierce Heavy Duty Rescue System mounted on a new 2009 International 7400 Chassis together with all attachments and accessories and four new Pierce 2000 GPM Quantum Triple Combination Pumper Truck Systems mounted on new 2008 Quantum Chassis together with all attachments and accessories. The total cost of the equipments funded was \$2,299 with an annual interest rate of 4.04%. The City will make lease payment each year consisting of principal and interest for a term of ten years commencing in fiscal year 2008-09. The annual lease payment is \$273. Payments are due on December 15 annually.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

ENTERPRISE FUNDS

Electric Revenue Bonds, 2003 Series

The Electric utility of Glendale Water & Power issued \$31,640 in revenue bonds in February 2003 to finance the costs of acquisition, construction and installation of a nominally rated 49 megawatts 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.

The bonds mature in regularly increasing amounts ranging from \$795 to \$1,865 annually from 2011 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 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, 2010 for \$1,566 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, 2009, \$37,000 of the 2000 series bonds outstanding is 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.

The bonds mature in regularly increasing amounts ranging from \$1,110 to \$2,570 annually from 2011 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.

Electric Revenue Bonds, 2008 Series

The Electric utility of Glendale Water & Power issued \$60,000 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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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 \$2,241.

The bonds mature in regularly increasing amounts ranging from \$1,880 to \$4,195 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 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 \$3,485.

The bonds mature in regularly increasing amounts ranging from \$1,175 to \$3,060 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, 2010

(in thousands)

The debt service maturity schedule below is assuming that the City will renew or replace the SPBA for the Police Building Project COP's throughout the term of the bonds that currently expires on July 15, 2013. If the City is not able to either renew or extend the SBPA when it expires on July, 15, 2013 then the entire amount of the outstanding Police Building Project COP's of \$48,900 would be due and payable for the fiscal year ending June 30, 2014 resulting in total governmental and business type principal debt service payments of \$62,241 for the fiscal year ending June 30, 2014.

Fiscal Year	Police Building Project (COPs)		GRA Tax Allocation Bonds		Revenue Bonds	
	Governmental		Governmental		Business-type	
	Interest	Principal	Interest	Principal	Interest	Principal
2011	\$ 146	1,600	5,201	4,995	7,867	1,905
2012	141	1,700	4,640	5,225	7,778	1,965
2013	137	1,800	4,424	5,400	7,672	3,195
2014	132	1,900	4,159	5,805	7,530	3,305
2015	127	2,000	3,897	6,085	7,390	3,435
2016-2020	549	11,400	14,986	34,724	34,368	25,155
2021-2025	379	14,600	6,818	40,888	27,675	34,995
2026-2030	159	19,000	-	-	18,927	43,300
2031-2035	-	-	-	-	10,675	33,030
2036-2039	-	-	-	-	3,052	20,865
	\$ 1,770	54,000	44,125	103,122	132,934	171,150

Fiscal Year	Capital Lease		Section 108		Low & Mod Loans Payable	
	Governmental		Governmental		Governmental	
	Interest	Principal	Interest	Principal	Interest	Principal
2011	\$ 374	1,745	28	220	330	2,726
2012	299	1,819	18	230	237	2,820
2013	222	1,897	6	240	139	2,917
2014	140	1,978	-	-	39	2,253
2015	56	670	-	-	-	-
2016-2020	62	757	-	-	-	-
	\$ 1,153	8,866	52	690	745	10,716

Fiscal Year	RDLP Loan		Total		Total
	Governmental		Governmental & Business Type		Debt Service
	Interest	Principal	Interest	Principal	
2011	\$ -	-	13,946	13,191	27,137
2012	-	-	13,113	13,759	26,872
2013	-	-	12,600	15,449	28,049
2014	-	-	12,000	15,241	27,241
2015	571	4,643	12,041	16,833	28,874
2016-2020	-	-	49,965	72,036	122,001
2021-2025	-	-	34,872	90,483	125,355
2026-2030	-	-	19,086	62,300	81,386
2031-2035	-	-	10,675	33,030	43,705
2036-2039	-	-	3,052	20,865	23,917
	\$ 571	4,643	181,350	353,187	534,535

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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, 2010
City of Glendale Insured Hospital Revenue Bonds Verdugo Hills Hospital, 1994 Series	6.375% - 8%	\$ 27,140	\$ 5,000
City of Glendale Mountain Road Assessment District Limited Obligation Refunding Bonds, Series 2003	2% - 4.5%	8,850	4,125

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. \$19,568 is restricted for debt service and bond indenture requirements. The City Charter requires \$20,619 in restricted net assets to be set aside to meet the legal demands against the treasury during the beginning of new budget period prior to the receipt of ad valorem taxes. Pursuant to redevelopment laws of the State of California, \$24,790 is restricted for low and moderate housing.

The Electric Fund’s restricted net assets totaled \$10,379 as of June 30, 2010. \$4,638 was for the Reserve Fund Requirement according to the terms of the debt indenture. \$5,741 was for excess capital surcharge revenue to retrofit the City’s Grayson Power Plant as mandated by the Air Quality Management District. The Water Fund’s restricted net assets totaled \$3,485 as of June 30, 2010, which was for the Reserve Fund Requirement according to the terms of the debt indenture.

E. Net Deficits of Individual Funds

As of June 30, 2010, the following funds have negative fund balances or net assets:

Capital Improvement Fund:

Capital Improvement Fund	\$ 8,457
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Special Revenue Funds:

Community Development Fund	74
Supportive Housing Grant Fund	2
Special Grant Fund	795
Fire Grant Fund	813
Fire Paramedic Fund	4,475

Internal Service Funds:

Liability Insurance Fund	559
Compensation Insurance Fund	16,764
Employee Benefit Fund	7,655
RHSP Benefits Fund	7,703

Capital Improvement Fund – Cash reserved for Scholl Canyon landfill postclosure of \$22,100 was transferred into a separate fund during fiscal year 2009-10.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

Community Development Fund – Vendors involved in capital projects are only paid 90% of the invoiced amounts prior to completion of the project although 100% of the invoiced amounts are expenses. Based on the grant regulations, the 10% retention cannot be drawn until it is paid.

Supportive Housing Grant Fund – One grant’s admin expense is over-allocated relative to the program expense at 6/30, so the over-allocation cannot be drawn. However, the grant program expense is expected to be fully spent, so the grant’s admin expense ratio to the program expense should be fine at the end of the grant term, and 100% of the admin expense can be drawn by that time.

Special Grant Fund – This is a reimbursement type of grant. The revenues are drawn down based on the incurrence of expenditures. Timing difference will always exist between revenue and expenditures, thus causing a deficit.

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.

Fire Paramedic Fund – The City is considering General Fund support to reduce the net deficit in the Fire Paramedic Fund in subsequent fiscal years. Additionally, during FY 2009-10, the Glendale Fire Department successfully introduced a Basic Life Support (BLS) transportation component to the EMS system. By using BLS personnel to provide transportation of non-critical patients to hospitals, the department has been able to free up Advanced Life Support (ALS) personnel to be the first responders on every call, and therefore, it would reduce costs of service delivery in the subsequent fiscal years.

Liability Insurance Fund – The City will increase the premiums charged to the funds in fiscal year 2010-11, and will continue the premium increase in the next few fiscal years. Additionally, properties acquired through settlements are being, or will be sold to raise capital in this fund to offset future costs.

Compensation Insurance Fund – The City will increase the premiums charged to the funds in fiscal year 2010-11, and will continue the premium increase in the next few fiscal years to eliminate the deficit.

Employee Benefit Fund – The City will increase the premiums charged to the funds in fiscal year 2010-11, and will continue the premium increase in the next few fiscal years to eliminate the deficit .

RHSP Benefits Fund – The City will increase the premiums charged to the funds in fiscal year 2010-11, and will continue the premium increase in the next few fiscal years to eliminate the deficit.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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, unemployment insurance, post employment benefits, general auto, dental, medical and vision as well as public liability 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, and destruction of assets as well as excess workers' compensation and general public liability claims. The City also purchases property, aviation and employee dishonesty insurance. There were no significant settlements or reductions in insurance coverage from settlements for the past three years. The insurance schedule for fiscal year 2010-11 is as follows:

Insurance Type	Program Limits	Deductible /SIR (self insured retention)
Excess Liability Insurance	\$20,000	\$2,000 SIR per occurrence
D &O Employment Practices	\$2,000	\$250 SIR non-safety; \$500 SIR safety
Excess Workers' Comp Employer's Liability Insurance	Statutory	\$2,000 SIR per occurrence
Property Insurance (GWP)	\$250,000	Various deductibles up to \$250
Property Insurance (Non-GWP)	\$400,000	\$25 deductible all locations
Aviation Insurance (Police Helicopter)	\$50,000	Various deductibles
Employee Dishonesty – Crime Policy	\$1,000	\$10

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, 2010 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
2008-09	\$31,306	\$33,329	\$28,511	\$36,124
2009-10	36,124	45,743	41,091	40,776

B. Contingent Liabilities and Commitments

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 megawatts to 2,079 megawatts.

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

assumed control of operation and maintenance of the plant in 1987. Under this renewed contract, the City is entitled to 21 megawatts or 1.0251% of the capacity and 1.5874% of the firm energy.

In January 2010, the electric operation purchased the landfill gas delivery facility from Scholl Canyon LFG Limited Partnership. Previously, the electric operation was committed to purchase all available landfill gas at a price based on various natural gas indices which is now higher than the market price.

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 year agreement with BPA 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 the Southern California Public Power Authority (SCPPA) for the Ormat Geothermal Energy Project for purchase of up to 3 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 November 2007, City Council approved a purchase power agreement with SCPPA for the purchase of 20 megawatts of renewable energy from Pebble Springs Wind Generation Facility for a term of 18-years. The project began commercial operation in January 2009.

In October 2009, the City Council approved a purchase power agreement with SCPPA for the purchase of 50% (approximately 6.8 MW) of renewable energy from a small hydroelectric resource near the town of Tieton in Yakima County, Washington. The Tieton Hydropower Project (THP) has a maximum capacity of approximately 20 megawatts. The Project includes a 115 kV transmission line, approximately 22-miles long, connecting the generating station with PacificCorp's Tieton Substation. Delivery of energy from the project to the City started in May 2009. The City's debt service obligation and all associated costs will begin in fiscal year 2011.

In 2009, the City Council approved a 20 year purchase power agreement with SCPPA for the purchase of 7.63% (approximately 20 MW) of renewable energy from the Windy Point/Windy Flats project. The facility is a 262.2 MW capacity wind farm located in Klickitat County in the state of Washington. The city has a three year agreement to sell its output entitlement share to Los Angeles Water and Power (LADWP) and LADWP is obligated to pay Glendale's share of the monthly costs for such output entitlement share under the power purchase agreement.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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 in bonds - Glendale Parking Facilities Joint Powers Authority Parking Revenue Bonds, 2003 Refunding Series A (Bonds). The Bonds do not constitute a debt or liability of the JPA nor is the JPA liable for the payment of the principal or interest on the Bonds. The College will provide fiscal management for this JPA. The amount of revenues available to pay debt service on the Bonds will be derived from two sources. The first source is the student-parking permit. The second source is the metered revenue from the City owned parking lots. In return for the loss of the metered revenue, the City shall receive reimbursement annually of \$100. In addition, the City shall receive annual reimbursement of at least \$25 for lot and meter maintenance. Furthermore, any remaining balance of the revenue, after debt service and JPA operational costs, shall be divided equally between the City and the College.

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

Joint Power Agreement for San Fernando Council of Governments

The City, County of Los Angeles, City of Los Angeles, Burbank and Santa Clarita have agreed to create the San Fernando Council of Governments (SFVCOG) through a Joint Power Agreement. The cities of San Fernando, Calabasas, and Hidden Hills may join at a later time. The SFVCOG would act as a planning sub-region for the Southern California Association of Governments (SCAG) and promote better regional coordination of planning and transportation planning efforts in San Fernando Valley. The SFVCOG would also be engaged in local, regional, state, and federal grant development and programming for the region.

The SFVCOG will have representatives from each member agency. The City of Los Angeles will have one representative for each Council district located entirely or partially in the Valley (7 representatives) while the County will have one representatives for each supervisorial district entirely or partially in the in the Valley (2 representatives). Every other city will have one representative to the SFVCOG. The SFVCOG JPA requires unanimous vote to take any action; thus, no member agency's vote or input will be diluted or weighted negatively. The representative for the City must be a Council member. Council must also appoint at least one alternate representative to the Board. The alternate representative(s) must be either Council member or full-time staff members of the City. Neither the representative nor alternate representative(s) receive compensation. The JPA allows each member agency to set the term of its representative and alternate representative(s) to the Board. The initial annual dues for SFVCOG are \$10,000. After the first year, dues and other financial contributions will be set by the Board and would require a unanimous vote of the Board. They are not expected to significantly increase.

"Take or Pay" Contracts

The City has entered into eight "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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

approximately 62% of its total energy requirements during fiscal year 2009-10. 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 megawatts to 1,800 megawatts. 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 0.502% 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 eight projects with SCPPA.

- 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, 2010, 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, 2010, 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, 2010, 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, 2010, 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, 2010, Glendale’s share is 14.8000% (MP).

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

- A sixth project financed through SCPPA is the Magnolia Power Project (MPP) located on Burbank Water & Power’s generation station complex 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, 2010, Glendale’s share is 16.5289% (MPP).
- A seventh project financed through SCPPA is Natural Gas Prepaid Project (NGPP). 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 delivery of natural gas started in July 2008. As of June 30, 2010, Glendale’s share is 23.0000% (NGPP).
- An eighth project financed through SCPPA is the Linden Wind Energy Project (LIN) located in Klickitat County in the state of Washington. The facility is a 50 MW capacity wind farm. The 25 year purchase power agreement with SCPPA is for purchase of 10% (approximately 5 MW) of the capacity of the project. The city has a three year agreement to sell its output entitlement share to Los Angeles Water and Power (LADWP) and LADWP is obligated to pay Glendale’s share of the monthly costs for such output entitlement share under the power purchase agreement. The City’s debt service obligation and associated costs will begin in fiscal year 2011.

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
Tieton Hydropower Project (THP)	2029	50.0000%
Intermountain Power Project (IPP)	2027	2.2060%
Palo Verde Project (PV)	2030	4.4000%
Southern Transmission System (STS)	2027	2.2740%
San Juan Project (SJ)	2030	9.8047%
Mead-Adelanto Project (MA)	2030	11.0430%
Mead-Phoenix Project (MP)	2030	14.8000%
Magnolia Power Project (MPP)	2036	16.5289%
Linden Wind Energy Project (LIN)	2030	10.0000%
Natural Gas Prepaid Project (NGPP)	2038	23.0000%

A summary of the City’s “Take or Pay” contracts and related projects and its contingent liability at June 30, 2010 is as follows:

	THP*	IPP	PV	STS	SJ	MA	MP	MPP	LIN*	NGPP	TOTAL
2011	\$ 1,497	6,223	542	1,769	1,845	2,527	1,176	3,809	770	5,180	25,339
2012	1,680	5,570	545	2,143	1,845	2,525	1,176	3,808	1,016	5,020	25,327
2013	1,679	4,401	547	1,936	1,845	2,529	1,177	3,811	1,015	4,849	23,789
2014	1,680	4,633	551	1,942	3,171	2,506	985	3,811	1,016	4,628	24,923
2015	1,679	4,178	554	1,950	1,647	2,504	1,010	3,812	1,015	4,538	22,887
2016-20	8,399	22,878	1,116	9,778	6,539	11,884	4,761	15,778	5,078	23,178	109,390
2021-25	9,221	9,778	-	7,330	-	-	-	15,736	5,078	26,917	74,061
2026-30	8,339	-	-	1,640	-	-	-	16,638	5,078	31,855	63,551
2031-35	8,339	-	-	-	-	-	-	17,232	4,912	29,641	60,123
2036-40	10,020	-	-	-	-	-	-	11,427	-	9,743	31,189
Total	\$ 52,534	57,660	3,856	28,489	16,891	24,475	10,284	95,863	24,977	145,549	460,579

* Bonds issued in FY 2010-11. Debt service schedule taken from Official Statement

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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 2009-10 and budgets for fiscal year 2010-11 are as follows (in thousands):

Fiscal Year	THP	IPP	PV	STS	SJ	MA	MP	MPP	LIN	NGPP	Total
2010	\$ -	6,251	2,240	398	7,885	256	109	3,798	-	78	21,015
2011	768	8,560	2,078	550	6,605	244	181	3,841	1,292	25	22,852

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, 2009 was 24.000%. The City’s contribution rate for general members starting on July 1, 2009 was 11.519%. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Based on the Memorandum of Understandings between the City and the various City Associations, all employees contribute part of the City’s portion in fiscal year 2009-10, in addition to their required employees’ contributions. Both Glendale City Employee Association (GCEA) and Glendale Management Association (GMA) contribute additional 0.5% of their persable earnings, Glendale Fire Fighter Association (GFFA) contribute additional 1.5% of their persable earnings, and Glendale Police Officers Association (GPOA) contribute additional 1.5% of their annual salaries.

Annual Pension Cost

Contributions to CalPERS totaling \$23,852 were made during the fiscal year ended June 30, 2010 in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2008. 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%

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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.

Three year Trend Information

Fiscal year ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/2008:			
Misc.	\$ 10,691	100%	0
Safety	<u>11,213</u>	100%	0
Total	<u><u>21,904</u></u>		
6/30/2009:			
Misc.	12,004	100%	0
Safety	<u>11,885</u>	100%	0
Total	<u><u>23,889</u></u>		
06/30/2010:			
Misc.	11,829	100%	0
Safety	<u>12,023</u>	100%	0
Total	<u><u>\$ 23,852</u></u>		

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

Schedule of Pension Funding Progress (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability <AAL> – Entry Age (B)	(Over-funded AAL) / Unfunded AAL (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	(Overfunded AAL) / Unfunded AAL as a Percentage of Covered Payroll {(B-A)/C}
06/30/2007:						
Misc.	\$ 603,040	634,332	31,292	95.1%	95,082	32.9%
Safety	386,561	447,885	61,324	86.3%	44,131	139.0%
Total	<u>989,601</u>	<u>1,082,217</u>	<u>92,616</u>	91.4%	<u>139,213</u>	66.5%
06/30/2008:						
Misc.	641,356	678,218	36,862	94.6%	101,970	36.1%
Safety	413,321	485,398	72,077	85.2%	46,911	153.6%
Total	<u>1,054,677</u>	<u>1,163,616</u>	<u>108,939</u>	90.6%	<u>148,881</u>	73.2%
06/30/2009:						
Misc.	666,773	759,485	92,712	87.8%	104,075	89.1%
Safety	430,823	533,851	103,028	80.7%	48,703	211.5%
Total	<u>\$ 1,097,596</u>	<u>1,293,336</u>	<u>195,740</u>	84.9%	<u>152,778</u>	128.1%

D. Inter-fund Transactions

The composition of interfund balances consists of due to/from other funds, transfers and advances to/from other funds. Due to/from other funds are temporary cash overdrafts within a fund. Due to/from other funds for fiscal year 2009-10 consisted of the following:

Due to general fund from:	
Nonmajor governmental funds	\$ 9,767
Capital improvement	<u>5,369</u>
	<u>15,136</u>
Due to electric fund from:	
Capital improvement fund	\$ <u>1,331</u>

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

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	\$ 19,107	Fund general fund operations
Water fund	4,160	Fund general fund operations
Capital improvement fund	4,850	Fund general fund operations
Nonmajor governmental funds	6,000	Fund general fund operations
Nonmajor enterprise fund	1,900	Fund general fund operations
Internal service fund	1,000	Fund general fund operations
	<u>37,017</u>	
Transfers to nonmajor governmental funds from:		
General fund	137	Fund nutritional meals operations
General fund	2,100	Fund fire paramedics operations
General fund	2,500	Fund police staff augmentation operations
Capital improvement fund	1,392	Fund MSB Building lease payment
Capital improvement fund	22,100	Fund landfill postclosure cash reserve
	<u>28,229</u>	
Transfers to capital improvement fund from:		
Nonmajor governmental fund	<u>1,182</u>	Fund capital improvement projects
Transfers to internal service funds from:		
General fund	800	Fund technology equipment replacement
General fund	60	Fund application software replacement
General fund	100	Fund police CAD RMS replacement
General fund	28	Fund citywide document management system
General fund	6,355	Fund liability insurance claims
General fund	700	Fund compensation insurance claims
General fund	70	Fund dental insurance claims
General fund	845	Fund medical insurance claims
General fund	15	Fund vision insurance claims
General fund	375	Fund employee compensated absence benefits
General fund	370	Fund Retiree Health Saving Plan benefits
General fund	2,723	Fund wireless communication equipment replacement
General fund	737	Fund financial system operations
Internal service fund	1,545	Information Services Department operation consolidation
Internal service fund	209	Information Services Department operation consolidation
Internal service fund	1,625	Information Services Department operation consolidation
	<u>\$ 16,557</u>	

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2010

(in thousands)

E. Subsequent Event

CalPERS Employer Contribution Rates

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 may continue to be volatile and are experiencing significant changes on almost a daily basis.

CalPERS rate stabilization policies now spread market gains and losses over 15 years, thus reducing the volatility of employer rates. Despite the rate stabilization, CalPERS’s negative investment returns in fiscal year 2007-08 and 2008-09, caused by the unprecedented turmoil in the financial markets, will increase the City’s employer contributions substantially starting fiscal year 2011-12.

Based on CalPERS Annual Valuation Report as of June 30, 2009, which was issued in October 2010, the required and projected employer contributions for the next four fiscal years are as follows:

	Miscellaneous Plan		Safety Plan	
	Employer Rates	Covered Payroll (unaudited)	Employer Rates	Covered Payroll (unaudited)
FY2010-11	11.672%	\$112,235	25.067%	\$51,636
FY2011-12	15.660%	114,555	30.312%	53,608
FY2012-13	17.0%(projected)	114,555	32.0%(projected)	53,608
FY2013-14	20.4%(projected)	114,555	36.4%(projected)	53,608

F. Pronouncement Issued but Not yet Accepted

GASB issued pronouncements prior to June 30, 2010 that have an effective date that may impact future financial presentation. Management has not currently determined any impact on the implementation of the following statements may have on the financial statements of the City:

- Governmental Accounting Standards Board Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions.*
- Governmental Accounting Standards Board Statement No. 57 - *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,*
- Governmental Accounting Standards Board Statement No. 59 – *Financial Instruments Omnibus*

NONMAJOR GOVERNMENTAL FUNDS

This section of the CAFR provides information on each individual governmental fund, except for those major governmental funds reported in the basic financial statements: General Fund, Glendale Redevelopment Agency Fund and Capital Improvement Fund. This section includes special revenue funds, debt service funds, and capital project 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.**
- **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.**
- **Capital Project 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.**

Exhibit F-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2010 (in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets				
Cash and invested cash	\$ 36,571	33,805	14,751	85,127
Cash with fiscal agent	-	15,326	-	15,326
Designated & invested cash	-	-	22,100	22,100
Interest receivable	172	168	62	402
Accounts receivable, net	7,861	-	894	8,755
Prepaid items	2,855	-	-	2,855
Property held for resale	10,809	-	-	10,809
Total assets	58,268	49,299	37,807	145,374
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	2,589	1	238	2,828
Due to other funds	9,767	-	-	9,767
Interest payable	-	12	-	12
Unearned/Deferred revenues	908	-	228	1,136
Deposits	77	-	-	77
Total liabilities	13,341	13	466	13,820
Fund Balances:				
Reserved:				
Prepaid	2,855	-	-	2,855
Debt service	-	11,445	-	11,445
Encumbrances	5,839	-	2,107	7,946
Property resale	10,809	-	-	10,809
Unreserved	25,424	37,841	35,234	98,499
Total fund balances	44,927	49,286	37,341	131,554
Total liabilities and fund balances	\$ 58,268	49,299	37,807	145,374

CITY OF GLENDALE

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

Nonmajor Governmental Funds

For Fiscal Year Ended June 30, 2010 (in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 4,961	11,248	-	16,209
Sales taxes	1,315	-	-	1,315
Other taxes	5,992	-	-	5,992
Revenue from other agencies	52,165	-	5,351	57,516
Fines and forfeitures	1,820	-	-	1,820
Charges for services	15,332	-	-	15,332
Use of money and property	784	969	298	2,051
Miscellaneous revenue	1,531	-	4	1,535
Total Revenues	83,900	12,217	5,653	101,770
Expenditures:				
Operating expenditures				
General government	640	-	-	640
Police	7,045	775	-	7,820
Fire	14,360	-	-	14,360
Public works	9,367	-	1,450	10,817
Housing, health & community development	43,994	13	-	44,007
Employment programs	5,060	-	-	5,060
Public service	8,053	-	-	8,053
Parks, recreation and community services	462	-	-	462
Library	448	-	-	448
Capital	8,069	-	6,314	14,383
Debt service				
Interest on loan	17	-	-	17
Interest RDLP loan	88	-	-	88
Interest on bonds	-	117	-	117
Accrued interest 2003 tax allo	-	1,956	-	1,956
Accrued interest 2002 tax allo	-	1,643	-	1,643
Interest on loan - L&M	-	420	-	420
Accr int cap lease -MSB retrof	-	276	-	276
Principal	-	1,500	-	1,500
Principal 2003 tax allocation	-	2,815	-	2,815
Principal 2002 tax allocation	-	2,165	-	2,165
Principal cap lease-MSB retrof	-	1,116	-	1,116
Principal on loan - L&M	-	2,636	-	2,636
Principal RDLP loan	165	-	-	165
Total expenditures	97,768	15,432	7,764	120,964
Excess of revenues over (under) expenditures	(13,868)	(3,215)	(2,111)	(19,194)
Other financing sources (uses):				
Issuance of debt	4,808	1,623	-	6,431
Transfer from				
Transfer-General Fund	4,737	-	-	4,737
Transfer-Capital Funds	-	1,392	22,100	23,492
Total transfer from	4,737	1,392	22,100	28,229
Transfer to				
Transfer-Capital Funds	-	-	(1,182)	(1,182)
Transfer-General Fund	-	(5,000)	(1,000)	(6,000)
Total transfer to	-	(5,000)	(2,182)	(7,182)
Total financing sources (uses)	9,545	(1,985)	19,918	27,478
Net change in fund balances	(4,323)	(5,200)	17,807	8,284
Fund balance, July 1	49,250	54,486	19,534	123,270
Fund balance, June 30	\$ 44,927	49,286	37,341	131,554

SPECIAL REVENUE FUNDS

- 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 via Prop A and C which are 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.
- Public Works Special Grants Fund - To account for various small grants received and expended by the City, such as Senior Citizen Traffic Safety Education Program.
- San Fernando Landscape District Fund - To account for assessments and expenditures associated with the San Fernando Road Corridor (SFRC) Landscape & Maintenance District Project.
- Measure R Fund – To account for monies received from the ½ cent sales tax increase approved in November 2008 by Los Angeles County votes, and the related transportation project expenses.
- 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.
- Fire Mutual Aid Fund - To account for reimbursements received from either Federal or the State of California for the City’s fire strike team labor costs, fire equipment charges as well as overhead costs incurred by the City in assisting fire incidents outside of the City’s jurisdiction.
- Special Events Fund – To accounts for monies received and expended from Police and Fire special events and movie details.

- 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.
- ICIS (Interagency Communications Interoperability System) Fund - To account for monies received and expended for the ICIS joint power authority for regional radio communications.

Exhibit G-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds -

Special Revenue

June 30, 2010 (in thousands)

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund
Assets				
Cash and invested cash	\$ -	1,313	-	-
Interest receivable	-	5	-	-
Accounts receivable, net	420	639	135	249
Prepaid items	-	2,082	-	27
Property held for resale	-	-	-	-
Total assets	420	4,039	135	276
Liabilities and Fund Balances				
Liabilities				
Accounts payable	373	11	5	99
Due to other funds	121	-	130	179
Unearned/Deferred revenues	-	-	-	-
Deposits	-	16	-	-
Total liabilities	494	27	135	278
Fund Balances				
Reserved:				
Prepaid	-	2,082	-	27
Encumbrances	1,046	36	31	889
Property resale	-	-	-	-
Unreserved	(1,120)	1,894	(31)	(918)
Total fund balances	(74)	4,012	-	(2)
Total liabilities and fund balances	\$ 420	4,039	135	276

(Continued)

Exhibit G-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds -

Special Revenue

June 30, 2010 (in thousands)

	Emergency Shelter Grant Fund	Workforce Investment Fund	Low & Moderate Housing Fund	Local Transit Assistance Fund
Assets				
Cash and invested cash	\$ -	221	13,379	8,445
Interest receivable	-	-	60	40
Accounts receivable, net	42	452	612	481
Prepaid items	11	-	17	-
Property held for resale	-	-	10,809	-
Total assets	53	673	24,877	8,966
Liabilities and Fund Balances				
Liabilities				
Accounts payable	23	120	87	446
Due to other funds	30	-	-	-
Unearned/Deferred revenues	-	-	-	-
Deposits	-	3	-	-
Total liabilities	53	123	87	446
Fund Balances				
Reserved:				
Prepaid	11	-	17	-
Encumbrances	104	512	983	965
Property resale	-	-	10,809	-
Unreserved	(115)	38	12,981	7,555
Total fund balances	-	550	24,790	8,520
Total liabilities and fund balances	\$ 53	673	24,877	8,966

(Continued)

Exhibit G-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds -

Special Revenue

June 30, 2010 (in thousands)

	Air Quality Improvement Fund	San Fernando Landscape District Fund	Measure R Fund	Narcotic Forfeiture Fund
Assets				
Cash and invested cash	\$ 240	51	1,171	2,122
Interest receivable	1	-	5	9
Accounts receivable, net	59	4	158	-
Prepaid items	-	-	-	-
Property held for resale	-	-	-	-
Total assets	300	55	1,334	2,131
Liabilities and Fund Balances				
Liabilities				
Accounts payable	20	-	-	129
Due to other funds	-	-	-	-
Unearned/Deferred revenues	-	-	-	-
Deposits	-	-	-	56
Total liabilities	20	-	-	185
Fund Balances				
Reserved:				
Prepaid	-	-	-	-
Encumbrances	38	-	-	-
Property resale	-	-	-	-
Unreserved	242	55	1,334	1,946
Total fund balances	280	55	1,334	1,946
Total liabilities and fund balances	\$ 300	55	1,334	2,131

(Continued)

Exhibit G-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds -

Special Revenue

June 30, 2010 (in thousands)

	Special Grant Fund	Supplemental Law Enforcement Fund	Police Staff Augmentation Fund	Fire Grant Fund
Assets				
Cash and invested cash	\$ -	-	3,405	-
Interest receivable	-	-	16	-
Accounts receivable, net	51	137	3	1,312
Prepaid items	-	-	-	-
Property held for resale	-	-	-	-
Total assets	51	137	3,424	1,312
Liabilities and Fund Balances				
Liabilities				
Accounts payable	41	-	-	13
Due to other funds	805	40	-	2,087
Unearned/Deferred revenues	-	-	-	25
Deposits	-	-	-	-
Total liabilities	846	40	-	2,125
Fund Balances				
Reserved:				
Prepaid	-	-	-	-
Encumbrances	76	-	163	166
Property resale	-	-	-	-
Unreserved	(871)	97	3,261	(979)
Total fund balances	(795)	97	3,424	(813)
Total liabilities and fund balances	\$ 51	137	3,424	1,312

(Continued)

Exhibit G-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds -

Special Revenue

June 30, 2010 (in thousands)

	Fire Mutual Aid Fund	Special Events Fund	Nutritional Meals Grant Fund	Library Grant Fund
Assets				
Cash and invested cash	-	-	230	2,138
Interest receivable	-	-	1	10
Accounts receivable, net	142	310	99	-
Prepaid items	-	-	-	-
Property held for resale	-	-	-	-
Total assets	142	310	330	2,148
Liabilities and Fund Balances				
Liabilities				
Accounts payable	-	-	36	7
Due to other funds	142	310	-	-
Unearned/Deferred revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	142	310	36	7
Fund Balances				
Reserved:				
Prepaid	-	-	-	-
Encumbrances	-	-	-	37
Property resale	-	-	-	-
Unreserved	-	-	294	2,104
Total fund balances	-	-	294	2,141
Total liabilities and fund balances	142	310	330	2,148

(Continued)

Exhibit G-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds -
 Special Revenue
 June 30, 2010 (in thousands)

	Cable Access Fund	Electric Public Benefit Fund	Fire Paramedic Fund
Assets			
Cash and invested cash	\$ 500	2,709	-
Interest receivable	4	14	4
Accounts receivable, net	146	819	1,591
Prepaid items	-	718	-
Property held for resale	-	-	-
Total assets	650	4,260	1,595
Liabilities and Fund Balances			
Liabilities			
Accounts payable	-	1,018	145
Due to other funds	-	-	5,923
Unearned/Deferred revenues	-	883	-
Deposits	-	-	2
Total liabilities	-	1,901	6,070
Fund Balances			
Reserved:			
Prepaid	-	718	-
Encumbrances	-	620	137
Property resale	-	-	-
Unreserved	650	1,021	(4,612)
Total fund balances	650	2,359	(4,475)
Total liabilities and fund balances	\$ 650	4,260	1,595

(Continued)

Exhibit G-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds -

Special Revenue

June 30, 2010 (in thousands)

	ICIS Fund	Total Nonmajor Special Revenue Funds
	<u> </u>	<u> </u>
Assets		
Cash and invested cash	\$ 647	36,571
Interest receivable	3	172
Accounts receivable, net	-	7,861
Prepaid items	-	2,855
Property held for resale	-	10,809
	<u> </u>	<u> </u>
Total assets	<u>650</u>	<u>58,268</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	16	2,589
Due to other funds	-	9,767
Unearned/Deferred revenues	-	908
Deposits	-	77
	<u> </u>	<u> </u>
Total liabilities	<u>16</u>	<u>13,341</u>
Fund Balances		
Reserved:		
Prepaid	-	2,855
Encumbrances	36	5,839
Property resale	-	10,809
Unreserved	598	25,424
	<u> </u>	<u> </u>
Total fund balances	<u>634</u>	<u>44,927</u>
Total liabilities and fund balances	<u>\$ 650</u>	<u>58,268</u>

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, 2010 (in thousands)

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund
Revenues:				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	3,663	26,231	2,954	2,171
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	17	-	-
Miscellaneous revenue	5	307	5	-
Total Revenues	3,668	26,555	2,959	2,171
Expenditures:				
Operating expenditures				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community	2,216	26,264	2,959	2,125
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community	-	-	-	-
Library	-	-	-	-
Capital	1,424	-	-	-
Debt service	17	-	-	-
Total expenditures	3,657	26,264	2,959	2,125
Excess of revenues over (under) expenditures	11	291	-	46
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfer from:				
Transfer-General Fund	-	-	-	-
Total financing sources (uses)	-	-	-	-
Net change in fund balances	11	291	-	46
Fund balance, July 1	(85)	3,721	-	(48)
Fund balance, June 30	\$ (74)	4,012	-	(2)

(Continued)

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, 2010 (in thousands)

	Emergency Shelter Grant Fund	Workforce Investment Fund	Low & Moderate Housing Fund	Local Transit Assistance Fund
Revenues:				
Property taxes	\$ -	-	4,961	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	473	5,285	-	7,419
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	1,474
Use of money and property	-	-	333	181
Miscellaneous revenue	-	-	399	38
Total Revenues	473	5,285	5,693	9,112
Expenditures:				
Operating expenditures				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	9,114
Housing, health and community	473	-	9,957	-
Employment programs	-	5,060	-	-
Public service	-	-	-	-
Parks, recreation and community	-	-	-	-
Library	-	-	-	-
Capital	-	-	1,054	3,674
Debt service	-	-	253	-
Total expenditures	473	5,060	11,264	12,788
Excess of revenues over (under) expenditures	-	225	(5,571)	(3,676)
Other financing sources (uses):				
Issuance of debt	-	-	4,808	-
Transfer from:				
Transfer-General Fund	-	-	-	-
Total financing sources (uses)	-	-	4,808	-
Net change in fund balances	-	225	(763)	(3,676)
Fund balance, July 1	-	325	25,553	12,196
Fund balance, June 30	\$ -	550	24,790	8,520

(Continued)

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, 2010 (in thousands)

	Air Quality Improvement Fund	PW Special Grants Fund	San Fernando Landscape District Fund	Measure R Fund
Revenues:				
Property taxes	-	-	-	-
Sales taxes	-	-	-	1,315
Other taxes	-	-	-	-
Revenue from other agencies	237	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	28	-	-	-
Use of money and property	4	-	1	19
Miscellaneous revenue	-	4	35	-
Total Revenues	269	4	36	1,334
Expenditures:				
Operating expenditures				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	248	-	5	-
Housing, health and community	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community	-	-	-	-
Library	-	-	-	-
Capital	400	-	-	-
Debt service	-	-	-	-
Total expenditures	648	-	5	-
Excess of revenues over (under) expenditures	(379)	4	31	1,334
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfer from:				
Transfer-General Fund	-	-	-	-
Total financing sources (uses)	-	-	-	-
Net change in fund balances	(379)	4	31	1,334
Fund balance, July 1	659	(4)	24	-
Fund balance, June 30	\$ 280	-	55	1,334

(Continued)

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, 2010 (in thousands)

	Narcotic Forfeiture Fund	Special Grant Fund	Supplemental Law Enforcement Fund	Police Staff Augmentation Fund
Revenues:				
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	-	427	207	-
Fines and forfeitures	1,294	-	-	526
Charges for services	-	294	-	272
Use of money and property	42	-	-	73
Miscellaneous revenue	3	94	-	277
Total Revenues	1,339	815	207	1,148
Expenditures:				
Operating expenditures				
General government	-	-	-	-
Police	491	938	269	4,840
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community	-	-	-	-
Library	-	-	-	-
Capital	-	420	-	-
Debt service	-	-	-	-
Total expenditures	491	1,358	269	4,840
Excess of revenues over (under) expenditures	848	(543)	(62)	(3,692)
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfer from:				
Transfer-General Fund	-	-	-	2,500
Total financing sources (uses)	-	-	-	2,500
Net change in fund balances	848	(543)	(62)	(1,192)
Fund balance, July 1	1,098	(252)	159	4,616
Fund balance, June 30	\$ 1,946	(795)	97	3,424

(Continued)

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, 2010 (in thousands)

	Fire Grant Fund	Fire Mutual Aid Fund	Special Events Fund	Nutritional Meals Grant Fund
Revenues:				
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	1,201	307	-	337
Fines and forfeitures	-	-	-	-
Charges for services	-	-	601	-
Use of money and property	-	-	-	6
Miscellaneous revenue	89	-	-	58
Total Revenues	1,290	307	601	401
Expenditures:				
Operating expenditures				
General government	-	-	-	-
Police	-	-	507	-
Fire	456	307	94	-
Public works	-	-	-	-
Housing, health and community	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community	-	-	-	462
Library	-	-	-	-
Capital	966	-	-	23
Debt service	-	-	-	-
Total expenditures	1,422	307	601	485
Excess of revenues over (under) expenditures	(132)	-	-	(84)
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfer from:				
Transfer-General Fund	-	-	-	137
Total financing sources (uses)	-	-	-	137
Net change in fund balances	(132)	-	-	53
Fund balance, July 1	(681)	-	-	241
Fund balance, June 30	\$ (813)	-	-	294

(Continued)

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, 2010 (in thousands)

	Library Grant Fund	Cable Access Fund	Electric Public Benefit Fund	Fire Paramedic Fund
Revenues:				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	5,992	-
Revenue from other agencies	251	-	1,002	-
Fines and forfeitures	-	-	-	-
Charges for services	124	508	-	11,791
Use of money and property	22	18	57	-
Miscellaneous revenue	83	1	78	6
Total Revenues	480	527	7,129	11,797
Expenditures:				
Operating expenditures				
General government	-	450	-	-
Police	-	-	-	-
Fire	-	-	-	13,503
Public works	-	-	-	-
Housing, health and community	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	8,053	-
Parks, recreation and community	-	-	-	-
Library	448	-	-	-
Capital	7	-	-	101
Debt service	-	-	-	-
Total expenditures	455	450	8,053	13,604
Excess of revenues over (under) expenditures	25	77	(924)	(1,807)
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfer from:				
Transfer-General Fund	-	-	-	2,100
Total financing sources (uses)	-	-	-	2,100
Net change in fund balances	25	77	(924)	293
Fund balance, July 1	2,116	573	3,283	(4,768)
Fund balance, June 30	\$ 2,141	650	2,359	(4,475)

(Continued)

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, 2010 (in thousands)

	ICIS Fund	Total Nonmajor Special Revenue Funds
Revenues:		
Property taxes	\$ -	4,961
Sales taxes	-	1,315
Other taxes	-	5,992
Revenue from other agencies	-	52,165
Fines and forfeitures	-	1,820
Charges for services	240	15,332
Use of money and property	11	784
Miscellaneous revenue	49	1,531
	<hr/>	<hr/>
Total Revenues	300	83,900
Expenditures:		
Operating expenditures		
General government	190	640
Police	-	7,045
Fire	-	14,360
Public works	-	9,367
Housing, health and community	-	43,994
Employment programs	-	5,060
Public service	-	8,053
Parks, recreation and community	-	462
Library	-	448
Capital	-	8,069
Debt service	-	270
	<hr/>	<hr/>
Total expenditures	190	97,768
Excess of revenues over (under) expenditures	<hr/>	<hr/>
	110	(13,868)
Other financing sources (uses):		
Issuance of debt	-	4,808
Transfer from:		
Transfer-General Fund	-	4,737
	<hr/>	<hr/>
Total financing sources (uses)	-	9,545
Net change in fund balances	110	(4,323)
Fund balance, July 1	524	49,250
	<hr/>	<hr/>
Fund balance, June 30	\$ 634	44,927
	<hr/> <hr/>	<hr/> <hr/>

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, 2010 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over/(Under)</u>
Community Development Fund:				
Revenue from other agencies	\$ 3,648	8,204	3,663	(4,541)
Miscellaneous revenue	<u>44</u>	<u>-</u>	<u>5</u>	<u>5</u>
Total	<u>3,692</u>	<u>8,204</u>	<u>3,668</u>	<u>(4,536)</u>
Housing Assistance Fund:				
Use of money and property	72	72	17	(55)
Revenue from other agencies	13,699	25,403	26,231	828
Miscellaneous revenue	<u>47</u>	<u>47</u>	<u>307</u>	<u>260</u>
Total	<u>13,818</u>	<u>25,522</u>	<u>26,555</u>	<u>1,033</u>
Home Grant Fund:				
Revenue from other agencies	2,330	5,640	2,954	(2,686)
Miscellaneous revenue	<u>3</u>	<u>3</u>	<u>5</u>	<u>2</u>
Total	<u>2,333</u>	<u>5,643</u>	<u>2,959</u>	<u>(2,684)</u>
Supportive Housing Grant Fund:				
Revenue from other agencies	<u>2,216</u>	<u>3,926</u>	<u>2,171</u>	<u>(1,755)</u>
Total	<u>2,216</u>	<u>3,926</u>	<u>2,171</u>	<u>(1,755)</u>
Emergency Shelter Grant Fund:				
Revenue from other agencies	<u>144</u>	<u>1,491</u>	<u>473</u>	<u>(1,018)</u>
Total	<u>144</u>	<u>1,491</u>	<u>473</u>	<u>(1,018)</u>
Workforce Investment Act Fund:				
Revenue from other agencies	3,574	8,529	5,285	(3,244)
Miscellaneous revenue	<u>50</u>	<u>198</u>	<u>-</u>	<u>(198)</u>
Total	<u>3,624</u>	<u>8,727</u>	<u>5,285</u>	<u>(3,442)</u>
Low & Moderate Housing Fund:				
Property taxes	4,487	4,487	4,961	474
Use of money and property	-	-	333	333
Issuance of Debt	-	4,809	4,808	(1)
Miscellaneous revenue	<u>250</u>	<u>250</u>	<u>399</u>	<u>149</u>
Total	<u>\$ 4,737</u>	<u>9,546</u>	<u>10,501</u>	<u>955</u>

(Continued)

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, 2010 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over/(Under)</u>
Local Transit Assistance Fund:				
Use of money and property	\$ 456	456	181	(275)
Revenue from other agencies	6,970	6,970	7,419	449
Charges for services	1,416	1,416	1,474	58
Miscellaneous revenue	26	26	38	12
Total	<u>8,868</u>	<u>8,868</u>	<u>9,112</u>	<u>244</u>
Air Quality Improvement Fund:				
Use of money and property	20	20	4	(16)
Revenue from other agencies	255	255	237	(18)
Charges for services	52	52	28	(24)
Total	<u>327</u>	<u>327</u>	<u>269</u>	<u>(58)</u>
Public Works Special Grant Fund:				
Miscellaneous revenue	-	-	4	4
Total	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
San Fernando Landscape District				
Use of money and property	-	-	1	1
Miscellaneous revenue	39	39	35	(4)
Total	<u>39</u>	<u>39</u>	<u>36</u>	<u>(3)</u>
Measure R Fund:				
Sales taxes	-	-	1,315	1,315
Use of money and property	-	-	19	19
Total	<u>-</u>	<u>-</u>	<u>1,334</u>	<u>1,334</u>
Narcotic Forfeiture Fund:				
Use of money and property	-	-	42	42
Fines and forfeitures	-	-	1,294	1,294
Miscellaneous revenue	-	-	3	3
Total	<u>\$ -</u>	<u>-</u>	<u>1,339</u>	<u>1,339</u>

(Continued)

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, 2010 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over/(Under)</u>
Special Grant Fund:				
Revenue from other agencies	\$ 332	2,149	427	(1,722)
Charges for services	155	155	294	139
Miscellaneous revenue	<u>32</u>	<u>82</u>	<u>94</u>	<u>12</u>
Total	<u>519</u>	<u>2,386</u>	<u>815</u>	<u>(1,571)</u>
Supplemental Law Enforcement Fund:				
Revenue from other agencies	<u>330</u>	<u>330</u>	<u>207</u>	<u>(123)</u>
Total	<u>330</u>	<u>330</u>	<u>207</u>	<u>(123)</u>
Police Staff Augmentation Fund				
Use of money and property	-	-	73	73
Fines and forfeitures	385	385	526	141
Revenue from other agencies	-	-	-	-
Charges for services	35	35	272	237
Miscellaneous revenue	340	340	277	(63)
Transfers	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total	<u>3,260</u>	<u>3,260</u>	<u>3,648</u>	<u>388</u>
Fire Grant Fund				
Revenue from other agencies	113	7,858	1,201	(6,657)
Charges for services	-	-	-	-
Miscellaneous revenue	<u>43</u>	<u>58</u>	<u>89</u>	<u>31</u>
Total	<u>156</u>	<u>7,916</u>	<u>1,290</u>	<u>(6,626)</u>
Fire Mutual Aid Fund				
Revenue from other agencies	<u>150</u>	<u>650</u>	<u>307</u>	<u>(343)</u>
Total	<u>150</u>	<u>650</u>	<u>307</u>	<u>(343)</u>
Special Events Fund				
Charges for services	<u>-</u>	<u>675</u>	<u>601</u>	<u>(74)</u>
Total	<u>\$ -</u>	<u>675</u>	<u>601</u>	<u>(74)</u>

(Continued)

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, 2010 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over/(Under)</u>
Nutritional Meals Grant Fund:				
Use of money and property	\$ 5	5	6	1
Revenue from other agencies	300	378	337	(41)
Miscellaneous revenue	130	130	58	(72)
Transfers	137	137	137	-
Total	<u>572</u>	<u>650</u>	<u>538</u>	<u>(112)</u>
Library Grant Fund:				
Use of money and property	30	30	22	(8)
Revenue from other agencies	213	243	251	8
Charges for services	112	112	124	12
Miscellaneous revenue	65	65	83	18
Total	<u>420</u>	<u>450</u>	<u>480</u>	<u>30</u>
Cable Access Fund:				
Use of money and property	17	17	18	1
Charges for services	450	450	508	58
Miscellaneous revenue	1	1	1	-
Total	<u>468</u>	<u>468</u>	<u>527</u>	<u>59</u>
Electric Public Benefit Fund:				
Other taxes	7,309	7,309	5,992	(1,317)
Use of money and property	100	100	57	(43)
Revenue from other agencies	-	-	1,002	1,002
Miscellaneous revenue	50	50	78	28
Total	<u>7,459</u>	<u>7,459</u>	<u>7,129</u>	<u>(330)</u>
Fire Paramedic Fund				
Charges for services	9,796	9,796	11,791	1,995
Miscellaneous revenue	-	-	6	6
Transfers	2,100	2,100	2,100	-
Total	<u>11,896</u>	<u>11,896</u>	<u>13,897</u>	<u>2,001</u>
ICIS Fund				
Use of money and property	5	5	11	6
Charges for services	280	280	240	(40)
Miscellaneous revenue	6	8	49	41
Total	<u>291</u>	<u>293</u>	<u>300</u>	<u>7</u>
Total revenues and other financing sources	<u>\$ 65,319</u>	<u>108,726</u>	<u>93,445</u>	<u>(15,281)</u>

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2010 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Community Development Fund:				
Housing, health and community development:				
Salaries and benefits	\$ 1,063	1,323	1,079	244
Maintenance and operations	860	1,723	1,137	586
Capital projects	1,520	4,910	1,424	3,486
Debt Service	249	146	17	129
Total	<u>3,692</u>	<u>8,102</u>	<u>3,657</u>	<u>4,445</u>
Housing Assistance Fund:				
Housing, health and community development:				
Salaries and benefits	2,213	2,213	1,887	326
Maintenance and operations	12,681	24,385	24,377	8
Total	<u>14,894</u>	<u>26,598</u>	<u>26,264</u>	<u>334</u>
Home Grant Fund:				
Housing, health and community development:				
Salaries and benefits	166	166	160	6
Maintenance and operations	2,167	5,478	2,799	2,679
Total	<u>2,333</u>	<u>5,644</u>	<u>2,959</u>	<u>2,685</u>
Supportive Housing Grant Fund:				
Housing, health and community development:				
Salaries and benefits	240	327	121	206
Maintenance and operations	1,976	3,599	2,004	1,595
Total	<u>2,216</u>	<u>3,926</u>	<u>2,125</u>	<u>1,801</u>
Emergency Shelter Grant Fund:				
Housing, health and community development:				
Salaries and benefits	-	343	154	189
Maintenance and operations	144	1,148	319	829
Total	<u>\$ 144</u>	<u>1,491</u>	<u>473</u>	<u>1,018</u>

(Continued)

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, 2010 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Workforce Investment Act Fund:				
Employment and job training services:				
Salaries and benefits	\$ 2,851	4,924	2,800	2,124
Maintenance and operations	<u>772</u>	<u>3,804</u>	<u>2,260</u>	<u>1,544</u>
Total	<u>3,623</u>	<u>8,728</u>	<u>5,060</u>	<u>3,668</u>
Low & Moderate Housing Fund:				
Housing, health and community development:				
Salaries and benefits	2,277	2,347	2,191	156
Maintenance and operations	2,445	19,428	7,766	11,662
Debt Service	16	269	253	16
Capital projects	<u>-</u>	<u>2,027</u>	<u>1,054</u>	<u>973</u>
Total	<u>4,738</u>	<u>24,071</u>	<u>11,264</u>	<u>12,807</u>
Local Transit Assistance Fund:				
Public works:				
Salaries and benefits	1,249	1,249	993	256
Maintenance and operations	8,728	8,894	8,121	773
Capital	20	3,723	3,674	49
Capital projects	<u>87</u>	<u>12,184</u>	<u>-</u>	<u>12,184</u>
Total	<u>10,084</u>	<u>26,050</u>	<u>12,788</u>	<u>13,262</u>
Air Quality Improvement Fund:				
Public works:				
Salaries and benefits	199	199	177	22
Maintenance and operations	125	133	71	62
Capital	<u>-</u>	<u>400</u>	<u>400</u>	<u>-</u>
Total	<u>324</u>	<u>732</u>	<u>648</u>	<u>84</u>
Public Works Special Grant Fund				
Public works:				
Capital	<u>-</u>	<u>53</u>	<u>-</u>	<u>53</u>
Total	\$ <u>-</u>	<u>53</u>	<u>-</u>	<u>53</u>

(Continued)

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, 2010 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
San Fernando Landscape District				
Public works:				
Maintenance and operations	\$ 39	39	5	34
Total	<u>39</u>	<u>39</u>	<u>5</u>	<u>34</u>
Narcotic Forfeiture Fund:				
Public safety:				
Salaries and benefits	464	464	407	57
Maintenance and operations	<u>180</u>	<u>180</u>	<u>84</u>	<u>96</u>
Total	<u>644</u>	<u>644</u>	<u>491</u>	<u>153</u>
Special Grant Fund:				
Public safety:				
Salaries and benefits	328	1,599	759	840
Maintenance and operations	40	614	179	435
Capital	<u>-</u>	<u>912</u>	<u>420</u>	<u>492</u>
Total	<u>368</u>	<u>3,125</u>	<u>1,358</u>	<u>1,767</u>
Supplemental Law Enforcement Fund:				
Public safety:				
Salaries and benefits	291	291	262	29
Maintenance and operations	<u>196</u>	<u>196</u>	<u>7</u>	<u>189</u>
Total	<u>487</u>	<u>487</u>	<u>269</u>	<u>218</u>
Police Staff Augmentation Fund				
Public safety:				
Salaries and benefits	4,345	4,345	4,338	7
Maintenance and operations	<u>501</u>	<u>1,134</u>	<u>502</u>	<u>632</u>
Total	<u>4,846</u>	<u>5,479</u>	<u>4,840</u>	<u>639</u>
Fire Grant Fund				
Public safety:				
Salaries and benefits	96	278	181	97
Maintenance and operations	37	363	275	88
Capital	<u>-</u>	<u>7,174</u>	<u>966</u>	<u>6,208</u>
Total	<u>\$ 133</u>	<u>7,815</u>	<u>1,422</u>	<u>6,393</u>

(Continued)

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, 2010 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Fire Mutual Aid Fund				
Public safety:				
Salaries and benefits	\$ 150	630	302	328
Maintenance and operations	-	20	5	15
Total	<u>150</u>	<u>650</u>	<u>307</u>	<u>343</u>
Special Events Fund:				
Public safety:				
Salaries and benefits	-	661	590	71
Maintenance and operations	-	14	11	3
Total	<u>-</u>	<u>675</u>	<u>601</u>	<u>74</u>
Nutritional Meals Grant Fund:				
Parks, recreation and community services:				
Salaries and benefits	342	342	221	121
Maintenance and operations	255	307	241	66
Capital	-	26	23	3
Total	<u>597</u>	<u>675</u>	<u>485</u>	<u>190</u>
Library Grant Fund:				
Library:				
Salaries and benefits	185	189	156	33
Maintenance and operations	274	1,011	292	719
Capital	-	10	7	3
Total	<u>459</u>	<u>1,210</u>	<u>455</u>	<u>755</u>
Cable Access Fund:				
General government:				
Maintenance and operations	450	450	450	-
Total	<u>450</u>	<u>450</u>	<u>450</u>	<u>-</u>
Electric Public Benefit Fund:				
Public service:				
Salaries and benefits	339	339	305	34
Maintenance and operations	8,668	8,668	7,748	920
Total	<u>\$ 9,007</u>	<u>9,007</u>	<u>8,053</u>	<u>954</u>

(Continued)

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, 2010 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Fire Paramedic Fund				
Public safety:				
Salaries and benefits	\$ 5,566	5,566	5,225	341
Maintenance and operations	6,468	6,468	8,278	(1,810)
Capital	<u>304</u>	<u>153</u>	<u>101</u>	<u>52</u>
Total	<u>12,338</u>	<u>12,187</u>	<u>13,604</u>	<u>(1,417)</u>
ICIS Fund				
General government:				
Maintenance and operations	<u>132</u>	<u>240</u>	<u>190</u>	<u>50</u>
Total	<u>132</u>	<u>240</u>	<u>190</u>	<u>50</u>
Total expenditures and other financing uses	<u><u>\$ 71,698</u></u>	<u><u>148,078</u></u>	<u><u>97,768</u></u>	<u><u>50,310</u></u>

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DEBT SERVICE FUNDS

- 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.
- Low and Mod Loan Fund – To accumulate monies for the payment of interest and principal for the \$14 million loan from the Union Bank of California. Debt Service is financed via the 20% of incremental property taxes received by the Housing Authority from Glendale Redevelopment Project areas.
- 2010 GRA Tax Allocation Bonds Fund – To accumulate monies for the payment of interest and principal of the 2010 Tax Allocation bonds. Debt Service is financed via the incremental property tax from the Glendale Redevelopment Agency.

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Exhibit H-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds - Debt Service

June 30, 2010 (in thousands)

	2003 GRA Tax Allocation Bonds Fund	Police Building Project Fund	2002 GRA Tax Allocation Bonds Fund
Assets			
Cash and invested cash	\$ 640	32,737	422
Cash with fiscal agent	4,841	5,012	3,849
Interest receivable	-	168	-
Total assets	5,481	37,917	4,271
Liabilities and Fund Balances			
Liabilities			
Accounts payable	-	1	-
Interest payable	-	12	-
Total liabilities	-	13	-
Fund Balances			
Reserved			
Debt service	4,767	1,780	3,806
Unreserved	714	36,124	465
Total fund balances	5,481	37,904	4,271
Total liabilities and fund balances	\$ 5,481	37,917	4,271

(Continued)

Exhibit H-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds - Debt Service

June 30, 2010 (in thousands)

		2010 GRA Tax	
	Low and Mod	Allocation Bonds	Total Nonmajor
	Loan Fund	Fund	Debt Service Funds
Assets			
Cash and invested cash	\$ 6	-	33,805
Cash with fiscal agent	-	1,624	15,326
Interest receivable	-	-	168
Total assets	6	1,624	49,299
Liabilities and Fund Balances			
Liabilities			
Accounts payable	-	-	1
Interest payable	-	-	12
Total liabilities	-	-	13
Fund Balances			
Reserved			
Debt service	-	1,092	11,445
Unreserved	6	532	37,841
Total fund balances	6	1,624	49,286
Total liabilities and fund balances	\$ 6	1,624	49,299

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, 2010 (in thousands)

	2003 GRA Tax		2002 GRA Tax	
	Allocation	Police Building	Allocation	Capital Leases
	Bonds Fund	Project Fund	Bonds Fund	Fund
Revenues:				
Property taxes	\$ 4,578	-	3,614	-
Use of money and property	114	775	79	-
Total Revenues	4,692	775	3,693	-
Expenditures:				
Operating expenditures				
Police	-	775	-	-
Housing, health and community development	6	-	7	-
Debt service				
Interest on bonds	-	117	-	-
Accrued interest 2003 tax allocation	1,956	-	-	-
Accrued interest 2002 tax allocation	-	-	1,643	-
Interest on loan - L&M	-	-	-	-
Accr int cap lease -MSB retrof	-	-	-	276
Principal	-	1,500	-	-
Principal 2003 tax allocation	2,815	-	-	-
Principal 2002 tax allocation	-	-	2,165	-
Principal cap lease-MSB retrof	-	-	-	1,116
Principal on loan - L&M	-	-	-	-
Total expenditures	4,777	2,392	3,815	1,392
Excess of revenues over (under) expenditures	(85)	(1,617)	(122)	(1,392)
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfer from:				
Transfer-Capital Funds	-	-	-	1,392
Transfer to:				
Transfer-General Fund	-	(5,000)	-	-
Total financing sources (uses)	-	(5,000)	-	1,392
Net change in fund balances	(85)	(6,617)	(122)	-
Fund balance, July 1	5,566	44,521	4,393	-
Fund balance, June 30	\$ 5,481	37,904	4,271	-

(Continued)

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, 2010 (in thousands)

	Low and Mod Loan Fund	2010 GRA Tax Allocation Bonds Fund	Total Nonmajor Debt Service Funds
Revenues:			
Property taxes	\$ 3,056	-	11,248
Use of money and property	-	1	969
Total Revenues	3,056	1	12,217
Expenditures:			
Operating expenditures			
Police	-	-	775
Housing, health and community development	-	-	13
Debt service			
Interest on bonds	-	-	117
Accrued interest 2003 tax allocation	-	-	1,956
Accrued interest 2002 tax allocation	-	-	1,643
Interest on loan - L&M	420	-	420
Accr int cap lease -MSB retrof	-	-	276
Principal	-	-	1,500
Principal 2003 tax allocation	-	-	2,815
Principal 2002 tax allocation	-	-	2,165
Principal cap lease-MSB retrof	-	-	1,116
Principal on loan - L&M	2,636	-	2,636
Total expenditures	3,056	-	15,432
Excess of revenues over (under) expenditures	-	1	(3,215)
Other financing sources (uses):			
Issuance of debt	-	1,623	1,623
Transfer from:			
Transfer-Capital Funds	-	-	1,392
Transfer to:			
Transfer-General Fund	-	-	(5,000)
Total financing sources (uses)	-	1,623	(1,985)
Net change in fund balances	-	1,624	(5,200)
Fund balance, July 1	6	-	54,486
Fund balance, June 30	\$ 6	1,624	49,286

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget to Actual

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2010 (in thousands)

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
2003 GRA Tax Allocation Bonds Fund				
Property taxes	\$ 4,603	4,603	4,578	(25)
Interest and invest. revenue	<u>175</u>	<u>175</u>	<u>114</u>	<u>(61)</u>
Total	<u>4,778</u>	<u>4,778</u>	<u>4,692</u>	<u>(86)</u>
Police Building Project Fund				
Interest and invest. revenue	<u>1,300</u>	<u>1,300</u>	<u>775</u>	<u>(525)</u>
Total	<u>1,300</u>	<u>1,300</u>	<u>775</u>	<u>(525)</u>
2002 GRA Tax Allocation Bonds Fund				
Property taxes	3,684	3,684	3,614	(70)
Interest and invest. revenue	<u>130</u>	<u>130</u>	<u>79</u>	<u>(51)</u>
Total	<u>3,814</u>	<u>3,814</u>	<u>3,693</u>	<u>(121)</u>
Capital Leases Fund				
Transfers	<u>1,392</u>	<u>1,392</u>	<u>1,392</u>	<u>-</u>
Total	<u>1,392</u>	<u>1,392</u>	<u>1,392</u>	<u>-</u>
Low & Mod Loan Fund				
Property taxes	<u>3,056</u>	<u>3,056</u>	<u>3,056</u>	<u>-</u>
Total	<u>3,056</u>	<u>3,056</u>	<u>3,056</u>	<u>-</u>
2010 GRA Tax Allocation Bonds Fund				
Interest and invest. revenue	-	-	1	1
Issuance of debt	<u>-</u>	<u>-</u>	<u>1,623</u>	<u>1,623</u>
Total	<u>-</u>	<u>-</u>	<u>1,624</u>	<u>1,624</u>
Total revenues and other financing sources	<u>\$ 14,340</u>	<u>14,340</u>	<u>15,232</u>	<u>892</u>

Exhibit H-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2010 (in thousands)

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
2003 GRA Tax Allocation Bonds Fund				
Administration	\$ 7	7	6	1
Debt service	<u>4,771</u>	<u>4,771</u>	<u>4,771</u>	<u>-</u>
Total	<u>4,778</u>	<u>4,778</u>	<u>4,777</u>	<u>1</u>
Police Building Project Fund				
Administration	785	785	775	10
Debt service	2,700	2,700	1,617	1,083
Transfer out	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total	<u>3,485</u>	<u>8,485</u>	<u>7,392</u>	<u>1,093</u>
2002 GRA Tax Allocation Bonds Fund				
Administration	6	6	7	(1)
Debt service	<u>3,808</u>	<u>3,808</u>	<u>3,808</u>	<u>-</u>
Total	<u>3,814</u>	<u>3,814</u>	<u>3,815</u>	<u>(1)</u>
Capital Leases Fund				
Debt service	<u>1,392</u>	<u>1,392</u>	<u>1,392</u>	<u>-</u>
Total	<u>1,392</u>	<u>1,392</u>	<u>1,392</u>	<u>-</u>
Low & Mod Loan Fund				
Debt service	<u>3,056</u>	<u>3,056</u>	<u>3,056</u>	<u>-</u>
Total	<u>3,056</u>	<u>3,056</u>	<u>3,056</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 16,525</u>	<u>21,525</u>	<u>20,432</u>	<u>1,093</u>

CAPITAL PROJECT FUNDS

- State Gas Tax Fund - To account for monies received and expended from state gas tax allocations for street improvement purposes.
- Landfill Postclosure Fund - To account for monies reserved for the post-closure maintenance cost of Scholl Canyon landfill.
- Police Facility Construction Fund - To account for monies from the 2000 Police Building Project Variable Rate Demand Certificates of Participation proceeds.

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Exhibit I-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds - Capital Projects
 June 30, 2010 (in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Total Nonmajor Capital Projects
Assets			
Cash and invested cash	\$ 14,751	-	14,751
Designated & invested cash	-	22,100	22,100
Interest receivable	62	-	62
Accounts receivable, net	894	-	894
Total assets	15,707	22,100	37,807
Liabilities and Fund Balances			
Liabilities			
Accounts payable	238	-	238
Unearned/Deferred revenues	228	-	228
Total liabilities	466	-	466
Fund Balances			
Reserved			
Encumbrances	2,107	-	2,107
Unreserved	13,134	22,100	35,234
Total fund balances	15,241	22,100	37,341
Total liabilities and fund balances	\$ 15,707	22,100	37,807

Exhibit I-2

CITY OF GLENDALE

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

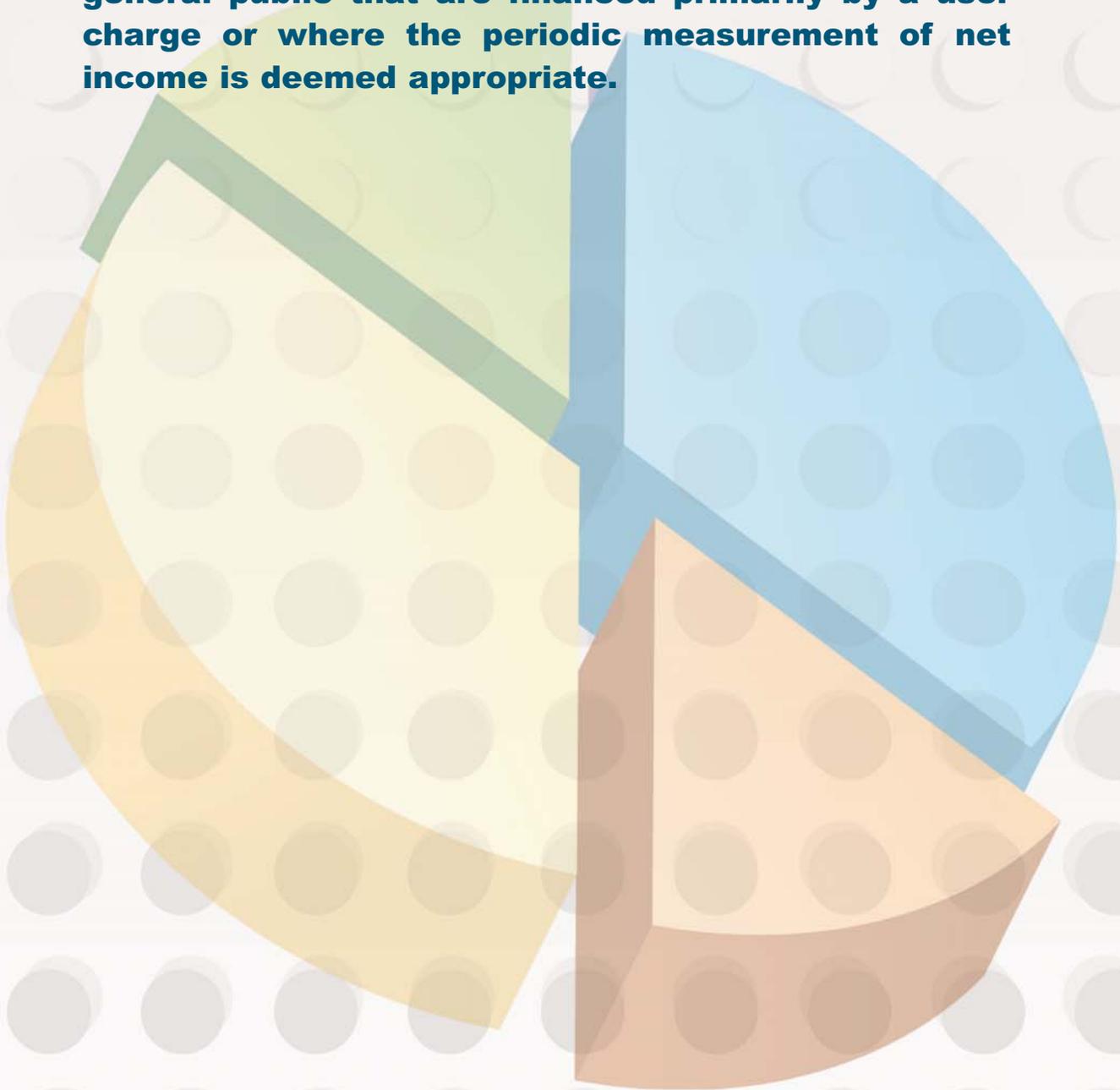
Nonmajor Governmental Funds - Capital Projects

For Fiscal Year Ended June 30, 2010 (in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Police Facility Construction Fund	Total Nonmajor Capital Projects
Revenues:				
Revenue from other agencies	\$ 5,351	-	-	5,351
Use of money and property	298	-	-	298
Miscellaneous revenue	-	-	4	4
Total Revenues	5,649	-	4	5,653
Expenditures:				
Operating expenditures				
Public works	1,450	-	-	1,450
Capital	6,313	-	1	6,314
Total expenditures	7,763	-	1	7,764
Excess of revenues over (under) expenditures	(2,114)	-	3	(2,111)
Other financing sources (uses):				
Transfer from:				
Transfer-Capital Funds	-	22,100	-	22,100
Transfer to:				
Transfer-Capital Funds	-	-	(1,182)	(1,182)
Transfer-General Fund	-	-	(1,000)	(1,000)
Total transfer to	-	-	(2,182)	(2,182)
Total financing sources (uses)	-	22,100	(2,182)	19,918
Net change in fund balances	(2,114)	22,100	(2,179)	17,807
Fund balance, July 1	17,355	-	2,179	19,534
Fund balance, June 30	\$ 15,241	22,100	-	37,341

NONMAJOR ENTERPRISE FUNDS

This section of the CAFR provides information on nonmajor enterprise funds, which 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.



ENTERPRISE FUNDS

- 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.
- 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.

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Exhibit J-1
CITY OF GLENDALE
 Combining Statement of Net Assets
 Proprietary Fund Type - Nonmajor Enterprise Funds
 June 30, 2010 (in thousands)

	Recreation Fund	Hazardous Disposal Fund	Parking Fund
Assets			
Current assets			
Cash and invested cash	\$ 2,872	824	4,474
Interest receivable	12	4	20
Accounts receivable, net	65	190	816
Total current assets	2,949	1,018	5,310
Capital assets			
Land	-	-	5,651
Buildings and improvements	-	598	41,562
Machinery and equipment	65	287	2,766
Bldg & impro accm depreciation	(58)	(799)	(20,150)
Total capital assets	7	86	29,829
Total noncurrent assets	7	86	29,829
Total assets	2,956	1,104	35,139
Liabilities			
Accounts payable	57	72	279
Deposits	119	34	-
Total liabilities	176	106	279
Net assets			
Invested in capital assets, net of related debt	10	86	29,829
Unrestricted	2,770	912	5,031
Total net assets	\$ 2,780	998	34,860

(Continued)

Exhibit J-1
CITY OF GLENDALE
Combining Statement of Net Assets
Proprietary Fund Type - Nonmajor Enterprise Funds
June 30, 2010 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Fund
Assets			
Current assets			
Cash and invested cash	\$ 16,531	2,109	26,810
Interest receivable	74	10	120
Accounts receivable, net	2,146	42	3,259
Total current assets	18,751	2,161	30,189
Capital assets			
Land	1,639	-	7,290
Buildings and improvements	6,789	-	48,949
Machinery and equipment	16,573	5,384	25,075
Bldg & impro accm depreciation	(12,077)	(3,927)	(37,011)
Total capital assets	12,924	1,457	44,303
Total noncurrent assets	12,924	1,457	44,303
Total assets	31,675	3,618	74,492
Liabilities			
Accounts payable	1,220	-	1,628
Deposits	302	-	455
Total liabilities	1,522	-	2,083
Net assets			
Invested in capital assets, net of related debt	12,923	1,457	44,305
Unrestricted	17,230	2,161	28,104
Total net assets	\$ 30,153	3,618	72,409

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, 2010 (in thousands)

	Recreation Fund	Hazardous Disposal Fund	Parking Fund
Operating revenues			
Charges for services	\$ 2,352	1,534	8,945
Miscellaneous revenues	240	3	44
Total operating revenues	2,592	1,537	8,989
Operating expenses			
Salaries and benefits	1,443	1,109	2,528
Maintenance and operations	1,106	602	3,675
Depreciation	3	46	1,143
Total operating expenses	2,552	1,757	7,346
Operating income (loss)	40	(220)	1,643
Non operating revenues (expenses)			
Interest revenue	55	15	98
Grant revenue	175	84	-
Contribution in aid	32	-	-
Total non operating revenues, net	262	99	98
Income before transfers	302	(121)	1,741
Transfer to:			
Transfer-General Fund	-	-	(1,900)
Change in net assets	302	(121)	(159)
Total net assets, July 1	2,478	1,119	35,019
Total net assets, June 30	\$ 2,780	998	34,860

(Continued)

Exhibit J-2

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

Proprietary Funds - Non Major Enterprise Funds

Year ended June 30, 2010 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
Operating revenues			
Charges for services	\$ 19,940	3,199	35,970
Miscellaneous revenues	45	622	954
Total operating revenues	19,985	3,821	36,924
Operating expenses			
Salaries and benefits	7,260	2,037	14,377
Maintenance and operations	9,146	939	15,468
Depreciation	1,001	180	2,373
Total operating expenses	17,407	3,156	32,218
Operating income (loss)	2,578	665	4,706
Non operating revenues (expenses)			
Interest revenue	396	41	605
Grant revenue	45	18	322
Contribution in aid	-	-	32
Total non operating revenues, net	441	59	959
Income before transfers	3,019	724	5,665
Transfer to:			
Transfer-General Fund	-	-	(1,900)
Change in net assets	3,019	724	3,765
Total net assets, July 1	27,134	2,894	68,644
Total net assets, June 30	\$ 30,153	3,618	72,409

CITY OF GLENDALE

Combining Statement of Cash Flows

Proprietary FundType - Nonmajor Enterprise Funds

Year Ended June 30, 2010 (in thousands)

	Hazardous Disposal		
	Recreation Fund	Fund	Parking Fund
Cash flows from operating activities:			
Cash from customers	\$ 2,558	1,515	8,573
Cash paid to employees	(1,443)	(1,109)	(2,528)
Cash paid to suppliers	(1,104)	(559)	(3,964)
Net Cash provided (used) by operating activities	11	(153)	2,081
Cash flows from noncapital financing activities:			
Operating transfers out			
Transfer-General Fund			
Operating transf to othr funds	-	-	(1,900)
Operating grant received	175	84	-
Net Cash provided (used) by noncapital financing activities	175	84	(1,900)
Cash flows from capital and related financing activities:			
Contribution in aid	32	-	-
Acquisition of property, plant, and equipment	-	-	(518)
Net cash provided (used in) capital and related financing activities	32	-	(518)
Cash provided by investing activities - interest received	55	15	100
Net increase (decrease) in cash and cash equivalents	273	(54)	(237)
Cash and cash equivalents at July 1	2,599	878	4,711
Cash and cash equivalents at June 30	2,872	824	4,474
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	40	(220)	1,643
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	3	46	1,142
(Increase)Decrease Accounts receivable net	-	1	(731)
(Increase)Decrease Unbilled receivable	-	9	-
(Increase)Decrease Due from other agencies	(34)	(32)	316
Increase(Decrease) Accounts payable	(25)	43	(292)
Increase(Decrease) Due to other agencies	-	-	3
Increase(Decrease) Deposits	27	-	-
Total adjustments	(29)	67	438
Net cash provided (used) by operating activities	\$ 11	(153)	2,081
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	15	5	25

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Proprietary FundType - Nonmajor Enterprise Funds

Year Ended June 30, 2010 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash from customers	\$ 20,446	3,819	36,911
Cash paid to employees	(7,260)	(2,037)	(14,377)
Cash paid to suppliers	(8,290)	(945)	(14,862)
Net Cash provided (used) by operating activities	<u>4,896</u>	<u>837</u>	<u>7,672</u>
Cash flows from noncapital financing activities:			
Operating transfers out			
Transfer-General Fund			
Operating transf to othr funds	-	-	(1,900)
Operating grant received	45	18	322
Net Cash provided (used) by noncapital financing activities	<u>45</u>	<u>18</u>	<u>(1,578)</u>
Cash flows from capital and related financing activities:			
Contribution in aid	-	-	32
Acquisition of property, plant, and equipment	(3,490)	(29)	(4,037)
Net cash provided (used in) capital and related financing activities	<u>(3,490)</u>	<u>(29)</u>	<u>(4,005)</u>
Cash provided by investing activities - interest received	<u>394</u>	<u>41</u>	<u>604</u>
Net increase (decrease) in cash and cash equivalents	<u>1,845</u>	<u>867</u>	<u>2,694</u>
Cash and cash equivalents at July 1	<u>14,686</u>	<u>1,242</u>	<u>24,116</u>
Cash and cash equivalents at June 30	<u>16,531</u>	<u>2,109</u>	<u>26,810</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>2,578</u>	<u>665</u>	<u>4,706</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	1,001	180	2,372
(Increase)Decrease Accounts receivable net	322	15	(393)
(Increase)Decrease Unbilled receivable	105	-	114
(Increase)Decrease Due from other agencies	34	(18)	266
Increase(Decrease) Accounts payable	912	(5)	633
Increase(Decrease) Due to other agencies	-	-	3
Increase(Decrease) Deposits	(56)	-	(29)
Total adjustments	<u>2,318</u>	<u>172</u>	<u>2,966</u>
Net cash provided (used) by operating activities	<u>\$ 4,896</u>	<u>837</u>	<u>7,672</u>
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	93	12	151

Exhibit J-4
 CITY OF GLENDALE
 Schedule of Investment in Capital Assets
 Nonmajor Enterprise Funds
 Year Ended June 30, 2010 (in thousands)

		Land	Buildings and Improvements	Machinery and Equipment	Total
Recreation Fund	\$	-	-	65	65
Hazardous Disposal Fund		-	598	287	885
Fire Communication Fund		-	-	5,384	5,384
Parking Fund		5,651	41,562	2,766	49,979
Refuse Disposal Fund		1,639	6,789	16,573	25,001
Total capital assets	\$	7,290	48,949	25,075	81,314

Exhibit J-5

CITY OF GLENDALE

Schedule of Changes in Capital Assets

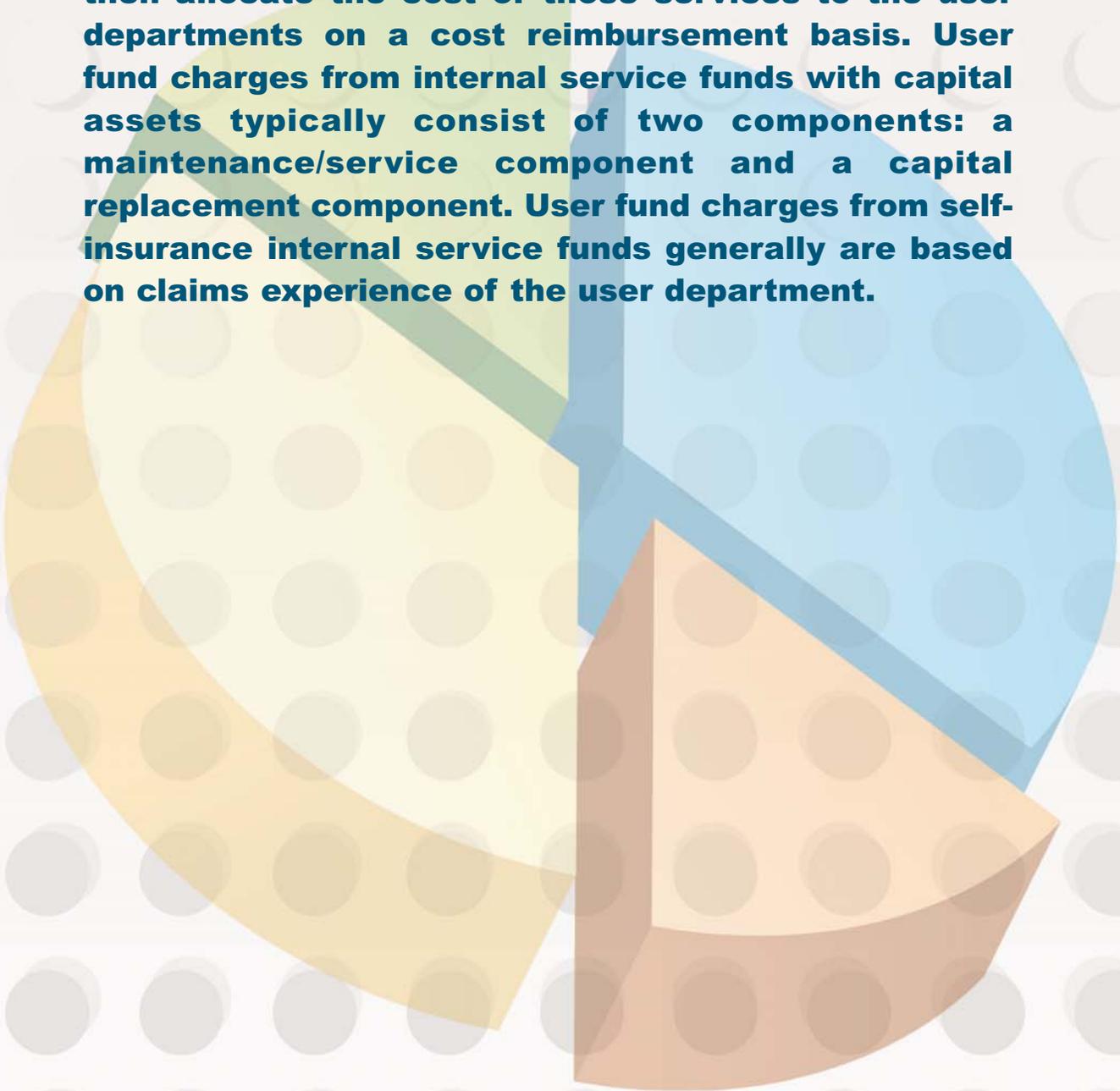
Non Major Enterprise Funds

Year Ended June 30, 2010 (in thousands)

	<u>Balance at July 1</u>	<u>Additions/ Reclass</u>	<u>Retirements/ Reclass</u>	<u>Total</u>
Recreation Fund	\$ 65	-	-	65
Hazardous Disposal Fund	885	-	-	885
Fire Communication Fund	5,356	28	-	5,384
Parking Fund	49,519	517	(57)	49,979
Refuse Disposal Fund	<u>22,284</u>	<u>3,491</u>	<u>(774)</u>	<u>25,001</u>
Total capital assets	\$ <u><u>78,109</u></u>	<u><u>4,036</u></u>	<u><u>(831)</u></u>	<u><u>81,314</u></u>

INTERNAL SERVICE FUNDS

This section of the CAFR provides information on each individual internal service fund. Internal service funds are used by the City to centralize certain services and then allocate the cost of those services to the user departments on a cost reimbursement basis. User fund charges from internal service funds with capital assets typically consist of two components: a maintenance/service component and a capital replacement component. User fund charges from self-insurance internal service funds generally are based on claims experience of the user department.



INTERNAL SERVICE FUNDS

- Fleet / Equipment Management Fund - To account for equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of equipment.
- Joint Helicopter Operation 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.
- Wireless Communication System 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.

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Exhibit K-1
CITY OF GLENDALE
 Combining Statement of Net Assets
 Internal Service Funds
 June 30, 2010 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	Tech Equipment Replacement Fund	Application Software Replacement Fund
Assets				
Current assets				
Cash and invested cash	\$ 17,206	3,013	477	3,964
Interest receivable	77	13	3	19
Accounts receivable, net	-	152	-	-
Prepaid items	-	-	-	-
Total current assets	17,283	3,178	480	3,983
Capital assets				
Machinery and equipment	29,781	2,074	-	-
Bldg & impro accm depreciation	(16,632)	(1,235)	-	-
Total capital assets	13,149	839	-	-
Total assets	30,432	4,017	480	3,983
Liabilities and Net Assets				
Current liabilities				
Accounts payable	572	165	12	30
Interest payable	56	-	-	-
Capital leases	578	-	-	-
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Total current liabilities	1,206	165	12	30
Noncurrent liabilities				
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Long term debt	3,295	-	-	-
Total noncurrent liabilities	3,295	-	-	-
Total liabilities	4,501	165	12	30
Net assets				
Invested in capital assets, net of related debt	9,276	839	-	-
Unrestricted	16,655	3,013	468	3,953
Total net assets	\$ 25,931	3,852	468	3,953

(Continued)

Exhibit K-1
CITY OF GLENDALE
 Combining Statement of Net Assets
 Internal Service Funds
 June 30, 2010 (in thousands)

	Unemploymet Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
Assets				
Current assets				
Cash and invested cash	\$ 537	8,765	13,771	443
Interest receivable	2	271	58	1
Accounts receivable, net	-	-	3	-
Prepaid items	-	-	-	-
Total current assets	539	9,036	13,832	444
Capital assets				
Machinery and equipment	-	-	78	-
Bldg & impro accm depreciation	-	-	(71)	-
Total capital assets	-	-	7	-
Total assets	539	9,036	13,839	444
Liabilities and Net Assets				
Current liabilities				
Accounts payable	-	-	2	95
Interest payable	-	-	-	-
Capital leases	-	-	-	-
Claims payable	-	3,951	8,577	-
Compensated absences	-	-	-	-
Total current liabilities	-	3,951	8,579	95
Noncurrent liabilities				
Claims payable	-	5,644	22,024	-
Compensated absences	-	-	-	-
Long term debt	-	-	-	-
Total noncurrent liabilities	-	5,644	22,024	-
Total liabilities	-	9,595	30,603	95
Net assets				
Invested in capital assets, net of related debt	-	-	7	-
Unrestricted	539	(559)	(16,771)	349
Total net assets	\$ 539	(559)	(16,764)	349

(Continued)

Exhibit K-1
CITY OF GLENDALE
 Combining Statement of Net Assets
 Internal Service Funds
 June 30, 2010 (in thousands)

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fund
Assets				
Current assets				
Cash and invested cash	\$ 2,143	253	7,025	5,014
Interest receivable	3	1	29	20
Accounts receivable, net	12	-	-	-
Prepaid items	514	-	-	-
Total current assets	2,672	254	7,054	5,034
Capital assets				
Machinery and equipment	-	-	-	-
Bldg & impro accm depreciation	-	-	-	-
Total capital assets	-	-	-	-
Total assets	2,672	254	7,054	5,034
Liabilities and Net Assets				
Current liabilities				
Accounts payable	1,043	22	(1)	-
Interest payable	-	-	-	-
Capital leases	-	-	-	-
Claims payable	580	-	-	-
Compensated absences	-	-	1,365	1,500
Total current liabilities	1,623	22	1,364	1,500
Noncurrent liabilities				
Claims payable	-	-	-	-
Compensated absences	-	-	13,345	11,237
Long term debt	-	-	-	-
Total noncurrent liabilities	-	-	13,345	11,237
Total liabilities	1,623	22	14,709	12,737
Net assets				
Invested in capital assets, net of related debt	-	-	-	-
Unrestricted	1,049	232	(7,655)	(7,703)
Total net assets	\$ 1,049	232	(7,655)	(7,703)

(Continued)

Exhibit K-1
CITY OF GLENDALE
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010 (in thousands)

		Post Employment Benefits Fund	Wireless Communications Fund	Total
Assets				
Current assets				
Cash and invested cash	\$	522	713	63,846
Interest receivable		3	3	503
Accounts receivable, net		-	-	167
Prepaid items		-	-	514
Total current assets		525	716	65,030
Capital assets				
Machinery and equipment		-	496	32,429
Bldg & impro accm depreciation		-	(146)	(18,084)
Total capital assets		-	350	14,345
Total assets		525	1,066	79,375
Liabilities and Net Assets				
Current liabilities				
Accounts payable		-	17	1,957
Interest payable		-	-	56
Capital leases		-	-	578
Claims payable		-	-	13,108
Compensated absences		-	-	2,865
Total current liabilities		-	17	18,564
Noncurrent liabilities				
Claims payable		-	-	27,668
Compensated absences		-	-	24,582
Long term debt		-	-	3,295
Total noncurrent liabilities		-	-	55,545
Total liabilities		-	17	74,109
Net assets				
Invested in capital assets, net of related debt		-	350	10,472
Unrestricted		525	699	(5,206)
Total net assets	\$	525	1,049	5,266

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets

Internal Services

Year ended June 30, 2010 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Replacement Fund	Tech Equipment Replacement Fund	Application Software Replacement Fund
Operating revenues				
Charges for services	\$ 12,597	318	497	262
Miscellaneous revenues	-	-	2	-
Total operating revenues	<u>12,597</u>	<u>318</u>	<u>499</u>	<u>262</u>
Operating Expenses				
Salaries and benefits	3,160	9	-	54
Maintenance and operations	4,960	537	983	616
Equipment purchased	97	-	-	-
Claims and settlements	-	-	-	-
Depreciation	2,061	106	-	-
Total operating expenses	<u>10,278</u>	<u>652</u>	<u>983</u>	<u>670</u>
Operating income (loss)	<u>2,319</u>	<u>(334)</u>	<u>(484)</u>	<u>(408)</u>
Non operating revenues (expenses):				
Interest revenue	420	58	7	13
Interest expense	(170)	-	-	-
Total non operating revenues, net	<u>250</u>	<u>58</u>	<u>7</u>	<u>13</u>
Income before transfers	<u>2,569</u>	<u>(276)</u>	<u>(477)</u>	<u>(395)</u>
Transfer from:				
Transfer-General Fund	-	-	800	60
Transfer-Internal Service Fund	-	-	-	3,379
Total transfer from	<u>-</u>	<u>-</u>	<u>800</u>	<u>3,439</u>
Transfer to:				
Transfer-General Fund	(1,000)	-	-	-
Transfer-Internal Service	-	-	-	-
Total transfer to	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Contributions	<u>60</u>	<u>378</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>1,629</u>	<u>102</u>	<u>323</u>	<u>3,044</u>
Total net asset, July 1	<u>24,302</u>	<u>3,750</u>	<u>145</u>	<u>909</u>
Total net assets, June 30	<u>\$ 25,931</u>	<u>3,852</u>	<u>468</u>	<u>3,953</u>

(Continued)

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets

Internal Services

Year ended June 30, 2010 (in thousands)

	Police CAD RMS Replacement Fund	Citywide Document Management System Fund	Unemployment Insurance Fund	Liability Insurance Fund
Operating revenues				
Charges for services	\$ -	-	168	5,649
Miscellaneous revenues	-	-	-	42
Total operating revenues	-	-	168	5,691
Operating Expenses				
Salaries and benefits	-	5	-	712
Maintenance and operations	-	154	6	494
Equipment purchased	-	-	-	-
Claims and settlements	-	-	170	1,406
Depreciation	-	-	-	-
Total operating expenses	-	159	176	2,612
Operating income (loss)	-	(159)	(8)	3,079
Non operating revenues (expenses):				
Interest revenue	30	7	11	77
Interest expense	-	-	-	-
Total non operating revenues, net	30	7	11	77
Income before transfers	30	(152)	3	3,156
Transfer from:				
Transfer-General Fund	100	28	-	6,355
Transfer-Internal Service Fund	-	-	-	-
Total transfer from	100	28	-	6,355
Transfer to:				
Transfer-General Fund	-	-	-	-
Transfer-Internal Service	(1,545)	(209)	-	-
Total transfer to	(1,545)	(209)	-	-
Capital Contributions	-	-	-	-
Change in net assets	(1,415)	(333)	3	9,511
Total net asset, July 1	1,415	333	536	(10,070)
Total net assets, June 30	\$ -	-	539	(559)

(Continued)

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets

Internal Services

Year ended June 30, 2010 (in thousands)

	Compensation Insurance Fund	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund
Operating revenues				
Charges for services	\$ 10,266	1,492	21,511	333
Miscellaneous revenues	1	-	-	-
Total operating revenues	10,267	1,492	21,511	333
Operating Expenses				
Salaries and benefits	1,511	-	60	-
Maintenance and operations	811	41	386	9
Equipment purchased	-	-	-	-
Claims and settlements	16,258	1,405	21,597	255
Depreciation	12	-	-	-
Total operating expenses	18,592	1,446	22,043	264
Operating income (loss)	(8,325)	46	(532)	69
Non operating revenues (expenses):				
Interest revenue	280	7	9	5
Interest expense	-	-	-	-
Total non operating revenues, net	280	7	9	5
Income before transfers	(8,045)	53	(523)	74
Transfer from:				
Transfer-General Fund	700	70	845	15
Transfer-Internal Service Fund	-	-	-	-
Total transfer from	700	70	845	15
Transfer to:				
Transfer-General Fund	-	-	-	-
Transfer-Internal Service	-	-	-	-
Total transfer to	-	-	-	-
Capital Contributions	-	-	-	-
Change in net assets	(7,345)	123	322	89
Total net asset, July 1	(9,419)	226	727	143
Total net assets, June 30	\$ (16,764)	349	1,049	232

(Continued)

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets

Internal Services

Year ended June 30, 2010 (in thousands)

	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fund	Post Employment Benefits Fund	Wireless Communications System Fund
Operating revenues				
Charges for services	\$ 2,984	1,836	53	650
Miscellaneous revenues	-	-	-	17
Total operating revenues	2,984	1,836	53	667
Operating Expenses				
Salaries and benefits	3,184	2,658	245	867
Maintenance and operations	-	-	-	1,785
Equipment purchased	-	-	-	(64)
Claims and settlements	-	-	-	-
Depreciation	-	-	-	17
Total operating expenses	3,184	2,658	245	2,605
Operating income (loss)	(200)	(822)	(192)	(1,938)
Non operating revenues (expenses):				
Interest revenue	128	91	13	13
Interest expense	-	-	-	-
Total non operating revenues, net	128	91	13	13
Income before transfers	(72)	(731)	(179)	(1,925)
Transfer from:				
Transfer-General Fund	375	370	-	2,723
Transfer-Internal Service Fund	-	-	-	-
Total transfer from	375	370	-	2,723
Transfer to:				
Transfer-General Fund	-	-	-	-
Transfer-Internal Service	-	-	-	-
Total transfer to	-	-	-	-
Capital Contributions	-	-	-	-
Change in net assets	303	(361)	(179)	798
Total net asset, July 1	(7,958)	(7,342)	704	251
Total net assets, June 30	\$ (7,655)	(7,703)	525	1,049

(Continued)

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets

Internal Services

Year ended June 30, 2010 (in thousands)

	Financial System	
	Operation Fund	Total
Operating revenues		
Charges for services	-	58,616
Miscellaneous revenues	-	62
Total operating revenues	-	58,678
Operating Expenses		
Salaries and benefits	636	13,101
Maintenance and operations	448	11,230
Equipment purchased	-	33
Claims and settlements	-	41,091
Depreciation	-	2,196
Total operating expenses	1,084	67,651
Operating income (loss)	(1,084)	(8,973)
Non operating revenues (expenses):		
Interest revenue	35	1,204
Interest expense	-	(170)
Total non operating revenues, net	35	1,034
Income before transfers	(1,049)	(7,939)
Transfer from:		
Transfer-General Fund	737	13,178
Transfer-Internal Service Fund	-	3,379
Total transfer from	737	16,557
Transfer to:		
Transfer-General Fund	-	(1,000)
Transfer-Internal Service	(1,625)	(3,379)
Total transfer to	(1,625)	(4,379)
Capital Contributions	-	438
Change in net assets	(1,937)	4,677
Total net asset, July 1	1,937	589
Total net assets, June 30	-	5,266

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2010 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	Tech Equipment Replacement Fund
Cash flows from operating activities:			
Cash from customers	\$ 12,598	337	498
Cash paid to employees	(3,160)	(9)	-
Cash paid to suppliers	(4,490)	(625)	(1,134)
Net Cash provided (used) by operating activities	<u>4,948</u>	<u>(297)</u>	<u>(636)</u>
Cash flows from noncapital financing activities:			
Operating transfers out			
Operating transf to othr funds	(1,000)	-	-
Operating transf fr othr funds	-	-	800
Net Cash provided (used) by noncapital financing activities	<u>(1,000)</u>	<u>-</u>	<u>800</u>
Cash flows from capital and related financing activities:			
Interest on long term debt	(170)	-	-
Bond, premium and interest accrued	(556)	-	-
Contribution in aid	-	378	-
Acquisition of property, plant, and equipment	(2,504)	-	-
Net cash provided (used in) capital and related financing activities	<u>(3,171)</u>	<u>378</u>	<u>-</u>
Cash provided by investing activities - interest received	<u>423</u>	<u>59</u>	<u>7</u>
Net increase (decrease) in cash and cash equivalents	1,200	140	171
Cash and cash equivalents at July 1	<u>16,006</u>	<u>2,873</u>	<u>306</u>
Cash and cash equivalents at June 30	<u><u>17,206</u></u>	<u><u>3,013</u></u>	<u><u>477</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>2,319</u>	<u>(334)</u>	<u>(484)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	2,061	106	-
(Increase)Decrease Accounts receivable net	-	(43)	-
(Increase)Decrease Due from other agencies	4	62	-
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	564	(88)	(152)
Increase(Decrease) Claims payable	-	-	-
Total adjustments	<u>2,629</u>	<u>37</u>	<u>(152)</u>
Net cash provided (used) by operating activities	<u>\$ 4,948</u>	<u>(297)</u>	<u>(636)</u>
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	95	16	3

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2010 (in thousands)

	Application Software Replacement Fund	Police CAD RMS Replacement Fund	Citywide Document Management Fund
Cash flows from operating activities:			
Cash from customers	\$ 264	-	-
Cash paid to employees	(54)	-	(5)
Cash paid to suppliers	(647)	-	(154)
Net Cash provided (used) by operating activities	<u>(437)</u>	<u>-</u>	<u>(159)</u>
Cash flows from noncapital financing activities:			
Operating transfers out			
Operating transf to othr funds	-	(1,545)	(210)
Operating transf fr othr funds	3,439	100	28
Net Cash provided (used) by noncapital financing activities	<u>3,439</u>	<u>(1,445)</u>	<u>(182)</u>
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	-
Bond, premium and interest accrued	-	-	-
Contribution in aid	-	-	-
Acquisition of property, plant, and equipment	-	-	-
Net cash provided (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash provided by investing activities - interest received	<u>(1)</u>	<u>37</u>	<u>10</u>
Net increase (decrease) in cash and cash equivalents	3,001	(1,408)	(331)
Cash and cash equivalents at July 1	<u>963</u>	<u>1,408</u>	<u>331</u>
Cash and cash equivalents at June 30	<u><u>3,964</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>(408)</u>	<u>-</u>	<u>(159)</u>
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	1	-	-
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	(30)	-	-
Increase(Decrease) Claims payable	-	-	-
Total adjustments	<u>(29)</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ (437)</u></u>	<u><u>-</u></u>	<u><u>(159)</u></u>
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	23	-	-

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2010 (in thousands)

	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund
Cash flows from operating activities:			
Cash from customers	\$ 168	5,692	10,431
Cash paid to employees	-	(712)	(1,512)
Cash paid to suppliers	(176)	(6,044)	(8,694)
Net Cash provided (used) by operating activities	(8)	(1,064)	225
Cash flows from noncapital financing activities:			
Operating transfers out			
Operating transf to othr funds	-	-	-
Operating transf fr othr funds	-	6,355	700
Net Cash provided (used) by noncapital financing activities	-	6,355	700
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	-
Bond, premium and interest accrued	-	-	-
Contribution in aid	-	-	-
Acquisition of property, plant, and equipment	-	-	-
Net cash provided (used in) capital and related financing activities	-	-	-
Cash provided by investing activities - interest received	12	73	285
Net increase (decrease) in cash and cash equivalents	4	5,364	1,210
Cash and cash equivalents at July 1	533	3,401	12,561
Cash and cash equivalents at June 30	537	8,765	13,771
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	(8)	3,079	(8,325)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	-	-	12
(Increase)Decrease Accounts receivable net	-	-	163
(Increase)Decrease Due from other agencies	-	-	-
(Increase)Decrease Prepaid expenses	-	-	5
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	-	(635)	-
Increase(Decrease) Claims payable	-	(3,508)	8,370
Total adjustments	-	(4,143)	8,550
Net cash provided (used) by operating activities	\$ (8)	(1,064)	225
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	3	19	72

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2010 (in thousands)

	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund
Cash flows from operating activities:			
Cash from customers	\$ 1,492	21,511	333
Cash paid to employees	-	(60)	-
Cash paid to suppliers	(1,440)	(21,291)	(264)
Net Cash provided (used) by operating activities	<u>52</u>	<u>160</u>	<u>69</u>
Cash flows from noncapital financing activities:			
Operating transfers out			
Operating transf to othr funds	-	-	-
Operating transf fr othr funds	70	845	15
Net Cash provided (used) by noncapital financing activities	<u>70</u>	<u>845</u>	<u>15</u>
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	-
Bond, premium and interest accrued	-	-	-
Contribution in aid	-	-	-
Acquisition of property, plant, and equipment	-	-	-
Net cash provided (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash provided by investing activities - interest received	<u>8</u>	<u>13</u>	<u>5</u>
Net increase (decrease) in cash and cash equivalents	130	1,018	89
Cash and cash equivalents at July 1	<u>313</u>	<u>1,125</u>	<u>164</u>
Cash and cash equivalents at June 30	<u><u>443</u></u>	<u><u>2,143</u></u>	<u><u>253</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>46</u>	<u>(532)</u>	<u>69</u>
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	-	(3)	-
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	6	906	-
Increase(Decrease) Claims payable	-	(211)	-
Total adjustments	<u>6</u>	<u>692</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 52</u>	<u>160</u>	<u>69</u>
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	2	4	1

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2010 (in thousands)

	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fund	Post Employment Benefits Fund
Cash flows from operating activities:			
Cash from customers	\$ 2,986	1,836	53
Cash paid to employees	(2,586)	(1,529)	(245)
Cash paid to suppliers	-	-	-
Net Cash provided (used) by operating activities	<u>400</u>	<u>307</u>	<u>(192)</u>
Cash flows from noncapital financing activities:			
Operating transfers out			
Operating transf to othr funds	-	-	-
Operating transf fr othr funds	375	370	-
Net Cash provided (used) by noncapital financing activities	<u>375</u>	<u>370</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	-
Bond, premium and interest accrued	-	-	-
Contribution in aid	-	-	-
Acquisition of property, plant, and equipment	-	-	-
Net cash provided (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash provided by investing activities - interest received	<u>130</u>	<u>92</u>	<u>14</u>
Net increase (decrease) in cash and cash equivalents	905	769	(178)
Cash and cash equivalents at July 1	<u>6,120</u>	<u>4,245</u>	<u>700</u>
Cash and cash equivalents at June 30	<u><u>7,025</u></u>	<u><u>5,014</u></u>	<u><u>522</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>(200)</u>	<u>(822)</u>	<u>(192)</u>
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) Compensated absences	599	1,129	-
Increase(Decrease) Accounts payable	-	-	-
Increase(Decrease) Claims payable	1	-	-
Total adjustments	<u>600</u>	<u>1,129</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 400</u>	<u>307</u>	<u>(192)</u>
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	37	26	3

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2010 (in thousands)

	Wireless Communications System Fund	Financial System Operation Fund	Total
Cash flows from operating activities:			
Cash from customers	\$ 667	-	58,866
Cash paid to employees	(867)	(636)	(11,375)
Cash paid to suppliers	(1,777)	(448)	(47,184)
Net Cash provided (used) by operating activities	(1,977)	(1,084)	307
Cash flows from noncapital financing activities:			
Operating transfers out			
Operating transf to othr funds	-	(1,624)	(4,379)
Operating transf fr othr funds	2,723	737	16,557
Net Cash provided (used) by noncapital financing activities	2,723	(887)	12,178
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	(170)
Bond, premium and interest accrued	-	-	(556)
Contribution in aid	-	-	378
Acquisition of property, plant, and equipment	(259)	-	(2,763)
Net cash provided (used in) capital and related financing activities	(259)	-	(3,052)
Cash provided by investing activities - interest received	11	44	1,222
Net increase (decrease) in cash and cash equivalents	498	(1,927)	10,655
Cash and cash equivalents at July 1	215	1,927	53,191
Cash and cash equivalents at June 30	713	-	63,846
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	(1,938)	(1,084)	(8,973)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	17	-	2,196
(Increase)Decrease Accounts receivable net	-	-	120
(Increase)Decrease Due from other agencies	-	-	67
(Increase)Decrease Prepaid expenses	-	-	2
Increase(Decrease) Compensated absences	-	-	1,728
Increase(Decrease) Accounts payable	(56)	-	515
Increase(Decrease) Claims payable	-	-	4,652
Total adjustments	(39)	-	9,280
Net cash provided (used) by operating activities	\$ (1,977)	(1,084)	307
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	4	-	308

Exhibit L-1

CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2010 (in thousands)

	Land	Construction in Progress	Infra-structure	Buildings and Improvements	Machinery and Equipment	Total
General government						
City clerk	\$ -	(50)	-	5	55	10
City treasurer	-	-	-	-	6	6
City manager	-	98	-	148	3,025	3,271
Legal	-	-	-	10	41	51
Finance	-	-	-	-	6,130	6,130
IT	-	1,144	12,221	430	16,007	29,802
Planning	-	-	-	-	39	39
Personnel	-	-	-	-	246	246
Total	-	1,192	12,221	593	25,549	39,555
Public Safety						
Police	5,227	3,735	-	68,762	5,697	83,421
Fire	5,925	21	-	18,202	6,570	30,718
Fire paramedics	-	-	-	-	566	566
Emergency services	-	-	-	-	150	150
Total	11,152	3,756	-	86,964	12,983	114,855
Public Works						
Public works administration	25,238	12,719	5,267	1,405	1,355	45,984
Engineering	-	-	-	-	47	47
Permit services	-	-	-	-	788	788
Corporation yard	307	-	-	1,844	34	2,185
Building services	15,879	81	57	59,153	68	75,238
Streets	269,505	30,118	199,234	6,730	23	505,610
Mechanical maintenance	-	-	-	-	154	154
Traffic engineering	-	-	-	-	24	24
Traffic safety control	-	1,325	14,065	762	219	16,371
Transit administration	15,441	162	-	2,405	12,720	30,728
Air quality improvement	-	581	-	-	-	581
Total	\$ 326,370	44,986	218,623	72,299	15,432	677,710

(Continued)

Exhibit L-1

CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2010 (in thousands)

	Land	Construction in Progress	Infra-structure	Buildings and Improvements	Machinery and Equipment	Total
CD&H						
Housing administration	\$ 17,287	-	-	-	269	17,556
Community dev admin	2,080	1,210	326	5,513	44	9,173
GRA	28,982	16,819	-	14,982	901	61,684
Total	48,349	18,029	326	20,495	1,214	88,413
Parks, recreation and community						
services	51,399	11,189	-	77,732	847	141,167
Library	448	1,115	-	9,761	1,873	13,197
Total capital assets	437,718	80,267	231,170	267,844	57,898	1,074,897
Accumulated depreciation			(87,337)	(79,350)	(42,324)	(209,011)
Net capital assets	\$ 437,718	80,267	143,833	188,494	15,574	865,886

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, 2010 (in thousands)

	Balance at July 1	Additions	Retirements	Reclass	Total
General government:					
City clerk	\$ 10	-	-	-	10
City treasurer	6	-	-	-	6
City manager	3,252	19	-	-	3,271
Legal	51	-	-	-	51
Finance	6,130	-	-	-	6,130
Information services	29,802	-	-	-	29,802
Planning	39	-	-	-	39
Personnel	246	-	-	-	246
Total	39,536	19	-	-	39,555
Public safety:					
Police	83,229	420	(65)	(163)	83,421
Fire	30,422	296	-	-	30,718
Fire paramedics	474	92	-	-	566
Emergency services	140	10	-	-	150
Total	114,265	818	(65)	(163)	114,855
Public works:					
Public works administration	37,174	8,810	-	-	45,984
Engineering	47	-	-	-	47
Permit services	788	-	-	-	788
Corporation yard	2,185	-	-	-	2,185
Building services	75,099	139	-	-	75,238
Street	495,077	17,258	(6,725)	-	505,610
Mechanical maintenance	154	-	-	-	154
Traffic engineering	24	-	-	-	24
Traffic safety controls	16,346	28	(3)	-	16,371
Transit Administration	27,340	4,074	(686)	-	30,728
Air quality improvement	581	-	-	-	581
Total	654,815	30,309	(7,414)	-	677,710
Housing, health and community development:					
Housing administration	17,556	-	-	-	17,556
Community dev admin	8,099	1,074	-	-	9,173
GRA	53,518	8,166	-	-	61,684
Total	79,173	9,240	-	-	88,413
Parks, recreation and community services:					
Parks administration	138,063	3,104	-	-	141,167
Total	\$ 138,063	3,104	-	-	141,167

(Continued)

Exhibit L-2

CITY OF GLENDALE

Capital Assets used in the Operation of Governmental Funds

Schedule by Function and Activity

Year Ended June 30, 2010 (in thousands)

	<u>Balance at July 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Reclass</u>	<u>Total</u>
Library	\$ 13,076	121	-	-	13,197
Total capital assets	<u>1,038,928</u>	<u>43,611</u>	<u>(7,479)</u>	<u>(163)</u>	<u>1,074,897</u>
Accumulated depreciation	<u>(200,039)</u>	<u>(16,555)</u>	<u>7,479</u>	<u>104</u>	<u>(209,011)</u>
Net capital assets	<u>\$ 838,889</u>	<u>27,056</u>	<u>-</u>	<u>(59)</u>	<u>865,886</u>

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.

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STATISTICAL SECTION (UNAUDITED)

The statistical section provides mostly trend data and nonfinancial information useful in assessing the City's financial condition. Because of the special character of the data presented in the statistical section (i.e., data of prior years, nonfinancial data), the section does not fall within the scope of the independent audit.

- **Financial Trends – These schedules contain trend information to help the reader understand how the City's financial performance well-being have changed over time.**
- **Revenue Capacity – 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.**
- **Debt Capacity – 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.**
- **Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.**
- **Operation Information – 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.**

Schedule 1

CITY OF GLENDALE

Net Assets by Component,

Last Nine Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year			
	2010	2009	2008	2007
Governmental Activities				
Invested in capital assets, net of related debt	\$ 806,721	782,170	766,314	608,369
Restricted	56,854	56,506	48,392	59,782
Unrestricted	91,582	113,761	109,313	236,117
Total governmental activities net assets	955,157	952,437	924,019	904,268
Business-type Activities				
Invested in capital assets, net of related debt	476,440	448,099	392,039	472,893
Restricted	13,864	14,047	14,058	8,392
Unrestricted	208,562	238,443	278,763	190,462
Total business-type activities net assets	698,866	700,589	684,860	671,747
Primary Government				
Invested in capital assets, net of related debt	1,283,161	1,230,269	1,158,353	1,081,262
Restricted	70,718	70,553	62,450	68,174
Unrestricted	300,144	352,204	388,076	426,579
Total primary government net assets	\$ 1,654,023	1,653,026	1,608,879	1,576,015

	Fiscal Year				
	2006	2005	2004	2003	2002
Governmental Activities					
Invested in capital assets, net of related debt	\$ 684,725	658,445	635,754	607,260	507,881
Restricted	58,668	60,899	51,900	95,245	152,983
Unrestricted	151,966	151,155	150,127	131,816	70,120
Total governmental activities net assets	895,359	870,499	837,781	834,321	730,984
Business-type Activities					
Invested in capital assets, net of related debt	435,757	393,342	371,934	347,099	387,743
Restricted	8,653	12,461	11,947	4,814	56,758
Unrestricted	217,431	261,248	282,328	302,302	146,757
Total business-type activities net assets	661,841	667,051	666,209	654,215	591,258
Primary Government					
Invested in capital assets, net of related debt	1,120,482	1,051,787	1,007,688	954,359	895,624
Restricted	67,321	73,360	63,847	100,059	209,741
Unrestricted	369,397	412,403	432,455	434,118	216,877
Total primary government net assets	\$ 1,557,200	1,537,550	1,503,990	1,488,536	1,322,242

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

Source: City Finance Department

Not covered by independent auditor's report

Schedule 2

CITY OF GLENDALE

Changes in Net Assets,
Last Nine Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year			
	2010	2009	2008	2007
Expenses				
Governmental activities:				
General government	\$ 24,157	23,508	15,165	25,842
Public safety	-	-	118,200	107,660
Police	66,923 (4)	64,113 (4)	-	-
Fire	55,743 (4)	50,793 (4)	-	-
Public works	38,529	35,903	40,252	35,442
Housing, health, and comm dev	70,813	49,563	51,601	63,526
Employment programs	7,397	5,432	5,962	6,808
Public service	8,249	6,729	4,682	6,932
Parks, recreation and community services	15,578	16,229	15,699	14,955
Library	9,241	9,162	9,916	8,463
Interest and fiscal charges on bonds	17,232	7,311	9,610	10,097
Total governmental activities expenses	<u>313,862</u>	<u>268,743</u>	<u>271,087</u>	<u>279,725</u>
Business-type activities:				
Recreation	2,645	2,552	2,457	2,072
Hazardous disposal	1,848	1,680	1,801	1,539
Fire communications	3,306	2,790	-	-
Parking	7,609	6,520	6,416	6,618
Sewer	17,874	12,195	17,784	11,993
Refuse disposal	18,101	16,450	16,283	15,074
Electric	170,423	192,326	195,590	178,220
Water	34,953	33,886	31,263	29,927
Total business-type activities expenses	<u>256,759</u>	<u>268,399</u>	<u>271,594</u>	<u>245,443</u>
Total primary government expenses	<u>\$ 570,621</u>	<u>537,142</u>	<u>542,681</u>	<u>525,168</u>

Notes:

- (1) City of Glendale implemented GASB Statement 34 in fiscal year 2002.
- (2) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.
- (3) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.
- (4) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Assets,
Last Nine Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year			
	2010	2009	2008	2007
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 13,922	9,890	9,173	9,533
Public safety	-	-	14,391	13,739
Police	1,136	1,164	-	-
Fire	12,070	11,221	-	-
Public works	10,170	10,990	12,498	15,014
Housing, health, and comm dev	37	45	55	86
Employment programs	1,427	980	1,131	1,423
Parks, recreation and community services	9	15	29	47
Library	239	221	236	211
Operating grants and contributions	69,905	55,942	38,170	43,199
Capital grants and contributions	6,905	6,912	7,271	12,228
Total governmental activities program revenues	<u>115,820</u>	<u>97,380</u>	<u>82,954</u>	<u>95,480</u>
Business-type activities:				
Charges for services:				
Recreation	2,353	2,394	2,092	1,842
Hazardous disposal	1,533	1,550	1,560	1,586
Fire communications	3,199	2,890	-	-
Parking	8,944	7,111	7,780	7,329
Sewer	14,709	15,440	16,857	17,447
Refuse disposal	19,941	19,911	18,952	18,205
Electric	176,903	207,177	204,497	178,979
Water	35,716	36,068	34,817	33,277
Operating grants and contributions	421	738	632	1,415
Capital grants and contributions	7,440	3,292	4,016	5,222
Total business-type activities program revenues	<u>271,159</u>	<u>296,571</u>	<u>291,203</u>	<u>265,302</u>
Total primary government program revenues	<u>386,979</u>	<u>393,951</u>	<u>374,157</u>	<u>360,782</u>
Net (Expense) / Revenue				
Governmental activities	(198,042)	(171,363)	(188,133)	(184,245)
Business-type activities	14,400	28,172	19,609	19,859
Total primary government net expense	<u>\$ (183,642)</u>	<u>(143,191)</u>	<u>(168,524)</u>	<u>(164,386)</u>

Notes:

- (1) City of Glendale implemented GASB Statement 34 in fiscal year 2002.
- (2) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.
- (3) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.
- (4) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Assets,
Last Nine Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year			
	2010	2009	2008	2007
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 80,422	77,060	72,690	67,394
Sales taxes	27,594	22,755	24,731	23,944
Utility users tax	27,827	28,798	27,781	26,202
Other taxes	13,891	22,268	21,508	21,262
Investment income	5,806	8,143	14,255	15,826
Other	18,077	16,368	21,611	13,715
Transfers	25,167	26,100	25,310	24,811
Gain on exchange of land	1,978	-	-	-
Contributions	-	(1,712)	-	-
Total governmental activities	<u>200,762</u>	<u>199,780</u>	<u>207,886</u>	<u>193,154</u>
Business-type activities:				
Investment income	4,770	8,331	10,425	11,569
Other	4,274	3,614	8,387	3,289
Transfers	(25,167)	(26,100)	(25,310)	(24,811)
Contributions	-	1,712	-	-
Total business-type activities	<u>(16,123)</u>	<u>(12,443)</u>	<u>(6,498)</u>	<u>(9,953)</u>
Total primary government	<u>184,639</u>	<u>187,337</u>	<u>201,388</u>	<u>183,201</u>
Change in Net Assets				
Governmental activities	2,720	28,417	19,753	8,909
Business-type activities	<u>(1,723)</u>	<u>15,729</u>	<u>13,111</u>	<u>9,906</u>
Total primary government	<u>\$ 997</u>	<u>44,146</u>	<u>32,864</u>	<u>18,815</u>

Notes:

- (1) City of Glendale implemented GASB Statement 34 in fiscal year 2002.
- (2) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.
- (3) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.
- (4) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Assets,
Last Nine Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Expenses					
Governmental activities:					
General government	\$ 20,301	17,536	11,121	20,471	17,312
Public safety	94,711	83,074	50,085	67,710	73,554
Public works	37,075	39,261	46,435	37,846	33,003
Housing, health, and comm dev	53,214	39,683	49,923	29,671	29,566
Employment programs	6,106	5,136	4,824	5,472	5,479
Public service	3,900	5,024	5,693	5,216	3,357
Parks, recreation and community services	15,561	10,066	25,219	24,429	9,516
Library	7,918	7,003	1,544	6,960	6,968
Interest and fiscal charges on bonds	8,404	7,284	6,729	1,754	4,753
Total governmental activities expenses	<u>247,190</u>	<u>214,067</u>	<u>201,573</u>	<u>199,529</u>	<u>183,508</u>
Business-type activities:					
Recreation	1,853	2,078	2,268	2,013	1,946
Hazardous disposal	1,420	1,350	1,715	1,706	1,430
Fire paramedic	-	8,150	7,456	6,577	3,719
Parking	5,593	5,913	5,704	7,236	5,502
Sewer	6,874	8,112	9,790	3,588	6,480
Refuse disposal	14,388	14,636	14,639	13,024	11,976
Electric	184,913	147,377	141,989	141,799	168,389
Water	26,151	25,608	25,606	23,623	23,816
Total business-type activities expenses	<u>241,192</u>	<u>213,224</u>	<u>209,167</u>	<u>199,566</u>	<u>223,258</u>
Total primary government expenses	<u>\$ 488,382</u>	<u>427,291</u>	<u>410,740</u>	<u>399,095</u>	<u>406,766</u>

Notes:

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- (3) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.
- (4) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Assets,
Last Nine Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 8,762	8,600	9,167	8,271	7,847
Public safety	12,169	3,757	3,949	5,685	5,402
Public works	12,674	11,256	10,834	8,786	6,960
Housing, health, and comm dev	110	99	104	130	781
Employment programs	1,154	937	806	346	-
Parks, recreation and community services	28	31	95	36	35
Library	202	150	193	148	137
Operating grants and contributions	40,617	33,855	36,001	44,369	32,812
Capital grants and contributions	17,532	6,860	9,504	13,767	23,653
Total governmental activities program revenues	<u>93,248</u>	<u>65,545</u>	<u>70,653</u>	<u>81,538</u>	<u>77,627</u>
Business-type activities:					
Charges for services:					
Recreation	1,943	1,736	1,617	1,552	1,629
Hazardous disposal	1,404	1,403	1,438	1,508	1,304
Fire paramedic	-	6,887	6,390	6,068	4,201
Parking	7,024	7,139	6,159	6,058	5,465
Sewer	16,611	16,323	16,036	19,041	18,252
Refuse disposal	16,115	15,404	13,759	13,132	11,432
Electric	170,208	148,799	151,718	178,632	188,298
Water	31,189	29,753	31,377	31,634	28,468
Operating grants and contributions	511	659	715	1,542	1,113
Capital grants and contributions	2,712	1,376	3,344	1,472	5,974
Total business-type activities program revenues	<u>247,717</u>	<u>229,479</u>	<u>232,553</u>	<u>260,639</u>	<u>266,136</u>
Total primary government program revenues	<u>340,965</u>	<u>295,024</u>	<u>303,206</u>	<u>342,177</u>	<u>343,763</u>
Net (Expense) / Revenue					
Governmental activities	(153,942)	(148,522)	(130,920)	(117,991)	(105,882)
Business-type activities	6,525	16,255	23,386	61,073	42,878
Total primary government net expense	<u>\$ (147,417)</u>	<u>(132,267)</u>	<u>(107,534)</u>	<u>(56,918)</u>	<u>(63,004)</u>

Notes:

- (1) City of Glendale implemented GASB Statement 34 in fiscal year 2002.
- (2) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.
- (3) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.
- (4) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Assets,
Last Nine Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 60,961	55,716	39,491	39,181	32,515
Sales taxes	23,985	22,351	28,328	30,317	27,547
Utility users tax	24,386	23,772	22,666	19,488	18,700
Other taxes	19,216	18,562	11,920	10,915	9,958
Investment income	6,805	9,057	2,696	13,354	18,415
Other	21,411	15,461	14,194	19,485	23,092
Transfers	24,357	27,127	21,987	19,170	14,643
Contributions	-	-	-	-	(7,747)
Total governmental activities	<u>181,121</u>	<u>172,046</u>	<u>141,282</u>	<u>151,910</u>	<u>137,123</u>
Business-type activities:					
Investment income	6,421	8,251	2,697	10,589	13,196
Other	3,883	3,463	5,949	10,465	6,886
Transfers	(24,358)	(27,127)	(21,987)	(19,171)	(14,642)
Contributions	-	-	-	-	7,747
Total business-type activities	<u>(14,054)</u>	<u>(15,413)</u>	<u>(13,341)</u>	<u>1,883</u>	<u>13,187</u>
Total primary government	<u>167,067</u>	<u>156,633</u>	<u>127,941</u>	<u>153,793</u>	<u>150,310</u>
Change in Net Assets					
Governmental activities	27,179	23,525	10,363	33,919	31,241
Business-type activities	<u>(7,529)</u>	<u>841</u>	<u>10,044</u>	<u>62,956</u>	<u>56,065</u>
Total primary government	<u>\$ 19,650</u>	<u>24,366</u>	<u>20,407</u>	<u>96,875</u>	<u>87,306</u>

Notes:

- (1) City of Glendale implemented GASB Statement 34 in fiscal year 2002.
- (2) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.
- (3) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.
- (4) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

Schedule 3

CITY OF GLENDALE

Fund Balances, Governmental Funds,
Last Nine Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year			
	2010	2009	2008	2007
General Fund				
Reserved				
Charter	\$ 20,619	19,320	19,320	17,805
Others	71,086	70,544	69,428	68,068
Total reserved	91,705	89,864	88,748	85,873
Unreserved	28,766	35,799	32,749	41,838
Total general fund	<u>120,471</u>	<u>125,663</u>	<u>121,497</u>	<u>127,711</u>
All Other Governmental Funds				
Reserved	41,702	74,371	62,753	48,032
Unreserved, reported in:				
Special revenue funds	23,245	(3,593)	2,343	10,613
Debt service funds	37,841	42,853	42,896	44,091
Capital project funds	26,777	12,639	18,866	37,070
Total all other governmental funds	<u>\$ 129,565</u>	<u>126,270</u>	<u>126,858</u>	<u>139,806</u>

	Fiscal Year				
	2006	2005	2004	2003	2002
General Fund					
Reserved					
Charter	\$ 16,495	15,521	13,727	13,072	12,269
Other	69,515	68,331	66,418	65,211	65,032
Total reserved	86,010	83,852	80,145	78,283	77,301
Unreserved	30,173	33,999	43,138	48,133	44,095
Total general fund	<u>116,183</u>	<u>117,851</u>	<u>123,283</u>	<u>126,416</u>	<u>121,396</u>
All Other Governmental Funds					
Reserved	126,931	158,663	210,281	143,494	104,347
Unreserved, reported in:					
Special revenue funds	682	(2,895)	(57,398)	26,723	(4,520)
Debt service funds	44,983	45,178	46,890	-	-
Capital project funds	4,586	1,703	283	36,075	54,599
Total all other governmental funds	<u>\$ 177,182</u>	<u>202,649</u>	<u>200,056</u>	<u>206,292</u>	<u>154,426</u>

Notes:

- (1) City of Glendale implemented GASB Statement 34 in fiscal year 2002.
- (2) Glendale redevelopment agency fund should be part of Special revenue funds, and the reclassification for prior years is made in the fiscal year 2010 CAFR.

Source: City Finance Department

Not covered by independent auditor's report

Schedule 4

CITY OF GLENDALE

Changes in Fund Balances, Governmental Funds, Last Nine Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year			
	2010	2009	2008	2007
Revenues				
Property taxes	\$ 80,422	77,060	72,690	67,394
Other taxes	69,312	73,820	74,020	71,408
Revenue from other agencies	80,322	56,558	48,552	64,206
Licenses and permits	5,601	4,911	6,354	8,589
Fines and forfeitures	3,026	2,667	2,041	1,503
Charges for services	22,445	21,992	23,348	23,202
Use of money and property	9,651 (2)	9,483	14,676	16,389
Intergovernmental revenue	- (2)	2,040	2,000	2,000
Interfund revenue	12,012	7,699	7,853	8,262
Sales of property	10	144	5,985	-
Miscellaneous revenue	3,347	5,621	5,913	5,168
Total revenues	286,148	261,995	263,432	268,121
Expenditures				
General government	20,215	20,465	20,940	20,285
Community promotion	55	105	151	115
Police	61,677	60,726	57,734	51,482
Fire	51,468	50,190	52,311	49,481
Public works	34,033	30,520	30,581	29,714
Housing, health and community development	74,402	45,868	38,012	32,612
Employment programs	5,060	3,118	3,545	6,649
Public service	8,053	6,674	4,492	6,770
Parks, recreation and community services	12,852	13,460	13,217	12,384
Library	8,343	8,643	8,930	8,097
Capital outlay	41,043	42,445	59,489	91,919
Debt service				
Interest	4,516	4,651	6,025	6,655
Principal	10,398	8,306	7,624	6,300
Cost of issuance	-	80	-	-
Total expenditures	332,115	295,251	303,051	322,463
Excess of revenues over (under) expenditures	(45,967)	(33,256)	(39,619)	(54,342)
Other Financing Sources (Uses)				
Proceeds from borrowing	31,081	14,000	-	8,200
Transfers in	67,019	37,479	42,052	31,312
Transfers out	(54,030)	(14,646)	(21,595)	(11,019)
Total other financing sources (uses)	44,070	36,833	20,457	28,493
Net change in fund balances	\$ (1,897)	3,577	(19,162)	(25,849)
Debt service as a percentage of noncapital expenditures	5.1%	5.1%	5.6%	5.0%

Notes:

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

(2) Intergovernmental revenue became part of use of money and property in fiscal year 2010.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 4

CITY OF GLENDALE

Changes in Fund Balances, Governmental Funds, Last Nine Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Revenues					
Property taxes	\$ 60,961	55,716	39,492	39,180	32,515
Other taxes	69,172	66,178	64,277	62,096	57,389
Revenue from other agencies	49,247	45,579	54,001	60,289	65,308
Licenses and permits	6,247	5,303	4,698	3,925	3,046
Fines and forfeitures	1,671	1,822	1,032	2,257	1,571
Charges for services	21,079	12,036	12,005	11,522	10,956
Use of money and property	8,914	10,821	5,259	16,363	19,792
Intergovernmental revenue	1,500	1,250	1,000	-	-
Interfund revenue	7,774	7,491	8,446	7,641	5,917
Miscellaneous revenue	12,499	4,689	4,728	3,324	8,671
Total revenues	239,064	210,885	194,938	206,597	205,165
Expenditures					
General government	17,984	16,730	16,431	14,942	13,865
Community promotion	245	116	56	63	62
Police	52,808	48,140	39,971	37,171	35,585
Fire	44,658	34,184	28,482	25,557	23,243
Public works	29,767	25,968	22,829	22,293	21,231
Housing, health and community development	37,747	35,588	45,044	33,827	24,310
Employment programs	6,129	4,968	4,870	5,373	5,424
Public service	3,931	4,860	5,474	5,119	3,357
Parks, recreation and community services	11,966	10,287	9,329	9,004	8,090
Library	7,668	6,815	6,409	6,392	6,535
Capital outlay	59,299	41,255	34,383	65,873	62,020
Debt service					
Interest	6,379	5,707	6,968	6,314	4,648
Principal	5,575	6,482	2,910	3,400	3,215
Fiscal agent fees	-	-	2,120	1,275	18
Total expenditures	284,156	241,100	225,276	236,603	211,603
Excess of revenues over (under) expenditures	(45,092)	(30,215)	(30,338)	(30,006)	(6,438)
Other Financing Sources (Uses)					
Proceeds from borrowing	-	-	61,495	52,522	-
Payments to escrow agent	-	-	(62,110)	-	-
Transfers in	33,684	31,424	55,860	46,815	19,772
Transfers out	(13,407)	(13,242)	(40,404)	(25,644)	(4,814)
Total other financing sources (uses)	20,277	18,182	14,841	73,693	14,958
Net change in fund balances	\$ (24,815)	(12,033)	(15,497)	43,687	8,520
Debt service as a percentage of noncapital expenditures	4.9%	6.2%	4.8%	5.1%	4.5%

Notes:

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

(2) Intergovernmental revenue became part of use of money and property in fiscal year 2010.

Source: City Finance Department

Not covered by independent auditor's report

Schedule 5

CITY OF GLENDALEElectric Revenue by Type of Customers
Last Nine Fiscal Years

	Fiscal Year			
	2010	2009	2008	2007
Number of Customers:				
Residential	71,866	71,643	71,310	70,921
Commercial	12,690	12,664	12,626	12,481
Industrial	226	229	213	224
Other (Government)	18	18	18	18
Total	84,800	84,554	84,167	83,644
Megawatt-Hour Sales:				
Residential	378,460	389,872	399,644	395,260
Commercial	322,377	341,639	351,990	345,407
Industrial	392,273	410,663	399,689	396,997
Public street and highway lighting	9,200	9,216	9,243	9,164
Total Retail Energy Sales	1,102,310	1,151,390	1,160,566	1,146,828
Sales to other utilities	108,731	76,272	55,968	114,465
Wholesale	76,934	128,556	194,423	126,627 (2)
Total Energy Sales	1,287,975	1,356,218	1,410,957	1,387,920
Revenue from Sale Energy				
Residential	\$ 59,515,595	66,450,032	63,778,774	58,251,508
Commercial	52,574,031	60,278,592	58,121,923	53,302,463
Industrial	54,368,173	61,862,315	56,307,557	51,908,777
Public street and highway lighting	3,022	2,054	1,983	1,810
Sales to other utilities	6,942,319	7,695,258	7,461,421	5,969,693
Wholesale	3,500,143	10,888,493	18,825,241	9,545,014 (2)
Total Energy Sales	\$ 176,903,283	207,176,744	204,496,899	178,979,265

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 to fiscal year 2002 are not available.

Source: Glendale Water & Power Department

Not covered by independent auditor's report

(Continued)

Schedule 5

CITY OF GLENDALEElectric Revenue by Type of Customers
Last Nine Fiscal Years

	Fiscal Year				
	2006	2005	2004	2003	2002
Number of Customers:					
Residential	70,810	70,798	70,662	70,612	70,344
Commercial	12,385	12,331	12,329	12,296	12,265
Industrial	220	220	223	221	218
Other (Government)	18	18	18	18	18
Total	83,433	83,367	83,232	83,147	82,845
Megawatt-Hour Sales:					
Residential	381,010	371,057	380,997	344,078	353,509
Commercial	345,315	338,411	341,482	328,806	318,596
Industrial	407,151	389,919	399,081	388,208	391,834
Public street and highway lighting	9,106	9,012	9,074	9,009	9,089
Total Retail Energy Sales	1,142,582	1,108,399	1,130,634	1,070,101	1,073,028
Sales to other utilities	114,247	52,140 (1)	-	-	-
Wholesale	147,207	72,615	84,264	236,380	530,879 (2)
Total Energy Sales	1,404,036	1,233,154	1,214,898	1,306,481	1,603,907
Revenue from Sale Energy					
Residential	\$ 50,347,062	48,775,385	49,466,888	46,479,601	41,967,749
Commercial	47,141,992	45,627,641	45,584,694	44,317,317	36,880,800
Industrial	43,976,070	41,457,748	41,611,313	40,569,086	33,524,176
Public street and highway lighting	1,487	1,258	1,326 (3)	10,376	17,036
Adjustable rate revenue	-	-	-	19,602,506 (4)	-
Sales to other utilities	15,640,657	8,579,688 (1)	-	-	-
Wholesale	13,100,161	4,356,897	15,053,921	27,652,643	75,907,661 (2)
Total Energy Sales	\$ 170,207,429	148,798,617	151,718,142	178,631,529	188,297,422

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 to 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 Nine Fiscal Years

	Fiscal Year			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Customer Class				
Residential	\$ 0.1573	0.1704	0.1596	0.1474
Commercial	0.1631	0.1764	0.1651	0.1543
Industrial	0.1386	0.1506	0.1409	0.1308
Lighting	\$ 0.0003	0.0002	0.0002	0.0002

	Fiscal Year				
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Customer Class					
Residential	\$ 0.1321	0.1314	0.1298	0.1351	0.1393
Commercial	0.1365	0.1348	0.1335	0.1348	0.1358
Industrial	0.1080	0.1063	0.1043	0.1045	0.1004
Lighting	\$ 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 & Power Department

Not covered by independent auditor's report

Schedule 7

CITY OF GLENDALE

Principal Electric Payer Groups

Current Year and Four Years Ago

Electric Payer Groups	Fiscal Year 2010			Fiscal Year 2006		
	Electric Charges	Rank	Percentage of Total City Electric Charges	Electric Charges	Rank	Percentage of Total City Electric Charges
Hospitals/Medical Facilities	\$ 10,422,463	1	5.89%	\$ 5,409,579	4	3.18%
Entertainment Industry	9,788,689	2	5.53%	7,312,437	1	4.30%
Retail Stores/Malls	9,560,001	3	5.40%	5,894,901	2	3.46%
Government Agencies	7,054,020	4	3.99%	5,766,049	3	3.39%
High-Rise Buildings	5,217,756	5	2.95%	5,349,323	5	3.14%
Schools/Colleges	4,507,620	6	2.55%	3,672,134	6	2.16%
Grocery Stores	4,103,978	7	2.32%	3,636,487	7	2.14%
Manufacturing	2,960,531	8	1.67%	1,904,525	9	1.12%
Utilities	2,258,772	9	1.28%	2,181,564	8	1.28%
Hotels/Motels	1,410,819	10	0.80%	1,172,868	10	0.69%
Total	\$ <u>57,284,649</u>		<u>32.38%</u>	\$ <u>36,890,288</u>		<u>24.86%</u>

Notes:

- (1) Individual customer's information is not public record and cannot be released without customer's permission. Therefore, top ten electric payer group is 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 (in thousands)

Fiscal Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Other Property
2001	\$ 8,774,022	2,201,476	554,572	1,428,681
2002	9,331,024	2,540,255	585,096	1,407,193
2003	9,930,375	2,644,889	613,642	1,305,607
2004	10,798,578	2,951,689	635,831	1,258,783
2005	11,756,804	3,078,836	645,596	1,589,154
2006	12,775,595	3,551,225	631,048	1,152,535
2007	13,984,201	3,942,464	681,900	1,405,426
2008	14,990,159	4,295,767	715,557	1,311,529
2009	15,729,376	4,505,552	769,835	1,695,090
2010	\$ 15,532,198	4,610,316	772,420	1,790,188

Fiscal Fiscal Year Ended June 30,	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate ⁽²⁾
2001	\$ 89,130	12,869,621	0.25005%
2002	124,525	13,739,043	0.25169%
2003	95,409	14,399,104	0.24921%
2004	101,791	15,543,090	0.25012%
2005	496,524	16,573,866	0.24192%
2006	105,209	18,005,194	0.25043%
2007	112,667	19,901,324	0.25543%
2008	102,693	21,210,319	0.25637%
2009	111,403	22,588,450	0.26764%
2010	\$ 115,323	22,589,799	0.26915%

Notes:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited 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 of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value 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 Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Source: HdL Coren & Cone

Not covered by independent auditor's report

Schedule 9

CITY OF GLENDALE

Direct and Overlapping Property Tax Rates (Rate Per \$100 of Taxable Value)
Last Ten Fiscal Years

Fiscal Year	City's Share of 1% Levy Per Prop 13	Redevelopment Rate	Total Direct Tax Rate
2001	0.13573	1.01167	0.25005
2002	0.13573	1.00990	0.25169
2003	0.13573	1.00861	0.24921
2004	0.13573	1.00755	0.25012
2005	0.13573	1.00697	0.24192
2006	0.13573	1.00604	0.25043
2007	0.13573	1.00541	0.25543
2008	0.13573	1.00450	0.25637
2009	0.13573	1.00430	0.26764
2010	0.13573	1.00430	0.26915

Direct & Overlapping Rates

Fiscal Year	Basic Levy	County Detention Facilities 1987 Debt	Glendale Community College	Glendale Unified School District	La Canada Unified School District
2001	1.00000	0.00131	0.00000	0.04321	0.04344
2002	1.00000	0.00113	0.00000	0.05618	0.04007
2003	1.00000	0.00103	0.00138	0.06004	0.04021
2004	1.00000	0.00099	0.02039	0.06057	0.04158
2005	1.00000	0.00092	0.02132	0.06161	0.07132
2006	1.00000	0.00080	0.01857	0.05221	0.06708
2007	1.00000	0.00066	0.02213	0.05205	0.05923
2008	1.00000	0.00000	0.02408	0.04742	0.05630
2009	1.00000	0.00000	0.02119	0.04560	0.06475
2010	1.00000	0.00000	0.02366	0.04603	0.07043

Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.
- (4) RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.
- (5) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Source: HdL Coren & Cone

Not covered by independent auditor's report

(Continued)

Schedule 9

CITY OF GLENDALE

Direct and Overlapping Property Tax Rates (Rate Per \$100 of Taxable Value)

Last Ten Fiscal Years

Fiscal Year	Direct & Overlapping Rates						Total Direct & Overlapping Tax Rates
	La Community College District	L.A. County Flood Control	Los Angeles Unified School District	Metropolitan Water District	Pasadena Community College District		
2001	0.00000	0.00155	0.04077	0.00880	0.00000	1.13908	
2002	0.01600	0.00107	0.04813	0.00770	0.00000	1.17028	
2003	0.01460	0.00088	0.03697	0.00670	0.00000	1.17181	
2004	0.01986	0.00046	0.07715	0.00610	0.00681	1.23391	
2005	0.01810	0.00025	0.08884	0.00580	0.00879	1.27694	
2006	0.01429	0.00005	0.08435	0.00520	0.00410	1.24665	
2007	0.02146	0.00005	0.10681	0.00470	0.02080	1.28791	
2008	0.00879	0.00000	0.12334	0.00450	0.01972	1.28416	
2009	0.02212	0.00000	0.12478	0.00430	0.01742	1.30015	
2010	0.02311	0.00000	0.15181	0.00430	0.02300	1.34234	

Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.
- (4) RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.
- (5) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Source: HdL Coren & Cone

Not covered by independent auditor's report

Schedule 10

CITY OF GLENDALE

Principal Property Tax Payers

Current Year and Five Years Ago (in thousands)

Taxpayer	Fiscal Year 2010			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	\$ 446,065	1	1.97%			
ABC Inc/Walt Disney World Company	365,561	2	1.62%	\$ 254,945	1	1.49%
Maguire Properties LLC	245,369	3	1.09%	165,495	2	0.97%
PR Glendale Plaza Office California LLC	223,168	4	0.99%			
Americana at Brand LLC	166,078	5	0.74%			
Wells Reit Glendale California LLC	163,081	6	0.72%	159,931	3	0.94%
Legacy Partners II Glendale N Br and LLC	146,000	7	0.65%			
Metropolitan Life Insurance Company	129,194	8	0.57%			
SPUSV5 500 Brand LP	111,000	9	0.49%			
Napi Glendale I LLC	101,000	10	0.45%			
Glendale Adventist Medical Center				150,689	4	0.88%
Glendale Plaza Realty Holding Company				136,399	5	0.80%
Glendale Memorial Hospital & Health Center				112,154	6	0.66%
NBB Associates Limited Partnership				105,000	7	0.62%
DW Statuory Trust 2002				83,124	8	0.49%
TST Glendale City Center				80,475	9	0.47%
Glendale Mall Associates LLC				71,871	10	0.42%
Total	\$ <u>2,096,516</u>		<u>9.29%</u>	\$ <u>1,320,083</u>		<u>7.74%</u>

Note: Data prior to fiscal year 2005 are not available.

Source: HdL Coren & Cone

Not covered by independent auditor's report

Schedule 11

CITY OF GLENDALE

Property Tax Levies and Collections

Last Nine Fiscal Years (in thousands)

Fiscal Year Ended June 30,	City					
	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date (2)	
		Fiscal Year of the Levy			Amount	Percentage of Levy
		Amount	Percentage of Levy			
2002	\$ 15,106	13,649	90%	367	14,016	93%
2003	15,847	15,755	99%	429 (4)	16,184	102%
2004	17,032	16,114	95%	443	16,557	97%
2005	17,640	17,072	97%	393	17,465	99%
2006	19,996	19,208	96%	492	19,700	99%
2007	22,247	21,228	95%	589	21,817	98%
2008	23,853	22,460	94%	827	23,287	98%
2009	24,731	23,552	95%	1,209	24,761	100%
2010	\$ 23,814	22,698	95%	1,201	23,899	100%

Fiscal Year Ended June 30,	Redevelopment Agency					
	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date (2)	
		Fiscal Year of the Levy			Amount	Percentage of Levy
		Amount	Percentage of Levy			
2002	\$ 20,012	17,533	88%	367	17,900	89%
2003	21,931	21,704	99%	76	21,780	99%
2004	23,474	21,406	91%	139	21,545	92%
2005	28,489	26,662	94%	819	27,481	96%
2006	26,505	25,798	97%	528	26,326	99%
2007	29,118	27,415	94%	341	27,756	95%
2008	31,205	30,505	98%	472	30,977	99%
2009	36,408	34,667	95%	(19) (3)	34,648	95%
2010	\$ 41,442	39,884	96%	283	40,167	97%

Notes:

- (1) City of Glendale implemented GASB Statement 34 in fiscal year 2002.
- (2) Education Revenue Augmentation Fund (ERAF) III payment to State, ERAF in lieu of Vehicle License Fee, SB211 Proposition Share for Central Project, supplemental property tax, and property tax penalty are excluded from property tax collections when compared to property tax levied in this schedule. All prior fiscal year data are updated in fiscal year 2010 CAFR.
- (3) The negative collection is due to refunds to property owners for overpayment in prior years, which mainly resulted from lower property values.
- (4) Fiscal year 2003 "Collections in Subsequent Year" amount has been restated to exclude the Delinquent Supplemental Amount. In addition, this fiscal year's collection from prior year's levy increased therefore, the Total Collections To-Date Percentage of Levy is over by 2% from the Taxes Levied for the fiscal year.

Sources:

- (I) County of Los Angeles Department of Auditor-Controller
- (II) City Finance Department

Not covered by independent auditor's report

CITY OF GLENDALE

Ratios of Outstanding Debt by Type,
Last Nine Fiscal Years (in thousands)

Governmental Activities							
Fiscal Year	Police Building Project (COPs)	Parking Lease Revenue Bonds Series A	Refunding Parking Lease Revenue Bonds Series 1976	1993 GRA Tax Allocation Bond	2002 GRA Tax Allocation Bond	2003 GRA Tax Allocation Bond	2010 GRA Tax Allocation Bond
2002	\$ 64,200	440	1,025	61,250	-	-	-
2003	63,100	-	-	59,315	49,969	-	-
2004	62,000	-	-	-	48,053	58,129	-
2005	60,800	-	-	-	46,083	56,184	-
2006	59,600	-	-	-	44,057	53,924	-
2007	58,300	-	-	-	41,971	51,544	-
2008	56,900	-	-	-	39,832	49,043	-
2009	55,500	-	-	-	37,626	46,418	-
2010	\$ 54,000	-	-	-	35,355	43,658	26,621

Governmental Activities						
Fiscal Year	Capital Leases	Section 108	Notes Payable	Low & Mod Loans Payable	Residential Development Loan Program (RDLP)	Subtotal
2002	\$ -	-	-	-	-	126,915
2003	2,000	1,800	-	-	-	176,184
2004	1,631	1,700	4,615	-	-	176,128
2005	4,989	1,590	3,692	-	-	173,337
2006	4,273	1,450	2,769	-	-	166,073
2007	11,729	1,280	1,846	-	-	166,671
2008	9,935	1,100	923	-	-	157,733
2009	10,540	690	-	13,352	-	164,126
2010	\$ 8,866	690	-	10,716	4,643	184,549

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

Sources:

(I) City Finance Department

(II) Personal income is calculated as follows: Population multiplied by Per Capita Personal Income.
(see FY2010 Statistical Section, Schedule 16)

(III) California State Department of Finance Demographic Research Unit, Population Estimates for California Cities, January 1, 2009 and 2010 (E-1)

(IV) Prior year population data was obtained from California State Department of Finance, January 1 of every year

Not covered by independent auditor's report

(Continued)

Schedule 12

CITY OF GLENDALE

Ratios of Outstanding Debt by Type,
Last Nine Fiscal Years (in thousands)

Fiscal Year	Business-Type Activities					
	2000	2003	2006	2008	2008	Subtotal
	Electric Revenue Bond	Electric Revenue Bond	Electric Revenue Bond	Electric Revenue Bond	Water Revenue Bond	
2002	\$ 37,155	-	-	-	-	37,155
2003	37,146	32,248	-	-	-	69,395
2004	37,138	31,431	-	-	-	68,569
2005	37,130	30,615	-	-	-	67,745
2006	-	29,798	36,780	-	-	66,577
2007	-	28,983	36,212	-	-	65,195
2008	-	28,166	35,381	61,687	51,916	177,150
2009	-	27,350	34,482	61,630	51,851	175,313
2010	\$ -	26,533	33,515	61,573	51,787	173,408

Fiscal Year	Business-Type Activities					
	Total Primary Government	Total Personal Income (I)	Percentage of Personal Income (II)	Population		per Capita
	2002	\$ 164,070	6,305,299	2.60%	200 (IV)	
2003	245,579	6,496,217	3.78%	203 (IV)		1.210
2004	244,697	6,768,245	3.62%	205 (IV)		1.194
2005	241,082	7,137,808	3.38%	207 (IV)		1.165
2006	232,650	7,516,626	3.10%	206 (IV)		1.129
2007	231,866	8,186,637	2.83%	207 (IV)		1.120
2008	334,883	8,557,034	3.91%	207 (IV)		1.618
2009	339,439	8,761,661	3.87%	207 (IV)		1.640
2010	\$ 357,957	8,786,978	4.07%	208 (III)		1.721

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

Sources:

(I) City Finance Department

(II) Personal income is calculated as follows: Population multiplied by Per Capita Personal Income.
Prior year per capita income amounts were revised (see FY2010 Statistical Section, Schedule 16).
Accordingly, prior year personal income has also changed.

(III) California State Department of Finance Demographic Research Unit, Population Estimates for California Cities, January 1, 2009 and 2010 (E-1)

(IV) Prior year population data was obtained from California State Department of Finance, January 1 of every year

Not covered by independent auditor's report

Schedule 13

CITY OF GLENDALE

Direct & Overlapping Governmental Activities Debt

As of June 30, 2010 (in thousands)

	<u>Gross Bonded Debt Balance</u>	<u>Percentage Applicable to Glendale</u>	<u>Amount Applicable to Glendale</u>
Direct Debt			
Glendale Police Facility Certificate of Participation	\$ 54,000	100%	\$ 54,000
Electric Revenue Bonds, 2003 Series	26,075	100%	26,075
Electric Revenue Bonds, 2006 Series	35,075	100%	35,075
Electric Revenue Bonds, 2008 Series	60,000	100%	60,000
Water Revenue Bonds, 2008 Series	50,000	100%	50,000
Glendale 2002 Tax Allocation Bond	34,140	100%	34,140
Glendale 2003 Tax Allocation Bond	42,012	100%	42,012
Glendale 2010 Tax Allocation Bond	26,970	100%	<u>26,970</u>
Total Direct Debt			<u><u>328,272</u></u>
Overlapping Debt			
Metropolitan Water District	121,475	2.205%	2,679
Glendale CCD DS 2002 Ser-A	2,225	89.224%	1,985
Glendale CCD DS 2002 Ser-C	11,325	89.224%	10,105
Glendale CCD DS RF BD 02, 05 S-A	13,251	89.224%	11,823
Glendale CCD DS 2002 Ser 2006	32,945	89.224%	29,395
Pasadena Area CCD DS 2002 S-A	2,835	0.098%	3
Pasadena CCD DS 2006 Series B	50,590	0.098%	50
Pasadena CCD DS 2006 REF BD	16,337	0.098%	16
Pasadena CCD DS 2002, 2006 Ser D	52,000	0.098%	51
Glendale Unified 2009 & 2010 Refunding	75,000	89.224%	66,918
Glendale USD DS 1997 Ser D	2,540	89.224%	2,266
Glendale USD DS 1997 Ser E	15,835	89.224%	14,129
Glendale USD DS 1997 Ser F	16,770	89.224%	14,963
Glendale USD DS 1997 Ser G	19,865	89.224%	17,724
La Canada Unified SD 1995 SD	5,723	1.117%	64
La Canada Unif SD DS 1999 Ser A	2,745	1.117%	31
La Canada USD DS 1999 Ser B	2,090	1.117%	23
La Canada USD DS 2004 Ser A	13,000	1.117%	145
La Canada Unif Sch DS 2004 Ser B	5,485	1.117%	61
La Canada Unif Sch DS 2004 Ser C	\$ 4,200	1.117%	<u>47</u>
Total Overlapping Debt			<u><u>172,477</u></u>
Total Direct and Overlapping Debt			<u><u>\$ 500,749</u></u>

Note: The Direct Debt does not include bond premiums and/or net original bond discounts.

Sources:

(I) City Finance Department

(II) HdL Coren & Cone

Not covered by independent auditor's report

Schedule 14
CITY OF GLENDALE
 Legal Debt Margin Information
 Last Ten Fiscal Years (in thousands)

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value		\$ <u>22,589,799</u>
Debt limit (15% of assessed value)		3,388,470
Amount of debt applicable to debt limit:		
Redevelopment debt - tax allocation bonds	\$ 105,190	
Low/Moderate Housing Loan Payable	<u>10,716</u>	
Subtotal Debt applicable to Debt Limit	115,906	
Less Reserves om Debt Service Funds available for principal payment	\$ <u>7,921</u>	
Less debt applicable to limit		<u>107,985</u>
Legal debt margin		<u><u>\$ 3,280,485</u></u>

	Fiscal Year				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt limit	\$ 3,388,470	3,388,268	3,181,548	2,985,199	2,700,779
Total net debt applicable to limit	<u>107,985</u>	<u>88,936</u>	<u>87,980</u>	<u>92,570</u>	<u>96,985</u>
Legal debt margin	<u><u>\$ 3,280,485</u></u>	<u><u>3,299,332</u></u>	<u><u>3,093,568</u></u>	<u><u>2,892,629</u></u>	<u><u>2,603,794</u></u>
Total net debt applicable to the limit as a percentage of debt limit	3%	3%	3%	3%	4%

	Fiscal Year				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Debt limit	\$ 2,486,080	2,331,463	2,159,866	2,060,857	1,930,443
Total net debt applicable to limit	<u>101,220</u>	<u>97,469</u>	<u>48,015</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 2,384,860</u></u>	<u><u>2,233,994</u></u>	<u><u>2,111,851</u></u>	<u><u>2,060,857</u></u>	<u><u>1,930,443</u></u>
Total net debt applicable to the limit as a percentage of debt limit	4%	4%	2%	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.

Sources:

- (I) City Finance Department
- (II) HdL Coren & Cone

Not covered by independent auditor's report

Schedule 15

CITY OF GLENDALE

Pledged-Revenue Coverage

Last Nine Fiscal Years (in thousands)

Fiscal Year	Tax Allocation Bonds						Coverage
	Property Tax Increment	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2002	\$ 12,564	6,400	6,164	1,845	3,442	1.17	
2003	14,045	4,433	9,612	1,935	4,366	1.53	
2004	14,201	3,588	10,613	1,810	3,626	1.95	
2005	17,921	6,324	11,597	3,865	4,511	1.38	
2006	18,233	5,063	13,170	4,235	4,366	1.53	
2007	19,872	4,301	15,571	4,415	4,189	1.81	
2008	19,301	4,174	15,127	4,590	4,004	1.76	
2009	21,561	5,900 (3)	15,661	4,780	3,808	1.82	
2010	\$ 25,254	17,166 (3)	8,088	4,980	3,599	0.94	

Fiscal Year	Electric Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2002	\$ 188,298	166,193	22,105	-	2,171	10.18	
2003	178,632	136,673	41,959	-	2,171	19.33	
2004	151,718	134,973	16,745	795	3,801	3.64	
2005	148,799	140,060	8,739	795	3,628	1.98	
2006	170,207	183,172	(12,965)	1,485	3,580	(2.56)	
2007	178,979	170,967	8,012	1,520	2,833	1.84	
2008	204,497	184,378	20,119	1,755	3,044	4.19	
2009	207,177	185,615	21,562	1,805	5,591	2.92	
2010	\$ 176,903	160,917	15,986	1,855	5,658	2.13	

Fiscal Year	Water Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2002	\$ -	-	-	-	-	-	
2003	-	-	-	-	-	-	
2004	-	-	-	-	-	-	
2005	-	-	-	-	-	-	
2006	-	-	-	-	-	-	
2007	-	-	-	-	-	-	
2008	34,817	29,900	4,917	-	-	N/A	
2009	36,068	32,027	4,041	-	2,188	1.85	
2010	\$ 35,716	32,354	3,362	-	2,310	1.46	

Notes:

- (1) City of Glendale implemented GASB Statement 34 in fiscal year 2002.
- (2) The Tax Allocation Bonds pertain to GRA Central Project, so only the Central Project's property tax increment and operating expenses are used to calculate the debt service coverage.
- (3) The Operating Expenses increase between fiscal year 2009 & fiscal year 2010 was due to the GRA's transfer to "SERAF" in the amount of \$11.2 million in fiscal year 2010.

Source: City Finance Department

Not covered by independent auditor's report

Schedule 16

CITY OF GLENDALE

Demographic and Economic Statistics

Last Nine Fiscal Years

<u>Year</u>	<u>Population</u>		<u>Per Capita Personal Income</u> (III)	<u>Total Personal Income</u>	<u>Median Age</u> (IV)
2002	200,200	(II)	31,495	6,305,299,000	37.5
2003	202,747	(II)	32,041	6,496,216,627	37.5
2004	205,341	(II)	32,961	6,768,244,701	37.5
2005	207,007	(II)	34,481	7,137,808,367	37.5
2006	206,308	(II)	36,434	7,516,625,672	37.5
2007	207,157	(II)	39,519	8,186,637,483	39.0
2008	207,157	(II)	41,307	8,557,034,199	41.2
2009	207,303	(II)	42,265	8,761,661,295	40.6
2010	207,902	(I)	42,265*	8,786,978,030	40.9

<u>Year</u>	<u>Percent High School Graduate or Higher</u> (IV)	<u>Percent Bachelor's Degree or Higher</u> (IV)	<u>School Enrollment</u> (V)	<u>Unemployment Rate</u> (VI)
2002	79%	32%	47,000	6.10%
2003	79%	32%	46,000	5.80%
2004	79%	32%	44,000	5.70%
2005	79%	32%	43,000	4.90%
2006	79%	32%	42,144	4.00%
2007	81%	33%	42,223	4.70%
2008	83%	35%	45,116	6.10%
2009	83%	36%	50,606	9.90%
2010	84%	38%	51,139	11.30%

Sources:

- (I) 2010 population data was obtained from the California State Department of Finance Demographic Research Unit, Population Estimates for California Cities, January 1, 2009 and 2010 (E-1).
- (II) Prior year population data was obtained from California State Department of Finance, January 1 of every year
- (III) Bureau of Economic Analysis, Regional Economic Accounts, CA1-3- Metropolitan Divisions, Per capita personal income 2/. (Note: Prior year data was revised in order to be consistent with the source used in FY2010.)
*FY2010 per capita income was unavailable at the time of publishing. As such, FY2009 per capita income was also used for FY2010; however, it will be revised in next year's CAFR.
- (IV) 2010 data was obtained from the U.S. Census, 2006-2008 American Community Survey 3-Year Estimates. Prior to 2010, data was also obtained from the U.S. Census.
- (V) Glendale Unified School District and Glendale Community College District school attendance reports.
- (VI) California Employment Development Department

Not covered by independent auditor's report

Schedule 17
CITY OF GLENDALE
Principal Employers
Current Year and Four Year Ago

Employer	2010			2006		
	Employees (1) (II)	Rank	Percentage of Total City Employment	Employees (1) (I)	Rank	Percentage of Total City Employment (3)
City of Glendale	2,310	1	2.90%	2,706	1	3.55%
Glendale Adventist Med Center #262	2,023	2	2.54%	1,999	3	2.62%
Glendale Unified School District	1,894	3	2.38%	2,681	2	3.51%
Nestle Company	1,520	4	1.91%	1,735	(2) 4	2.27%
Glendale Memorial Medical Center	1,500	5	1.88%	1,248	5	1.64%
Disney Consumer & Interactive	1,400	6	1.76%	n/a	n/a	n/a
Acco Engineered Systems	1,350	7	1.69%	711	10	0.93%
Glendale Community College	1,169	8	1.47%	1,141	6	1.50%
Compensation Insurance Fund	850	9	1.07%	n/a	n/a	n/a
KABC	800	10	1.00%	n/a	n/a	n/a
Public Storage Inc				967	7	1.27%
Walt Disney Imagineering				765	9	1.00%
Diagnostic Laboratories				n/a	n/a	n/a
Bank America North America				834	8	1.09%

Notes:

- (1) Both actual full-time and hourly employees are included.
- (2) It includes the three subsidiaries of Nestle in Glendale.
- (3) In 2010, % of total employment is calculated using a baseline of 79,722 workers. In 2006, the % of total employment was calculated using a baseline of 76,276 workers employed in Glendale.
- (4) Data prior fiscal year 2006 are not available.

Sources:

- (I) 2006 data is from the Labor Market Information Division, California Employment Development Department
- (II) 2010 data, with the exception of the City of Glendale data, is from the 2009-10 HDL Report. 2010 City of Glendale data is from the City Finance Department

Not covered by independent auditor's report

Schedule 18
CITY OF GLENDALE
 Budgeted Full-time Positions by Function/Program
 Last Five Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government					
City attorney	12.30	13.30	14.30	17.50	17.50
City clerk	10.00	10.00	11.00	11.00	11.00
City manager	31.00	32.00	32.00	32.00	31.00
City treasurer	5.00	5.00	5.00	5.00	5.00
Finance	31.90 (2)	32.90 (2)	33.90 (2)	29.90 (2)	26.90 (2)
Graphics	n/a (1)	8.00	8.00	8.00	8.00
Human resources	31.00	25.00	26.00	24.00	24.00
Information services	42.00	45.00	47.00	50.00	50.00
Planning	26.95	27.95	28.95	28.00	28.00
Community Development & Housing	102.47	103.63	107.63	115.11	113.11
Library	64.00	65.00	67.00	66.00	64.00
Parks and recreation	128.00	134.00	141.00	132.00	130.00
Fire					
Sworn	185.00	187.00	191.00	192.00	185.00
Civilians	45.00	49.00	53.00	52.00	53.00
Police					
Sworn	256.00	259.00	265.00	265.00	265.00
Civilians	108.00	120.00	126.00	129.00	126.00
Public works	391.00	380.84	388.84	377.74	374.74
Redevelopment	18.23	18.23	18.23	17.25	17.25
Water and Power	<u>416.15</u>	<u>426.15</u>	<u>426.15</u>	<u>425.50</u>	<u>425.50</u>
Total	<u>1,904.00</u>	<u>1,942.00</u>	<u>1,990.00</u>	<u>1,977.00</u>	<u>1,955.00</u>

Notes:

- (1) As of July 1, 2010, Graphics became part of City Manager.
- (2) Finance Department includes data for Purchasing.
- (3) The data prior to fiscal year 2006 are not available.

Source: City's Budget book.

Not covered by independent auditor's report

Schedule 19

CITY OF GLENDALE

Operations Indicators by Function/Program

Last Five Fiscal Years

Function/Program	Fiscal Year				
	2010	2009	2008	2007	2006
Police					
Physical arrests	5,857	6,405	6,254	6,717	7,087
Parking violations	87,621	83,706	89,700	87,971	80,374
Traffic violations	23,990	26,149	22,059	20,199	22,253
Fire					
Emergency responses	15,424	14,923	15,253	15,344	14,970
Fires extinguished	331	317	309	267	483
Refuse collection					
Refuse collected (tons per day)	197	279	283	289	299
Recyclables collected (tons per day)	32	48	51	140	135
Inert waste recycling - Brand Park landfill (tons per year)	3,000 (2)	3,000 (2)	3,000 (2)	6,500	10,500
Other public works					
Street resurfacing (miles)	5.3 (3)	1.62	0.42	1.36	3.47
Street reconstructing (miles)	0.5	0.13	0.91	0.82	2.97
Potholes repaired (square feet per year)	16,449 (4)	11,800	16,683	9,886	10,057
Parks and recreation					
Athletic field permits issued	930	1,054	873	648 (1)	7,114
Community center admissions	1114	1,229	1,192	1,797	1,236
Library					
Volumes in collections	701,928	718,879	722,790	761,314	770,784
Total volumes borrowed	1,312,743	1,236,950	1,185,385	1,088,286	1,075,073
Electric					
New connections	246	387	523	211	133
Average daily consumption (MWH)	3,020	3,154	3,180	3,142	3,130
Electricity generated (MWH)	960,061	940,051	1,007,011	1,025,235	887,263
Electricity purchased (MWH)	451,545	533,258	583,906	490,592	626,304
Electricity sold - Retail (MWH)	1,102,310	1,151,391	1,160,566	1,146,828	1,142,582
Electricity sold - Wholesale (MWH)	185,665	204,828	250,391	241,092	261,454
Peak demand (MW)	300	299	333	336	313
Water					
New connections	102	234	53	125	72
Average daily consumption (millions of gallons)	22	25	26	28	27
Water mains breaks	8	12	18	12	11
Water purchased (AF)	16,535	20,873	21,705	23,643	22,239
Water sold (AF)	25,489	29,465	30,691	31,889	29,907

(Continued)

Schedule 19

CITY OF GLENDALE

Operations Indicators by Function/Program

Last Five Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>Fiscal Year 2008</u>	<u>2007</u>	<u>2006</u>
Wastewater					
Average daily sewage treatment (millions of gallons)	20	17	17	17	17
Transit					
Total route miles	866,901	889,819	880,991	871,430	816,240
Passengers	2,574,396	2,260,263	2,152,200	2,271,548	2,273,843

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 fiscal year 2006.
- (2) Some inert wastes were diverted to an outside recycling company rather than using Brand Landfill.
- (3) More street resurfacing was done in FY2010 than in prior years in an effort to take advantage of the low street resurfacing costs resulting from the economic downturn.
- (4) As a result of the Public Works Departments' increased community outreach efforts (on GTV6, department newsletter, and Pothole Patrol 818-548-3950), which encourage the reporting of potholes for immediate repair, more potholes were repaired in FY2010 compared to prior years.
- (5) The data prior to fiscal year 2006 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 Five Fiscal Years

	Fiscal Year				
	2010	2009	2008	2007	2006
<u>Function/Program</u>					
Police					
Stations	2 (1)	2 (1)	2 (1)	2 (1)	2 (1)
Patrol units	70	64	68	69	71
Helicopters	1.5 (2)	1.5 (2)	1.5 (2)	2	2
Motorcycles	25	26	24	26	24
Fire					
Stations	9	9	9	9	9
Refuse collection					
Collection trucks	50 (3)	46 (3)	46 (3)	45 (3)	44 (3)
Other public works					
Streets (miles)	350	350	350	350	350
Traffic signals	233	226	232	229	225
Parks and recreation					
Open space acres	5,029	5,020	5,020	5,020	5,020
Developed parkland acres	281	280	275	274	274
Parks and other facilities	39	39	39	37	37
Community centers	8	8	8	8	8
Baseball/softball diamonds	16	16	16	16	16
Soccer/football fields	3	3	3	3	3
Golf course	1	1	1	1	1
Library					
Branches	7	7	7	7	7
Electric					
Number of electric meters	84,800	84,554	84,167	83,644	83,433
Number of streetlights	10,714	10,692	10,622	11,117	10,210
Grayson power plant capacity (MW)	260	260	249	249	249
Water					
Number of water meters	33,509	33,407	33,173	33,120	32,995
Water mains (miles)	380	397	397	397	397
Fire hydrants	3,133	3,072	2,970	2,950	2,950
Storage capacity (millions of gallons)	185	185	185	185	185

(Continued)

Schedule 20

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Five Fiscal Years

	Fiscal Year				
	2010	2009	2008	2007	2006
<u>Function/Program</u>					
Wastewater					
Storm catch basin	3,679	3,679	3,679	3,679	3,679
Sanitary sewers (miles)	360	360	360	360	360
LAGWRP Treatment capacity (millions of gallons)	20	20	20	20	20
Transit					
Buses	34	34	34	34	34

Notes:

- (1) One main facility and one substation at the Galleria.
- (2) Three helicopters are shared with the City of Burbank as of May 14, 2007.
- (3) This number does not include the small bin trucks or light duty vehicles.
- (4) The data prior to fiscal year 2006 are not available.

Sources: Various city departments

Not covered by independent auditor's report

Schedule 21
CITY OF GLENDALE
Schedule of Credits

Robert Elliot, CPA
Director of Administrative Services-Finance

General Overview
Letter of Transmittal

Lily Fang, Accounting Services Administrator

General Overview
Management's Discussion & Analysis
Combined Statements Overview
Notes to Financial Statements

Artak Khachatryan, Senior Accountant
Theresa Clark, Accountant II
Alwin De Leon, Accountant II
Alyssa Poblador, Administrative Associate

PeopleSoft Nvision Report Writing
Cash Reporting
Glendale Water & Power
Fixed Asset Accounting

Shu-Jun Li, Senior Accountant
Tania Fong, Accountant II
Liza Jue, Accountant I
Judy Wu, Accountant I

Grant Reporting
Internal Services Fund
Statistical Section
Single Audit

Zinda Jimenez, Senior Accountant
Nan Chao, Accountant I
Rima Dagbashyan, Accountant I

Glendale Redevelopment Agency

Graphics Section

Reprographic Services

Douglas Alvarez, Graphics Illustrator
Vicki Gardner, Assistant Public Information Officer

Cover Design