



Comprehensive Annual Financial Report

Year Ended June 30, 2013

About The Cover

The Museum of Neon Art (MONA) was founded in 1981 as a non-profit cultural and educational organization that encourages learning and curiosity through the preservation, collection, and interpretation of neon art. The museum is devoted to the incorporation of neon lighting into art, including the preservation of old neon signs, the display of contemporary art works in electric and kinetic media, and photography that documents neon.

In 2011 the former Glendale Redevelopment Agency (replaced in 2012 by the Successor Agency) approved a lease with MONA to relocate their facilities to 216 South Brand Boulevard. The Successor Agency will complete structural, fire protection, ADA upgrades, all exterior facade improvements, and will provide financial assistance towards interior improvements for the museum operation. In August 2013, the Successor Agency began the renovation work. Completion is expected in March 2014 at which point MONA will take possession of the property and complete their interior improvements. Opening of the museum is targeted for mid-late 2014.



City of Glendale, California
City Council



Dave Weaver
MAYOR



Laura Friedman
COUNCILMEMBER



Ara Najarian
COUNCILMEMBER



Frank Quintero
COUNCILMEMBER



Zareh Sinanyan
COUNCILMEMBER



City of Glendale
California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

Prepared by the Finance Department - Accounting Section

Robert Elliot, CPA, Director of Finance
Lily Fang, Finance Administrator

City of Glendale, California

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(Not Covered by Independent Auditor's Report)

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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





December 5, 2013

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, 2013.

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.

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 independent auditor's report.

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 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 fourth largest city in Los Angeles County, encompassing 30.6 square miles and serving over 193,000 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 robust business environment. Of particular note is the entertainment industry which remains rooted in Southern California, with the Verdugo Region (Glendale/Burbank) particularly known for production (pre & post), animation, visual effects, and digital distribution. Glendale will benefit from growth in this sector through expansions by Disney, DreamWorks and hundreds of ancillary production and equipment firms. Also of note are Glendale's regional shopping centers, the Glendale Galleria and Americana at Brand. Both have undergone expansion and renovation, which have reaffirmed Glendale as one of the region's leading shopping destinations. Several large development projects either recently completed or underway in Glendale, will provide approximately 3,000 new residential units and 210,000 square feet of commercial space. Such investments by the business community indicate a continued confidence in Glendale.

Overall, Glendale’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 Highlights

Economic development accomplishments for 2013 in Glendale are numerous and vary in size and scope. Highlights include:

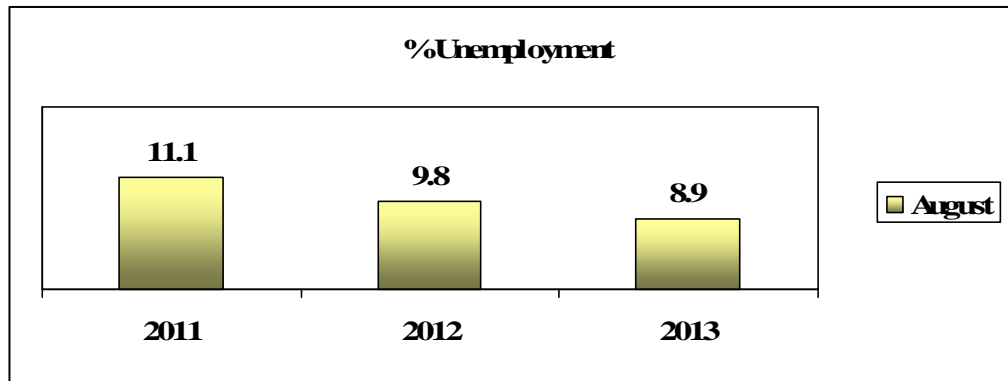
- **Downtown Glendale Association** - has begun its Community Benefit District operation and now provides street cleanliness and safety ambassadors, and additional marketing for the Downtown retail and office tower hub.
- **Local Economic Development Agency (LEDA)** – is being investigated for evaluation by the City Council. If formed, the corporation can carry out the City’s objectives for economic development in a business structure better aligned for responsiveness and partnerships with private industry.
- **A Business Attraction Program** – consisting of outreach to the real estate, and retail, and property management communities helps Staff deliver the City’s “18-hour City” vision and position the City for Class-A Office occupancy growth.
- **Avery Dennison and Whole Foods Market corporations** – leased space at the state-of-the-art Class A office building at 207 Goode.
- **Social Media Campaign** - under the campaign MyGlendale, and aggressive social media platform has been initiated with Facebook, Twitter and Instagram accounts. This campaign seeks to broaden the public knowledge of Glendale as a hotspot for culture, nightlife, and urban living.
- **Neighborhood Business Districts** - continue to be a focus. These districts assist businesses with development and services relevant to the needs of the district.
- **Bloomington’s** – opened as a new anchor for the Glendale Galleria. Pirch and twenty other new stores joined the shopping center.

- **Nordstrom** – opened as a new anchor for the Americana at Brand. Din Tai Fung restaurant also opened, and Bourbon Steak announced that it will open in 2014.
- **Marshalls** – opened in the iconic former Borders Books building.

Employment. As of August 2013, the City of Glendale had a workforce of 106,500 workers. Regarding the occupations of Glendale’s residents, 42.7% were in management, business, or science occupations. This large percentage of higher level occupations reflects a higher than normal education level with 39% of residents with a bachelor’s degree or higher, according to the 2010 U.S. Census. The mean household income was \$78,393; the mean family income was \$88,333, according to the Census.

Unemployment levels

At the start of the recession in December 2007, Glendale’s unemployment rate was 4.8%. When the recession ended 18 months later in June 2009, Glendale’s unemployment rate was 10.1%. The latest unemployment data for August 2013 shows Glendale’s unemployment rate at 8.9%, which is lower than the Los Angeles County average (10.2%). Glendale’s unemployment rate was 9.8% in August 2012, and 11.1% in August 2011.



Industry employment status

Largest Glendale industries

- 1) Health care: over 14,000 employees at almost 900 businesses
- 2) Retail: over 9,500 employees at 555 businesses
- 3) Manufacturing: over 7,500 employees at 200 businesses

(June 2012 data, state Employment Development Department)

Employment in the region’s large retail sector, which has held fairly steady in the past year, benefitted from improving car sales. Employment in the retail sector has been supported by solid consumer demand in almost all areas. Consumers have enjoyed an improving housing market and stock market, which has raised their net worth and improved their overall outlook on the economy and affected their spending habits. Employment in other consumer-related areas, such as restaurants and hotels, continued to hold steady as the local economy recovers. Job growth in the past year has been concentrated in these consumer-dependent areas of retail,

restaurants and hotels. The downside to this job growth is that many of the jobs are part-time, temporary and lower-paid.

The most dominant industry sector in the City of Glendale from an employment standpoint is the health care industry. The City has three major medical centers and many supporting businesses in health care, including hundreds of physician offices. Employment in the health care sector has remained stable. The acquisition of Verdugo Hills Hospital by USC greatly enhances the long-term growth potential of the hospital and will likely result in new jobs in the future.

A major bright spot in the Glendale economy is the entertainment industry. Though the industry is relatively smaller compared to other local entertainment hubs such as Burbank and Hollywood, employment in the Glendale entertainment economy is growing rapidly. Led by the Disney Creative Campus development, jobs are migrating into the city. Driven by increasing outlets for entertainment, such as mobile devices, demand for digital entertainment content is soaring. This phenomenon capitalizes on the concept behind the Disney Creative Campus, which is to unify all of its digital entertainment mediums— Internet, TV, animation, games, motion pictures—into one location. This strategy should drive strong future job growth in this industry in the city for decades. Disney is in Phase II of a multi-decade, three-phase development project that is projected to create 8,000 to 10,000 jobs in the city by the completion of the project.

The manufacturing sector, despite being discounted because of the many job losses that it has sustained over past decades, is still one of the larger employers in Glendale. The sector could continue to improve as U.S. products remain competitive due to the weak U.S. dollar and as the global economy recovers. The manufacturing sector led the national economy out of recession in 2009-10 as it capitalized on increasing demand for products from emerging economies. Many economists believe the U.S. manufacturing sector is in a renaissance due to major technology advancements, rising wage levels overseas (the differential between U.S. and China manufacturing costs has dropped from 40% a few years ago to 16% recently) that make our products more competitive, and cheaper energy prices for manufacturers, such as natural gas costs.

Overall employment outlook for the city

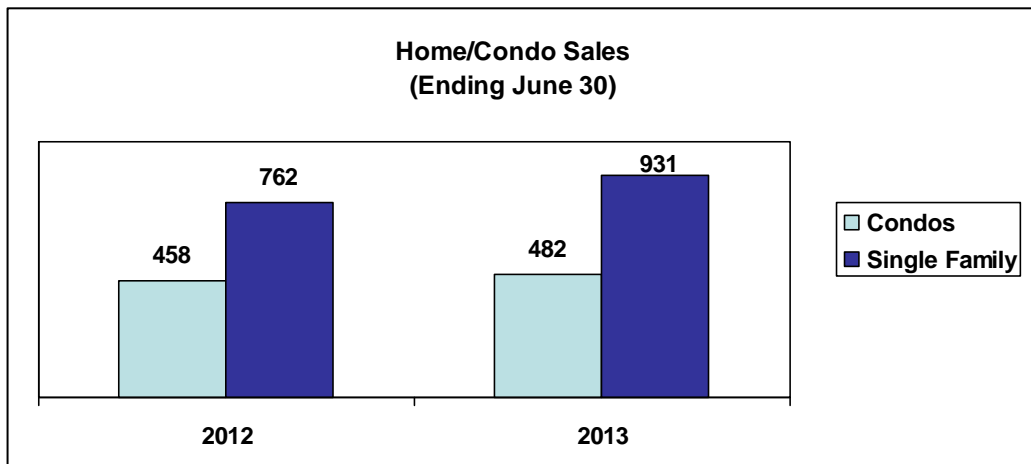
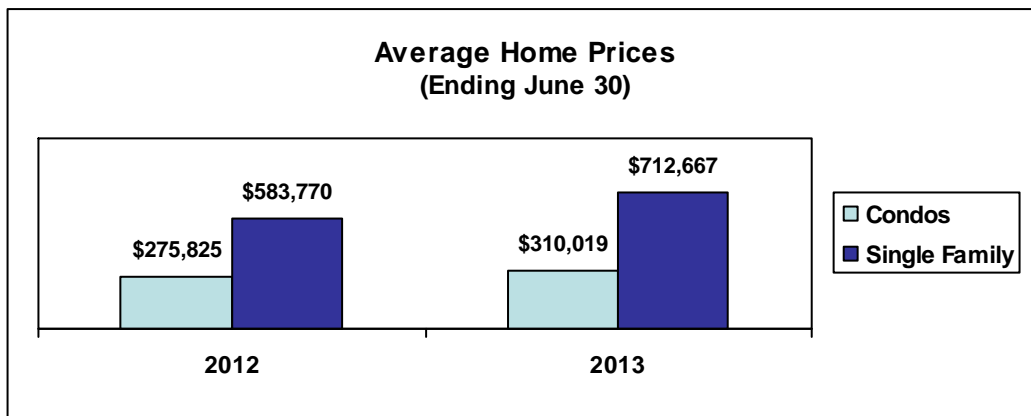
Two major economic events are expected to drive extremely strong job growth in the city in future years. The first event is the advent of the Federal Affordable Care Act. Los Angeles County estimates the creation of 1.7 million additional insured patients in 2014 as a result of the Act. The Glendale area, which is a hub of health care services for the Los Angeles County area, is projected to have a minimum of 100,000 new insured health care patients in 2014 based on an analysis by the Verdugo Workforce Investment Board. This large volume of new patients will require a significant increase in the number of health care workers employed in the city to address the demand.

A second major event is the development of entertainment content for mobile devices. This field is exploding in growth with revenue in the U.S. doubling by 2016. Companies such as Disney in Glendale are specifically focused on gaining market share in this field. Disney's purpose in

creating the Disney Creative Campus project was to combine all of its digital assets to facilitate the movement of digital entertainment content across multiple mediums. Approximately 1,000 new ventures have started in L.A. County in recent years to capitalize on developing content for mobile devices.

In a related area, the meteoric growth of data in recent years has spawned a new phenomenon called Big Data. Over 90% of the world’s data has been created in the past 2 years, according to an IBM study, as new outlets such as mobile devices have created more opportunities to generate and share data. Corporations and other organizations are seeking to capitalize on the implications of this data growth by seeking solutions for data storage, analysis, and generation. Glendale could be well-positioned to take advantage of this growing area and to create additional jobs.

Housing. According to the City’s property tax consultant, HDL, Glendale’s housing market showed an increase in sales volume and also in an average home price of \$712,667 in FY 2012-13, compared to \$583,770 in FY 2011-12. Also, the condominium sales increased in sales volume as well as in sales prices, reflected in an average price of \$310,019 for FY 2012-13, compared to \$275,825 for FY 2011-12.



Local Government Finance

The U.S. economic growth has been averaging around 2% annually indicating the recovery from the great recession has been one of the slowest on record. The impacts of the Federal budget sequestration on grant funding, higher taxes on payrolls and upper income households, the weak global economy, and implementation of the Affordable Care Act will keep growth from accelerating faster in the short term. Economic activity in California is now growing in line with its historical trend, something relatively few states have been able to accomplish during this subpar economic recovery.

Although Glendale's economic base is diversified with strong retail and financial services, the variety of issues in the economy involving the housing market, financial institutions, credit markets, consumer confidence, and the State budget issues has impacted Glendale. This has led to revenue stagnation in some of the major revenue sources in the General Fund including sales tax, property tax, and utility users' tax, as they are economically driven and were significantly impacted by the recession. While some leading indicators point to an economic recovery on a national level, it has and will continue to take time for the recovery to trickle down to local levels. This slow revenue growth combined with the dissolution of Redevelopment Agency has put a strain on the amount of resources available to the City, particularly in the General Fund. Suffice to say, revenue growth has not kept pace with the growth in expenditures. The City has made every effort to become more cost effective in the service delivery approaches while trying to minimize the impacts to service level.

On the bright side, the economy is showing signs of recovery at the local level. Due to rising consumer confidence, improvements in the housing market, increased construction activity and a reduced rate of unemployment, Glendale is forecasting modest growth in key General Fund revenues such as property, sales, and utility users' taxes for the upcoming year. Overall the City has remained cautiously optimistic in its forecasting due to the uncertainty of the impacts of the federal sequestration on the economy and the decisions made at the state level that will invariably impact Glendale.

For FY 2012-13, the General Fund has a net gain of \$3.3 million. Because of the additional AB 1x26 property tax, rising retail sales and new construction projects, the actual revenues are about \$1.4 million higher than the forecast. On the other hand, despite the significant reduction in staff over the past two years, departments once again were still able to provide a quality level of service to its residents and come in under budget by approximately \$4.7 million.

Long-term Financial Planning

After significant cuts and major restructuring over the past several years, FY 2013-14 budget is balanced operationally without massive restructuring or cost reductions. While there is still work to do to achieve structural balance, the framework has been established to reach this goal within the next five years.

Based on the conservative assumptions, the City's five-year forecast provides a path towards achieving structural balance while outlining the challenges that lay ahead. The good news is that

all of the costs – operational (day-to-day staffing and maintenance & operation), long-term employment obligations (PERS and OPEB), organizational infrastructure (Internal Service Funds), and capital replacement – can largely be met by even modest and sustained growth in the revenues. The bad news is that meeting all of these obligations requires an average 3.2% annual revenue growth rate in the General Fund; while the expected average annual rate is 2.3%. The past several years have reinforced an important lesson: the fulfillment of expectations is an elusive and unpredictable goal that dictates reasonable restraint in the future planning. With the potential loan repayments from the former Glendale Redevelopment Agency (GRA), in the “out years” of FY 2017-18 and FY 2018-19, relatively small deficits of \$6 million (about 3% of projected GF appropriations) and \$2.1 million (about 1%) are projected, respectively. Given that the funding of OPEB, internal service funds and capital improvement is discretionary, the City will remain operationally balanced. Yet in order to achieve and maintain a structural balance (wherein all of the ongoing costs are met by ongoing revenues), the City must continue to focus on fiscal discipline as well as to think of new ways to restructure and reshape the organization and consider the policy intersection of service provision, cost of doing business, revenue generation and quality of life.

These future projections do not presently assume any compensation increases for employees beyond those which have been previously agreed upon. This economic assumption was necessary to develop a comparative baseline. The five-year financial forecast gives the City a reference point to draw from. The City is a service business, therefore, roughly three-fourths of the City’s operational (non-capital, non-energy purchases) are personnel related. The employees at large have already participated in the compensation restructuring efforts that pushed Glendale to the forefront of municipalities. Over the years the employees’ contributions towards pension and medical benefits have been increasing. In addition, many of the employees have gone 5 years without any kind of salary increase despite increasing costs affecting their personal household budgets (understanding, of course, that while individual salaries have not generally increased, rising PERS and other employment costs have in fact increased the value of the total compensation paid for the employees). System-wide cost increase needs to be matched with an ongoing revenue increase. To the extent that the revenues outpace the projections; or the City is able to reduce current costs through innovation, reorganization, or refining the business processes; or the City is able to cultivate new revenue streams; the City will have the ability to increase compensation throughout the organization. If the City cannot realize these new revenues and/or savings, then it will be difficult to increase the pressure upon the City budget from the single largest cost-driver: employee compensation which includes base salaries, PERS, health care and employment costs.

The economy is improving and the financial indicators are finally all trending positive. However, the State of California continues to hold hostage local economic development resources without any hint of a plan to try and put people back to work while simultaneously layering more unfunded mandates upon cities in the critically important arenas of public safety and environmental preservation. And while it is a sad truth that the City actually expects the State to undermine our efforts, a more systemic threat emanates from within. As the impact of the recession ebbs and economic vitality creeps back into a more normalized growth pattern, the temptation to return to a pre-Great Recession paradigm represents perhaps the greatest challenge

to our continued progress. Restoration of previous benefit standards and cost structures will effectively undo all of the progress that has been made over the last years.

Moving forward, the continuing challenge is to minimize the negative impact on the community and customers from the recent restructuring and ensure value to the taxpayers. Glendale's value proposition is the combination of the Council's priorities, the City's strategic goals and key performance indicators. Council ultimately sets the tone, the vision and the policy for the City. During FY2013-14's budget process, Council has reaffirmed the following priorities:

- Fiscal Responsibility
- Exceptional Customer Service
- Economic Vibrancy
- Informed & Engaged Community
- Safe & Healthy Community
- Balanced, Quality Housing
- Community Services & Facilities
- Infrastructure & Mobility
- Arts & Culture
- Sustainability

These priorities have given rise to Departmental strategic goals that will alter, for the better, the way the City delivers service and do business. These are goals that best indicate whether Departments had a "successful year". These goals are essentially the outcomes that the City will strive for in the upcoming budget year. The key performance indicators provide a vehicle to measure the progress. They are the outputs in that they tell us what we are doing and how we are doing it.

Taken as a whole, the Council priorities provide the framework, the strategic goals give us our themes, and the key performance indicators, as listed in the *Strategic Goals* section of this document, measure the details. The management and measurement of our performance will help to bring clarity amid this period of uncertainty. During last year's budget process, we indicated that FY 2012-13 was our year to make reductions, reorganize, and deliver services in a new way; and FY 2013-14 will be an opportunity to observe our new structure, evaluate it, and make adjustments as needed. In consideration of goal attainment and our Key Performance Indicators, it appears that we have made adjustments where needed and have met our organizational targets and goals.

As Glendale continues to streamline its costs and strategic goals, quality of service and continuity are important - our customers must sense *value*. The organization must endeavor to have collaboration and meaningful communication with the community. The departmental restructuring will result in fewer people striving to provide as much or more services to the community. With Council's vision and a team of high-quality, ethical professionals; our value proposition to the community is renewed and has once again shaped this year's budget process. The FY 2013-14 budget is the new baseline, which is our new reality.

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 2010, 2011, 2012 and 2013.

Fiscal years ended June 30,

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Average portfolio balance	\$383,077,000	\$394,767,000	\$408,490,000	\$451,176,000
Total portfolio's interest income	\$ 3,202,000	\$ 4,303,000	\$ 5,773,000	\$ 8,520,000
Average return on invested cash	0.84%	1.09%	1.43%	1.89%

The average return on invested cash decreased by 25 basis points from 1.09% in fiscal year 2012 to 0.84% in fiscal year 2013. Interest earnings for the current fiscal year are \$3.2 million, down \$1.1 million from the \$4.3 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 up to \$2 million for claims filed under the comprehensive general liability and Workers' Compensation insurance programs. The City purchases excess liability insurance policies for general liability claims to cover losses up to \$20 million, and an amount up to statutory limits for the Workers' Compensation program. The City also purchases Property/Casualty, Aviation, Employment Practices, Directors and Officers, and other smaller insurance policies for specific activities. Insurance coverage and the associated premiums are reviewed annually to ensure the City is properly covered.

The City's Risk Management program is comprised of Insurance Services, Workers' Compensation and Employee Safety. The primary goal of Insurance Services is to effectively address potential risk factors that affect both the City and its employees. The Workers' Compensation Section evaluates the validity of Workers' Compensation claims, and ensures that State-mandated medical and disability payments are made to eligible employees. The Safety Section works with City Departments to evaluate and mitigate workplace hazards, assist in providing safety training, conduct accident investigations, and ensure compliance with Cal/OSHA regulations.

Risk Management staff, in conjunction with the Finance Department, annually reviews internal funding levels to address claims costs. Internal insurance costs are charged to each department and based on an analysis of recent claims costs, as well as the outstanding reserves. Input from an annual outside actuarial study is considered in assessing the charges.

Independent Audit

The City's financial statements have been audited by the firm of McGladrey 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, 2013, 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 unmodified opinion that the City of Glendale, California's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. Their unmodified 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 other financial reporting and compliance with legal requirements, and on compliance and internal control over compliance for each major federal program selected. 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 independent auditor's report 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 eighteen fiscal years ended June 30, 1995 through June 30, 2012. 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, Finance Administrator, for the compilation of this CAFR.

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,

A handwritten signature in black ink that reads "Robert Elliot". The signature is written in a cursive style with a large, stylized initial "R" and a long, sweeping underline.

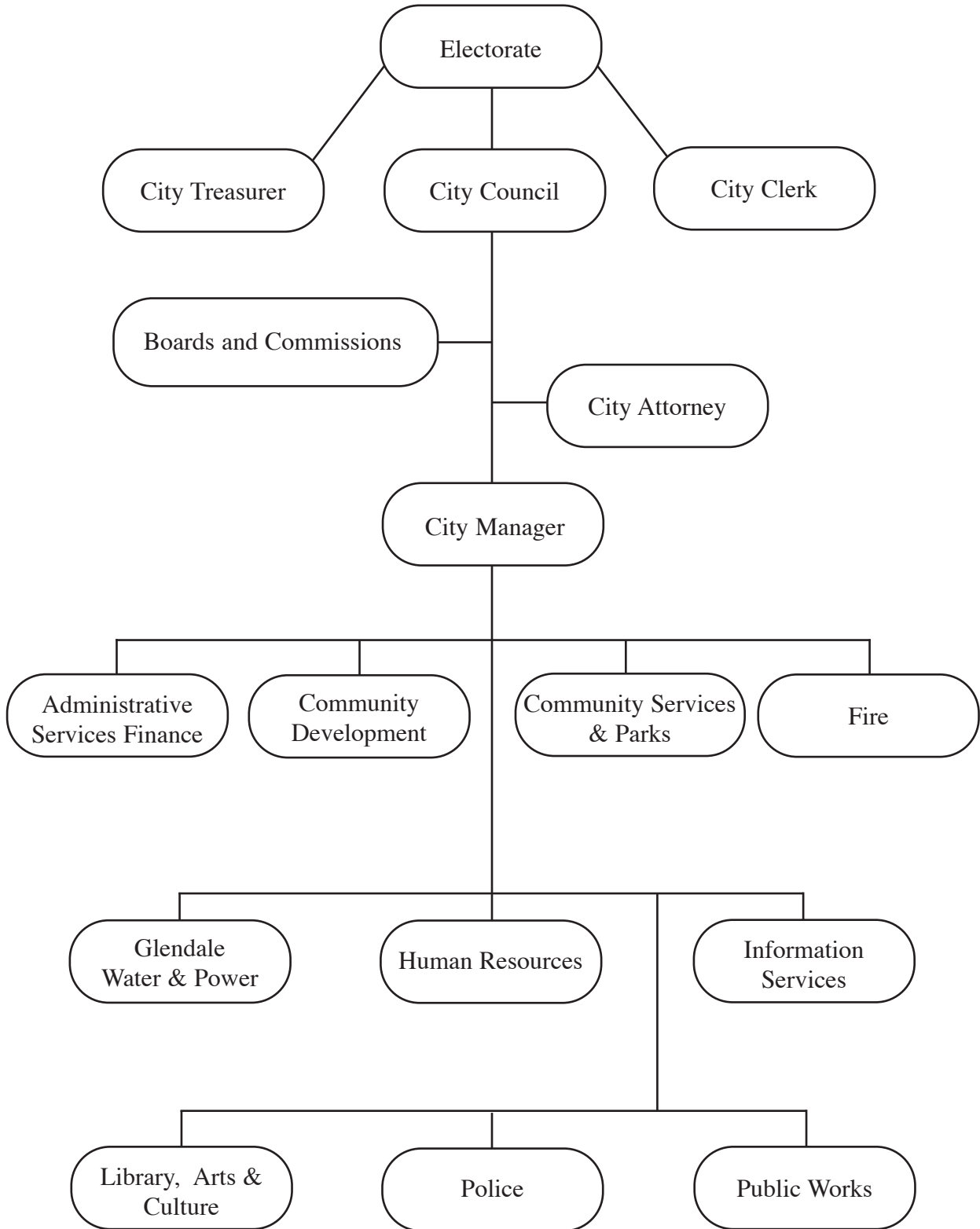
ROBERT ELLIOT, CPA
DIRECTOR OF FINANCE

City of Glendale, California
Officials of the City of Glendale
June 30, 2013

Administration and Executive Management Team

City Manager	Scott Ochoa
Assistant City Manager	Yasmin K. Beers
Deputy City Manager	John Takhtalian
Director of Library, Arts & Culture	Cindy Cleary
Police Chief	Ronald De Pompa
Director of Human Resources	Matthew Doyle
Director of Community Services & Parks	Jess Duran
Director of Finance	Robert P. Elliot, CPA
City Auditor	Michele Flynn, CIA, CGAP
Chief Information Officer	Brian Ganley
City Attorney	Michael J. Garcia
Director of Community Development	Hassan Haghani
City Clerk	Ardashes Kassakhian
Director of Economic Development	Philip Lanzafame
City Treasurer	Rafi Manoukian, CPA
Fire Chief	Harold Scoggins
General Manager of Glendale Water & Power	Stephen Zurn
Director of Public Works	Stephen Zurn

City of Glendale, California
Organizational 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, 2012. This was the 18th 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.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Glendale
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director/CEO

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Financial Section

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

- Independent Auditor’s Report
- Required Supplementary Information-
Management’s Discussion and Analysis
(MD & 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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Housing Assistance Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note IV.J to the financial statements, the net position components in the business-type activities and the Water Fund opinion units as of June 30, 2013 were restated to correct an error. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and pension and other post-employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, such as the combining and individual nonmajor fund financial statements and other schedules, and the other information, such as the introductory and statistical sections, 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

McGladrey LLP

Los Angeles, CA
December 5, 2013, except for Note IV.J,
as to which the date is February 19, 2014

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2013

(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, 2013. 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 - xii of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of FY 2012-13 by \$1,630,918 (net position). Of this amount, \$221,643 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The total unrestricted net position consists of \$62,419 for governmental activities and \$159,224 for business-type activities.
- The City's total net position decreased by \$4,019. Most of this decrease is attributable to the decline in the fair value of investments and in charges for services.
- As of the close of FY 2012-13, the City's governmental funds reported combined ending fund balances of \$168,808, a decrease of \$4,642 in comparison with the prior year. About 17.7% of this total amount, \$29,915 is available for spending at the government's discretion (unassigned fund balance).
- At the end of FY 2012-13, unassigned fund balance of \$38,082 and charter required reserve of \$22,228 for the General Fund totaled \$60,310, representing about 35.3% of FY2013-14 adopted budget. The General Fund reserve levels have historically been maintained above 30.0% of General Fund appropriations, in accordance with the current reserve policy (a floor of 30.0% with a target of 35.0%) adopted by the City Council.
- The City's total debt increased by \$42,528 (11.1%) in FY 2012-13. The factors of this increase was a combination of items such as post-employment benefits, an increase of \$19,755; post-closure liability of Scholl Canyon Landfill, an increase of \$1,504; issuance of the water revenue bonds 2012 series for \$35,000; a decrease of \$3,092 in claims payable; a decrease of \$4,018 in compensated absences; as well as decreases such as debt 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.

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 position presents information on all of the City's assets and deferred outflows of resources, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2013

(in thousands)

The statement of activities presents information showing how the government's net position changed during the recent fiscal year. All changes in net position 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.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate housing authority and financing authority for which the City is financially accountable. 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 23-25 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 three categories: governmental funds, proprietary funds, and fiduciary 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 38 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

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2013

(in thousands)

balances for the General Fund, Housing Assistance Fund and the Capital Improvement Fund, all of which are considered to be major funds. Data from the other 35 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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 26-45 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, information services and infrastructures, 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 46-49 of this report.

Fiduciary funds. A fiduciary fund is used to account for resources held for the benefit of parties outside the City. The City maintains one fiduciary fund – Glendale Successor Agency Fund.

Since the resources of fiduciary fund are not available to support the City's own programs, it is not reflected in the government-wide financial statements. The accounting used for fiduciary fund is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on pages 50-51 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 53-97 of this report.

The combining statements referred to earlier in connection with non-major 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 101-167 of this report.

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2013

(in thousands)

Government-wide Financial Analysis

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$1,630,918 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (80.1%) reflects its net 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 net investment in its capital assets is reported as 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 Position

	Governmental activities		Business-type activities		Total	
	2012		2012		2012	
	2013	(as restated)	2013	(as restated)	2013	(as restated)
Current and other assets	\$ 303,125	300,895	235,318	182,049	538,443	482,944
Capital assets	869,090	858,969	692,764	713,761	1,561,854	1,572,730
Deferred outflows of resources	-	-	1,443	-	1,443	-
Total assets and deferred outflow of resources	1,172,215	1,159,864	929,525	895,810	2,101,740	2,055,674
Current liabilities	54,297	40,198	23,892	22,686	78,189	62,884
Noncurrent liabilities	168,667	173,080	223,966	184,773	392,633	357,853
Total liabilities	222,964	213,278	247,858	207,459	470,822	420,737
Net investment in capital assets	816,785	802,729	516,774	545,511	1,333,559	1,348,240
Restricted	70,047	94,576	5,669	5,669	75,716	100,245
Unrestricted	62,419	49,281	159,224	137,171	221,643	186,452
Total net position	\$ 949,251	946,586	681,667	688,351	1,630,918	1,634,937

4.6% of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$221,643 may be used to meet the government's ongoing obligations to citizens and creditors. Of this total, \$159,224 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 position, 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

June 30, 2013

(in thousands)

Governmental activities. Governmental activities increased the City's net position by \$2,665. Key elements of this increase are as follows:

- Capital grants and contributions increased by \$11,846 (194.1%) during the current fiscal year due to more grant funding for capital projects, and also the donation of the Doran Gardens open space to the City based on the housing development agreement.
- Property tax decreased by \$13,254 (22.4%) during the current fiscal year due to the dissolution of the Glendale Redevelopment Agency pursuant to AB 1x 26 on February 1, 2012. In prior fiscal year, seven months of the property tax increment for the former Agency are accounted for in the governmental activities, and five months of the property tax increment received from redevelopment property tax trust fund for the Glendale Successor Agency (GSA) are accounted for in the fiduciary fund. In the current fiscal year, all twelve months of the property tax received for the GSA is deposited in the fiduciary fund.
- Investment income decreased by \$3,038 (102.9%) during the current fiscal year due to the lower rate of return and the decline in the fair value of the investments.
- Other revenue decreased by 7,969 (37.3%) during the current fiscal year due to two main reasons: (1) one-time pension payment of \$5,903 from GRA was made to the City in prior fiscal year because of the dissolution of GRA pursuant to AB 1x 26 on February 1, 2012; (2) the settlement revenues for the Edison Pacific project and the 2005 rainstorm disaster were received in prior fiscal year, totaling about \$4,569.
- General government expense increased by \$11,281 (50.9%) during the current fiscal year due to three main reasons: (1) four properties that were obtained through legal settlement in fiscal year 2007-08, were sold at a loss of \$8,847 because of the special situation; (2) \$1,672 payment was made to Public Agency Retirement Services (PARS) for early retirement incentive, which was offered to employees retired in September 2012; (3) \$750 loan was made to GSA for the Alex Theatre project.
- Public service expense decreased by \$1,879 (29.5%) during the current fiscal year primarily due to less public benefit program expenses. A lot of projects were in the final stage and completed in current fiscal year.

CITY OF GLENDALE

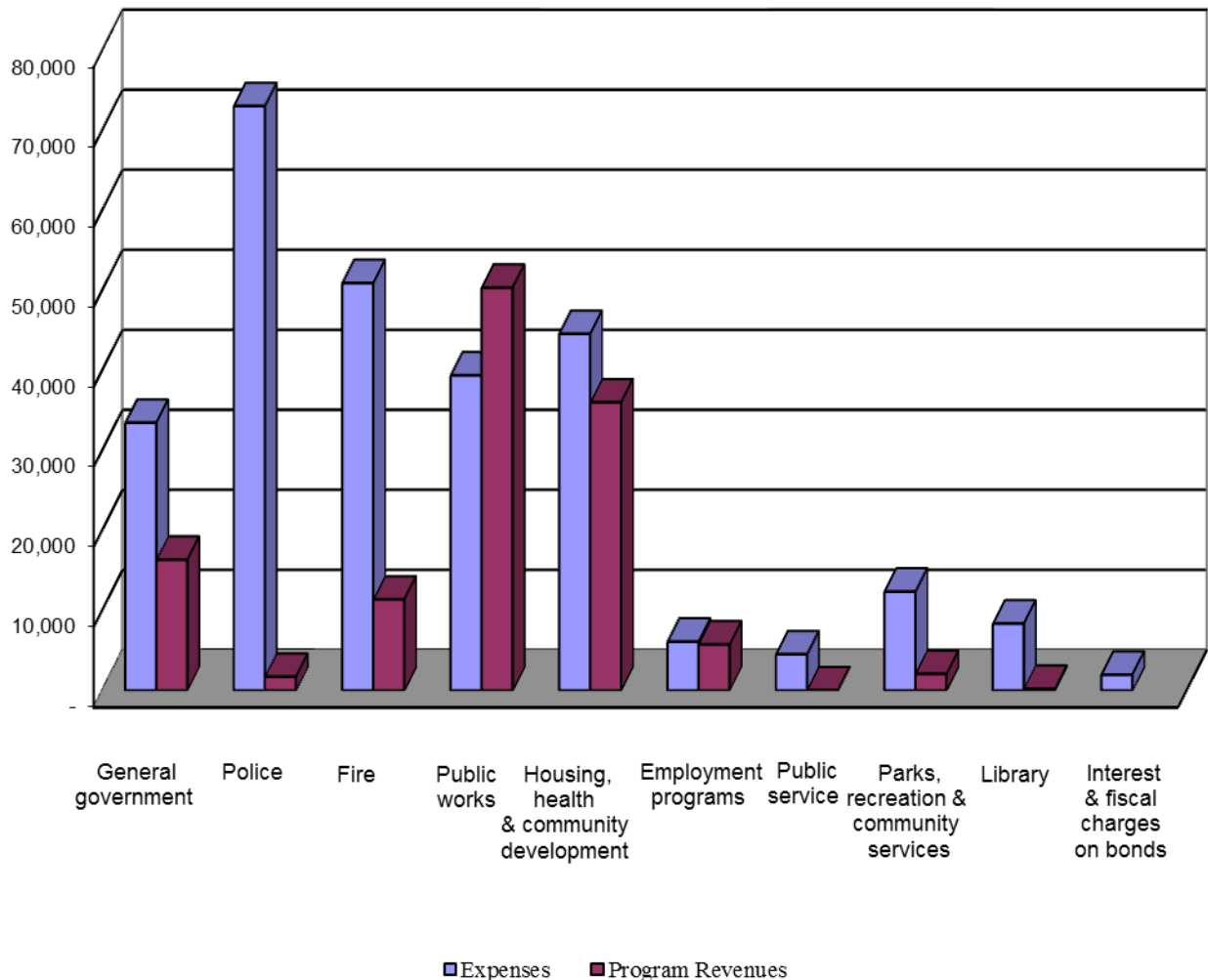
Management's Discussion and Analysis

June 30, 2013

(in thousands)

- Interest & fiscal charges on bonds decreased by \$8,939 (82.2%) during the current fiscal year due to the dissolution of the Glendale Redevelopment Agency pursuant to AB 1x 26 on February 1, 2012. In prior fiscal year, seven months of the tax allocation bonds' interest and fiscal charges for the former Agency were accounted for in the governmental activities, and the remaining five months of the transactions were accounted for in the fiduciary fund. In the current fiscal year, all twelve months of the transactions for GSA bonds are recorded in the fiduciary fund.

Expenses and Program Revenues – Governmental Activities



CITY OF GLENDALE

Management’s Discussion and Analysis

June 30, 2013

(in thousands)

City of Glendale’s Change in Net Position

	Governmental activities		Business-type activities		Total	
	2012		2012		2012	
	2013	(as restated)	2013	(as restated)	2013	(as restated)
Revenues:						
Program revenues:						
Charges for services	\$ 45,733	48,548	272,344	289,260	318,077	337,808
Operating grants & contributions	59,855	61,877	223	96	60,078	61,973
Capital grants & contributions	17,949	6,103	1,203	6,590	19,152	12,693
General revenues:						
Taxes:						
Property taxes	45,943	59,197	-	-	45,943	59,197
Sales taxes	33,789	31,874	-	-	33,789	31,874
Utility users tax	26,968	26,632	-	-	26,968	26,632
Other taxes	14,594	14,181	-	-	14,594	14,181
Investment income	(85)	2,953	231	1,927	146	4,880
Other	13,401	21,370	8,270	7,221	21,671	28,591
Total revenues	258,147	272,735	282,271	305,094	540,418	577,829
Expenses:						
General government	33,432	22,151	-	-	33,432	22,151
Police	72,997	72,160	-	-	72,997	72,160
Fire	50,880	61,917	-	-	50,880	61,917
Public works	39,349	42,192	-	-	39,349	42,192
Housing, health & community development	44,534	45,387	-	-	44,534	45,387
Employment program	6,080	6,197	-	-	6,080	6,197
Public service	4,490	6,369	-	-	4,490	6,369
Parks, recreation & community services	12,326	12,804	-	-	12,326	12,804
Library	8,338	8,209	-	-	8,338	8,209
Interest & fiscal charges on bonds	1,932	11,285	-	-	1,932	11,285
Recreation	-	-	2,820	2,754	2,820	2,754
Hazardous disposal	-	-	1,709	1,507	1,709	1,507
Fire communications	-	-	3,291	3,528	3,291	3,528
Parking	-	-	7,683	7,674	7,683	7,674
Sewer	-	-	14,585	15,148	14,585	15,148
Refuse disposal	-	-	19,197	18,794	19,197	18,794
Electric	-	-	172,509	202,647	172,509	202,647
Water	-	-	41,862	41,522	41,862	41,522
Total expenses	274,358	288,671	263,656	293,574	538,014	582,245
Excess (deficiency) before transfers and extraordinary (loss)	(16,211)	(15,936)	18,615	11,520	2,404	(4,416)
Transfers	25,299	24,007	(25,299)	(24,007)	-	-
Extraordinary (loss)	(6,423)	(16,314)	-	-	(6,423)	(16,314)
Change in net position	2,665	(8,243)	(6,684)	(12,487)	(4,019)	(20,730)
Net position – Beginning of the year, as restated	946,586	954,829	688,351	700,838	1,634,937	1,655,667
Net position – End of the year	\$ 949,251	946,586	681,667	688,351	1,630,918	1,634,937

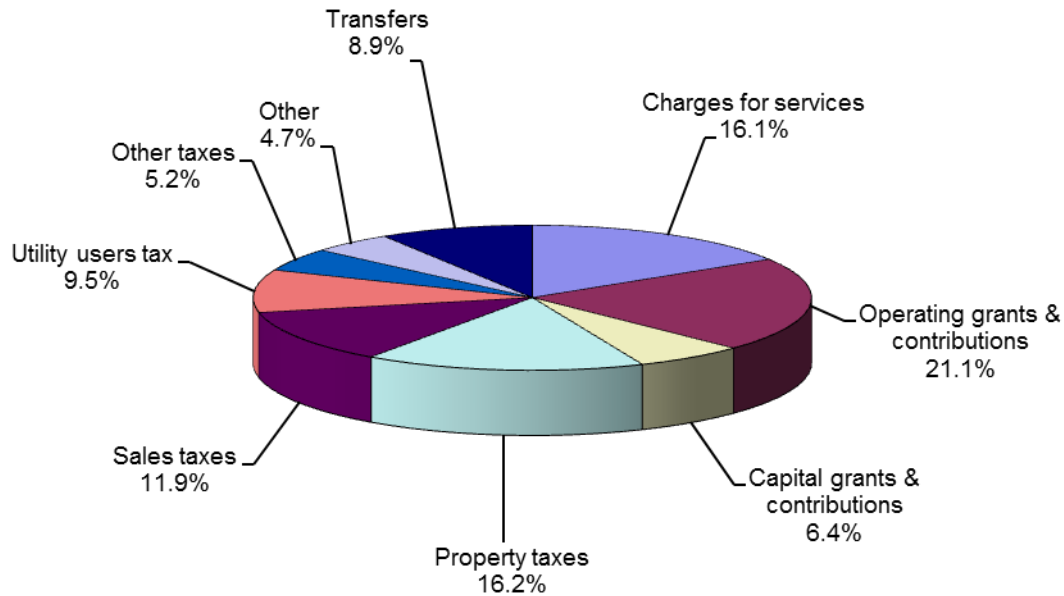
CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2013

(in thousands)

Revenues By Source – Governmental Activities



Business-type activities. Business-type activities net position decreased by \$6,684. Key elements of this decrease are as follows.

- Charges for services decreased by \$16,916 (5.9%) during the current fiscal year. Lower electric sales were the primary factor leading to a decrease in charges for services in all proprietary funds. The decline in electric wholesale sales and electric & gas sales to other utilities were mainly due to the City's reduced participation in wholesale transactions as a result of unfavorable market conditions based on the City's risk criteria, as well as the introduction of State of California's cap-and-trade system for carbon emissions.
- Operating and capital grants decreased by \$5,260 (78.7%) during the current fiscal year. The decrease was mostly due to the 99% completion of Smart Grid Investment Grant Program (SGIG) by Glendale Water and Power to upgrade all electric and water meters in the City to smart meters, and near completion of the Phase III Chromium 6 research project.
- Investment income decreased by \$1,696 (88.0%) during the current fiscal year due to a decline in return on investment, and overall decrease in the market value of the portfolio investments.
- Electric expense decreased by \$30,138 (14.9%) during the current fiscal year. This decrease can primarily be attributed to a decrease in production expenses as a result of reduction in natural gas and wholesale activity.

CITY OF GLENDALE

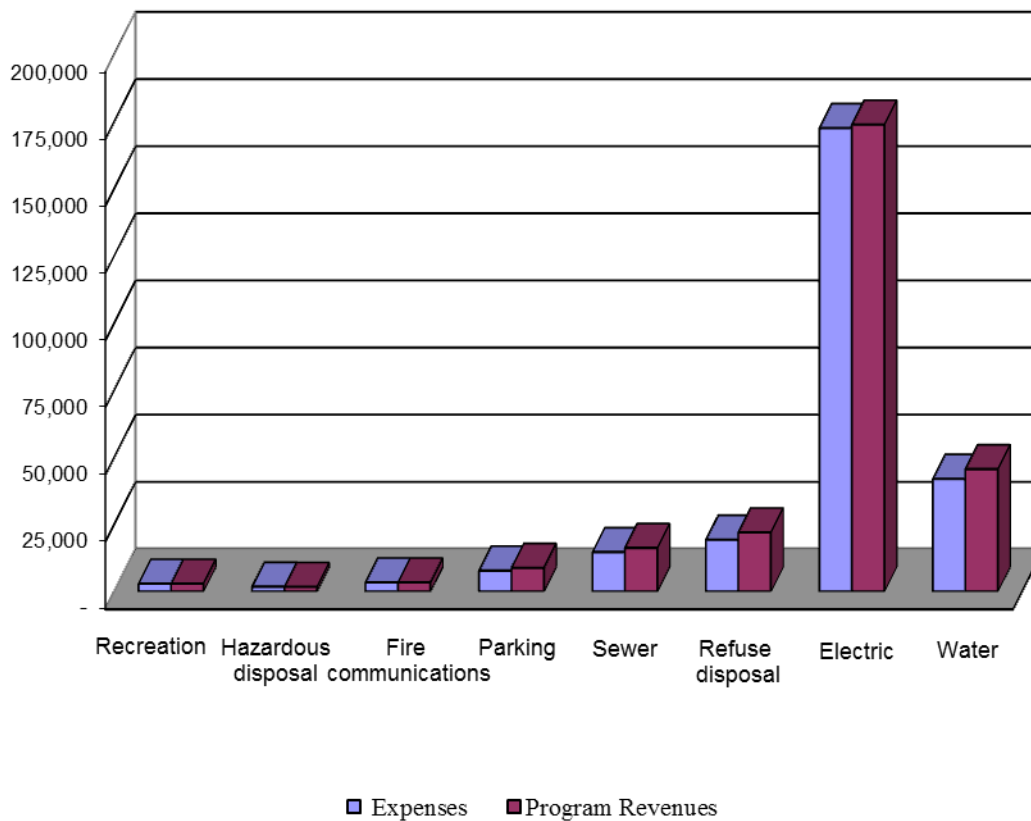
Management's Discussion and Analysis

June 30, 2013

(in thousands)

- Water expense increased by \$340 (0.8%) during the current fiscal year. This increase was due to a rise in production costs as a result of increased purchased water volume supplied by Metropolitan Water District (MWD).
- Sewer expense decreased by \$563 (3.7%) during the current fiscal year primarily due to a conservative effort to better manage the City's contract with City of Los Angeles for the use of the Hyperion plant. The City changed the accounting treatment in processing the Los Angeles Amalgamated System Sewerage Facilities Charges (ASSFC) as a pass-through account and changed the useful life of its Los Angeles Glendale Water Reclamation Plant (LAGWRP) assets from 40 to 80 years.
- Non-major enterprise funds had a net increase in expenses of \$443 (1.3%) during the current fiscal year.

Expenses and Program Revenues –Business type Activities



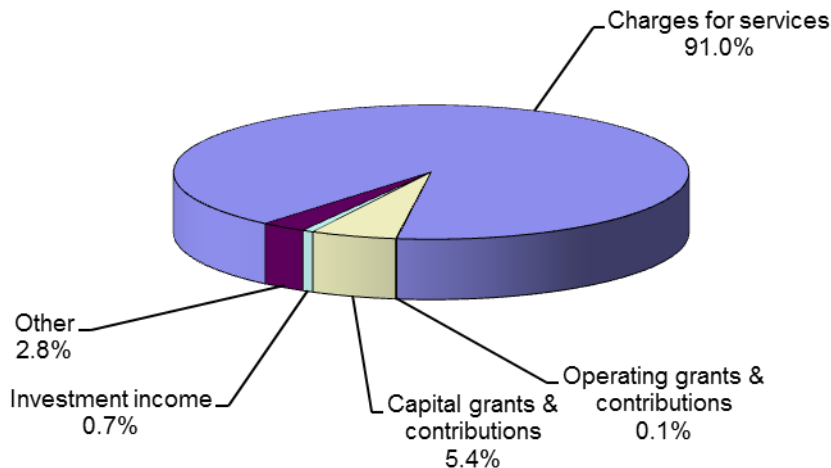
CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2013

(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, unassigned 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 \$168,808, a decrease of \$4,642 in comparison with the prior year. About 17.7% of this total amount, \$29,915, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance in the amount of \$138,893 is not available for new spending because it is either nonspendable, restricted, assigned or committed. Nonspendable fund balance of \$4,854 which is legally or contractually required to be maintained intact consists of: 1) reserve for inventories \$633, 2) advance to other funds \$1,946, and 3) prepaid items \$2,275. Restricted fund balance of \$92,397 which is constrained by external creditors, grantors, laws or regulations of other governments and enabling legislation, consists of: 1) City charter reserve requirement \$22,228, 2) federal and state grants \$4,571, 3) public safety \$1,127, 4) transportation \$15,569, 5) landscaping district \$48, 6) low and moderate housing \$15,605, 7) air quality improvement \$269, 8) cable access \$783, 9) electric public benefit AB1890 \$1,308, 10) State gas tax mandates \$8,539, and 11) landfill postclosure \$22,350. Committed fund balance of \$41,642 consists of: 1) debt service \$31,590, 2) urban art \$1,893, 3) public safety \$116, 4) impact fee funded projects \$5,830, and 5) capital projects \$2,213.

CITY OF GLENDALE

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The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance and the charter-required reserve of the general fund were \$38,082 and \$22,228, respectively, while total fund balance was \$62,889. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance and restricted fund balance which consists of the charter-required reserve, totaling \$60,310, represent about 36.4% of FY 2012-13 General Fund expenditures plus transfers.

The fund balance of the City's General Fund has an increase of \$3,323 during the current fiscal year. This increase is primarily due to the following six reasons:

- 1) Property Tax – Actual revenue was \$1,204 more than the revised revenue estimates. This is attributable to the residual property tax from AB 1x26 coming in higher than forecasted.
- 2) Sales Tax – Sales tax revenue was \$31,793, which was \$425 more than forecasted. California's retail sales have risen on strong demand for new autos and increased activity in building/construction, as well as increased state and county pool allocations due to Amazon and out of state internet retailers that started collecting sales tax beginning September 2012.
- 3) License & Permits – License & Permits revenue was projected to be \$6,885. The actual revenue was \$8,336, which was \$1,451 more than projected. This variance is mainly due to the new Council approved projects that commenced during the fiscal year.
- 4) Revenue from Other Agencies – Grant revenue was \$470 less than expected. The large variance is mainly due to the State S/B 90 grant revenue coming in less than projected, and the Metro Tropico Station project being delayed by several months. The new expected completion date for this project is FY 2013-14 and therefore the grant revenue will be received on a reimbursement basis from Metro in the next fiscal year.
- 5) Interest Revenue – Total interest revenue was approximately \$856 less than projected. The main reason for the large variance is the unrealized investment loss of \$882 for General Fund the City recognized in accordance with GASB 31. This accounting standard required Cities to value their investments at fair market value and recognize the increase or decrease in value as an "unrealized" gain or loss.
- 6) The actual General Fund expenditures were \$4,726 less than budgeted. The variance was mainly due to salary savings and the expenditures in contractual services coming in less than forecasted. Although much of the vacant positions have been eliminated in the General Fund, vacancies still exist across almost every department as a result of employee turnover.

The Housing Assistance Fund (Section 8 grant) has a fund balance of \$3,640. The fund balance consists of two portions: net restricted assets (NRA) and unrestricted net assets (UNA). NRA is the difference between the housing assistance payments (HAP) received from U.S. Department of Housing and Urban Development (HUD) and rents paid to the landlords. UNA is the difference between the admin fee earned from HUD and the admin expenses. As of June 30, 2013, the NRA is negative \$88, and the UNA is \$3,728. The total fund balance decreased by \$368 compared to the prior fiscal year. The NRA decreased by \$469. The Section 8 grant

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funding is on a calendar year basis. As of 12/31/2012, all the NRA balance that was accumulated through prior years' excess HAP funding had been used up, because HUD's new policy requires the Housing Authority (HA) to spend all the NRA before requesting additional HAP funding. In the first six months of the calendar year 2013, HUD is behind on disbursing HAP funding, due to the late funding determination, and the long process of additional funding application. On the other hand, the UNA increased by \$101, because of efficient and effective administrative operations. The current UNA balance is a reasonable reserve amount for the average monthly HAP of \$2,300 (including regular and portable vouchers), and administrative expense of \$210. In case the HA does not receive funding from HUD for regular vouchers, and from other HAs for portable vouchers on a timely basis, there is enough UNA balance to cover minimum one-month expense.

The Capital Improvement Fund has a positive fund balance of \$2,213. In comparison with the prior fiscal year, the fund balance decreased by \$5,807. There are three main reasons for this decrease. First, higher capital project expenses incurred in current fiscal year than last fiscal year, \$10,649 vs. \$2,304. Second, the reimbursement for some grant-funded capital projects, in the amount of \$3,294, has not been received. Lastly, the biggest revenue source for non-grant funding capital projects, landfill royalty tipping fee, decreased by \$292, or 8.5% from prior year.

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 position composed of \$66,892 for the Sewer Fund, \$101,626 for the Electric Fund, \$(6,801) for the Water Fund, and \$38,902 for the Non-major Enterprise Funds.

The net position of the Sewer Fund increased by \$334 during the current fiscal year. The increase is attributable to higher income before contributions and transfers as a result of improved expense management.

The net position of the Electric Fund decreased by \$18,001 during the current fiscal year. This decrease is due to lower income before contributions and transfers as a result of lower power sales and grant revenue.

The net position of the Water Fund increased by \$5,954 during the current fiscal year. The increase is due to higher income before contributions and transfers as a result of increased demand and usage.

The net position of Non-major Enterprise Funds increased by \$2,264 during the current fiscal year. The increase is primarily attributable to higher income before contributions and transfers as a result of increased collections in City-owned refuse, parking lots, and garages.

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General Fund Budgetary Highlights

Compared to the FY 2012-13 final General Fund budget, the actual expense was under spent by \$4,726. The FY 2012-13 budget was adopted with a goal of closing a \$15,400 budget gap through a variety of strategies including retirement incentives and program reductions. The first few months of the budget year were dedicated to reshaping the organization via restructuring and position reclassifications due to the large amounts of retirements, program reductions, and layoffs. In regards to the retirement incentives, a total of 53.6 General Fund full time equivalents accepted the retirement incentive and produced an annual budget savings of \$5,700. To minimize the operational impact while still providing a budget savings, 11 positions were selected to be re-filled along with some one-time funding for hourly wages to assist with this transition, which produced a net savings of \$3,900 and a net reduction of 42.6 full-time equivalents. The balance of the budget savings came from departmental program reductions and restructuring for a savings of \$11,400.

Capital Asset and Debt Administration

Capital assets. The City's net investment in capital assets for its governmental and business type activities as of June 30, 2013, amounts to \$1,306,351 (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 decrease in the City's investment in capital assets for the current fiscal year was 3.1%; this represents a 1.8% increase for governmental activities and a 10.3% decrease for business-type activities.

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

- City purchased an open space property in the amount of \$1,780 at 331-335 West Doran Street that will be for park use. Successor Agency transferred Palmer Project CP #261 to the City. The land is valued at \$1,081 and owned by the Housing Authority. The City purchased \$3,072 of Motorola equipment to upgrade the Glendale Radio System. The City also expended \$5,013 in the Brand Library Renovation in FY 2012-13.
- At the end of the year, Electric Fund decreased its construction in progress by \$7,320. This decrease primarily reflects the completion of capital projects related to transmission and distribution improvements. The increase of \$1,773 in building and improvements reflects capitalized completed projects. The decrease of \$9,997 in machinery and equipment was primarily due to retirement of old assets. Natural gas reserve increased by \$305 as a result of GWP's continuing effort in meeting the state wide renewable portfolio of acquiring and using qualified renewable energy resources for its Glendale residents.
- Glendale Water and Power has adopted a multi-year capital improvement program for water works projects scheduled for three consecutive years that included fiscal years 2012-2013 through 2015-2016. In December 2012, the Water Fund issued \$35,000 in bonds to fund capital projects for the next three years. At the end of the year, Water Fund increased its construction in progress by \$4,313 on capital projects which included potable water main replacement, cleaning & cement-mortar lining of potable water mains, extension of the recycled water system, pump station upgrades, and groundwater

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development. Building and improvements assets stayed flat. The decrease of \$787 in machinery and equipment was primarily due to retirement of old assets. The increase of \$1,631 in infrastructure reflects capitalized completed projects.

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 398,848	405,495	15,141	15,141	413,989	420,636
Natural gas reserve	-	-	22,129	21,824	22,129	21,824
Buildings and improvements	295,312	289,465	383,981	376,620	679,293	666,085
Machinery & equipment	109,285	101,256	565,340	573,359	674,625	674,615
Infrastructure	291,869	280,391	126,856	125,225	418,725	405,616
Construction in progress	41,047	31,853	37,569	41,529	78,616	73,382
Total capital assets	1,136,361	1,108,460	1,151,016	1,153,698	2,287,377	2,262,158
Less: Accumulated depreciation	(267,271)	(249,491)	(452,691)	(435,909)	(719,962)	(685,400)
Less: Gas depletion	-	-	(5,561)	(4,028)	(5,561)	(4,028)
Net of depreciation	\$ 869,090	858,969	692,764	713,761	1,561,854	1,572,730

Additional information on the City’s capital assets can be found in note III C on pages 68-70 as well as pages 168-169 of this report.

Long-term debt. At the end of the current fiscal year, the City has total outstanding debt of \$425,414. Of this amount, \$43,650 is claims payable, \$22,147 is compensated absences; \$57,997 is post-employment benefits; and \$39,635 is set aside for post-closure care of Scholl Canyon landfill. Bonds payable totaling \$252,098 include \$48,900 in Variable Rate Demand Certificates of Participation (COPs) that were issued in 2000 to fund the new police department facility; \$112,080 are the revenue bonds secured solely by Electric Utility revenue; \$83,825 are the revenue bonds secured solely by Water Utility revenue; \$7,293 is for bond premiums. Other long-term liabilities totaling \$9,887 comprise of the following capital leases: \$1,332 for the Municipal Services Building (MSB) retrofit project, \$860 and \$1,213 for the 2005 and 2009 fire equipments; \$1,839 is for section 108 loan (2011 Series) and \$4,643 is for the Residential Development Loan Program (RDLP).

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City of Glendale's Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
General long-term debts:						
Claims Payable	\$ 43,650	46,742	-	-	43,650	46,742
Compensated absences	16,426	18,979	5,721	7,186	22,147	26,165
Post-employment benefits	39,066	25,781	18,931	12,461	57,997	38,242
Landfill post-closure and post-closure care	39,635	38,131	-	-	39,635	38,131
Bonds payable:						
Police building project (COPs)	48,900	50,700	-	-	48,900	50,700
Electric revenue bonds, 2003 series	-	-	-	24,485	-	24,485
Electric revenue bonds, 2006 refunding	-	-	31,570	32,795	31,570	32,795
Electric revenue bonds, 2008 series	-	-	60,000	60,000	60,000	60,000
Electric revenue bonds, 2013 refunding	-	-	20,510	-	20,510	-
Water revenue bonds, 2008 series	-	-	48,825	50,000	48,825	50,000
Water revenue bonds, 2012 series	-	-	35,000	-	35,000	-
Bond premium	-	-	7,293	3,441	7,293	3,441
Total bonds payable	48,900	50,700	203,198	170,721	252,098	221,421
Other long-term liabilities:						
Capital leases:						
MSB retrofit lease – Capital One	1,332	2,606	-	-	1,332	2,606
Fire equip't lease 2005 – Sun Trust	860	1,267	-	-	860	1,267
Fire equip't lease 2009 – Wells Fargo	1,213	1,429	-	-	1,213	1,429
Section 108 loan	-	240	-	-	-	240
2011 Section 108 loan	1,839	2,000	-	-	1,839	2,000
Residential development loan program (RDLP)	4,643	4,643	-	-	4,643	4,643
Total other long-term liabilities	9,887	12,185	-	-	9,887	12,185
Total general long-term debts	\$ 197,564	192,518	227,850	190,368	425,414	382,886

The City's total debt increased by \$42,528 (11.1%) in FY 2012-13. The factors of this increase was a combination of items such as post-employment benefits, an increase of \$19,755; post-closure liability of Scholl Canyon Landfill, an increase of \$1,504; issuance of the water revenue bonds 2012, series for \$35,000; a decrease of \$3,092 in claims payable; a decrease of \$4,018 in compensated absences; as well as decreases such as debt retirements through regular annual payments.

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Credit ratings

Municipal bond ratings provide investors with a simple way to compare the relative investment quality of different bonds. Bond ratings express the opinions of the rating agencies as to the issuer's ability and willingness to pay debt service when it is due. In general, the credit rating analysis includes the evaluation of the relative strengths and weaknesses of the following four factors as they affect an issuer's ability to pay debt and service: fiscal, economic, debt and administrative/management factors. The City continues to receive high general credit ratings from all three national rating agencies of any large city with a population over 250 in California despite the difficult financial and economic conditions the national and local economy has been faced with.

The City's bond ratings are as follows:

Debt Issue	Moody's	Standard & Poor's (S & P)	Fitch Ratings'
Issuer credit rating (Implied General Obligation)	Aa2	AAA	AA+
Police building project (COPs)	A1(Con)/ VMIG 1	AA+/A-1+	AA/F1
Electric revenue bonds, 2006 refunding series	Aa3	AA-	A+
Electric revenue bonds, 2008 series	Aa3	AA-	A+
Electric revenue bonds, 2013 refunding series	Aa3	AA-	A+
Water revenue bonds, 2008 series	Aa3	AA	A+
Water revenue bonds, 2012 series	Aa3	A+	A+

The Glendale Successor Agency's (Fiduciary Fund) bond ratings are as follows:

Debt Issue	Moody's	Standard & Poor's (S & P)	Fitch Ratings'
2002 GSA tax allocation bonds	Ba1	A	N/A
2003 GSA tax allocation bonds	Ba1	A	N/A
2010 GSA tax allocation bonds	Ba1	A	N/A
2011 GSA subordinate taxable tax allocation bonds	N/A	A-	N/A

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.

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Legal Debt Margins

Under the City Charter, the total bonded debt of the city shall at no time exceed a total of 15% of the total assessed valuation of all real and personal property within the City limits ("debt limit"). General obligation debt is debt secured by the City's property tax revenues. As of June 30, 2013, the City's total assessed value of taxable property was \$23.6 billion and has no general obligation debt.

Debt Administration

Finance works to ensure that the City meets its debt administration obligations to:

- Pay debt service timely;
- Monitor trustee-held accounts and guaranteed investment contracts;
- Comply with bond covenants and Internal Revenue Service (IRS) rules & regulations;
- Provide continuing disclosure and other reports to the municipal bond market;
- Manage liquidity and credit enhancement contracts;

Arbitrage Rebate

Debt Management actively monitors the investment and disbursement of proceeds of tax exempt bonds for arbitrage compliance purposes. Arbitrage is the profit that results from investing low-yield tax-exempt bond proceeds in higher-yield securities (also referred to as positive arbitrage). Federal law stipulates that investment earnings in excess of the bond yield are arbitrage earnings and must be rebated to the Federal Government. However, if a jurisdiction meets certain IRS expenditure exceptions for bond proceeds, the arbitrage earnings will not have to be rebated to the Federal Government. Arbitrage regulations apply only to all of the City's tax-exempt financings.

Typically bond proceeds that are held by the Trustee are invested by the Trustee per bond covenant to invest at the highest yield possible, subject to the City's Investment Policy objectives of safety, liquidity and yield. The investment of bond proceeds is in accordance with the City's investment Policy and the Permitted Investment provisions of the governing documents of each series of bonds. For some types of bond funds, particularly a construction fund that must be held in short-term securities, it may be the case that the fund earns at a rate less than the bond yield. Therefore, the fund is said to be earning negative arbitrage. Through careful management of its investments, the City can use positive arbitrage earnings in one account of a bond series to offset negative arbitrage in another account of the same series.

Finance monitors and documents investments and cash flows of the City's bond funds, and then annually reviews all arbitrage provisions of individual bond funds and computes arbitrage earnings. Arbitrage earnings are rebated to the United States Treasury on a five-year installment basis. The City conducts informal arbitrage

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rebate calculations to assure that the City stays current on compliance issues and to facilitate accountability for any potential rebate liability.

Finance engages a consultant to prepare the annual arbitrage calculations for all of the City's tax-exempt bonds. This calculation includes: (1) review the City's arbitrage compliance at five-year anniversary dates when rebate is actually due to the Federal Government; (2) compute annual and five-year installment arbitrage rebate liability on the more complex financings; and (3) provide technical assistance to the City in the area of arbitrage rebate compliance. This third-party review provides an added level of confidence that the City is in compliance with the arbitrage regulations. Such review is particularly important given that the Internal Revenue Service has stepped-up its random audit and target audit programs for tax-exempt bond issues. As of June 30, 2013, none of the City's and the Glendale Successor Agency's tax-exempt bond issues has a positive arbitrage rebate liability.

Continuing Disclosure

On November 10, 1994, the Securities and Exchange Commission ("SEC") adopted amendments to existing federal regulations ("Rule 15c-12" or the "Rule") under which municipalities issuing securities on or after July 3, 1995 is required to:

1. Prepare official statements meeting current requirements of the Rule;
2. Annually file certain financial information and operating data with national and state repositories; and
3. Prepare announcements of the significant events enumerated in the Rule.

As of June 30, 2013, the City had 5 series of bonds subject to Continuing Disclosure requirements. The City prepares the Continuing Disclosure (financial and operating information) for its 5 series bonds and engaged a dissemination agent, the Trustee to disseminate such disclosures. The Glendale Successor Agency (Agency) had 3 tax-exempt tax allocation bonds and 1 subordinate taxable tax allocation bonds. The Agency engages a consultant to prepare and disseminate continuing disclosure for its 3 tax-exempt tax allocation bonds and 1 subordinate taxable tax allocation bonds. These disclosures are disseminated through the use of Electronic Municipal Market Access ("EMMA"), the Municipal Securities Rulemaking Board's ("MSRB") disclosure website. Timely and accurate communication with the municipal marketplace is vital in retaining the City's creditworthiness and market access. Continuing Disclosure and compliance reporting constitute a significant part of Debt Management's compliance activity for the life of each series of bonds.

Additional information on the City's long-term debt can be found in note III E on pages 71-81 of this report.

Economic Factors and Next Year's Budget and Rates

The restructuring of the City has undergone, particularly in the General Fund, and has left the City in a relatively "good" position heading into FY 2013-14. Based on the revenue and appropriation estimates, we anticipated a minimal budget gap of approximately \$1,200, which was remedied by a one-time property tax distribution from the State as a result of a debt payment made by the Glendale Successor Agency. This is a vast improvement relative to last year when we had to close a \$15,400 budget gap.

CITY OF GLENDALE

Management's Discussion and Analysis

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(in thousands)

The financial pressures are not limited to the General Fund. For Special Revenue Funds, program cuts at the State and Federal levels have reduced the amount of grant funding we will receive, most notably in the Community Development Block Grant (CDBG) Fund. The General Fund Capital Improvement program has been significantly scaled back over the last several years. Enterprise Funds budget increases mainly in Electric and Water Utility Funds as Glendale Water & Power is tasked with improving and updating an aging infrastructure to continue to provide residents with high quality service. And lastly, as noted in prior years, we still have significant fund balance deficits in several Internal Service Funds most notably in Workers' Compensation, Employee Benefits and Retiree Health Savings Plan.

Part of the General Fund strategy is to start the process of funding the Capital Improvement Fund (401). Starting in FY 2012-13 and continued for FY 2013-14, 1% of the sales tax was transferred into the Capital Improvement Fund and we will look to increase this funding in future years. The City will continue to seek new funding sources to augment existing grants and community programs. Over the next several years, Management will also continue to address the Internal Service Fund deficits through gradual rate increases to the General Fund and other Funds, as well as pursue new revenues when deemed appropriate.

The elimination of redevelopment agencies in California has wiped out a major source of revenue that cities relied upon to rehabilitate blighted areas, repair aging infrastructure, and to fund affordable housing. After the Glendale Redevelopment Agency dissolved in February 2012, the City elected to serve as the Successor Agency for the former Redevelopment Agency. The Glendale Successor Agency is responsible for winding down redevelopment & housing operations, paying off debt service, and completing certain remaining infrastructure construction and community development activities as included in the State's approved Recognized Obligation Payment Schedules (ROPS). As Glendale emerges from the disruption and fiscal angst caused by the dissolution of the redevelopment agencies by the State, it has an opportunity to revise its economic development effort from one focused on the built environment to a more programmatic approach to developing the local economy, improving the business environment and assisting businesses to grow and prosper. As such, in July 2013 the City Council authorized the formation of the *Local Economic Development Agency (LEDA)* which will be dedicated to the improvement of Glendale's local economy.

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 Position
June 30, 2013 (in thousands)

	Governmental Activities	Business-type Activities	Total
Assets and deferred outflows of resources			
Current assets:			
Pooled cash and investments	\$ 212,839	111,653	324,492
Cash with fiscal agent	5,005	8,057	13,062
Investments with fiscal agent	-	2,398	2,398
Investment-gas/electric commodity	-	1,794	1,794
Interest receivable	1,252	519	1,771
Accounts receivable, net	33,277	37,211	70,488
Loans receivable	4,959	-	4,959
Internal balances	13,944	(13,944)	-
Inventories	633	6,274	6,907
Prepaid items	2,859	5,482	8,341
Total current assets	<u>274,768</u>	<u>159,444</u>	<u>434,212</u>
Noncurrent assets:			
Capital assets:			
Land	398,848	15,141	413,989
Natural gas reserve	-	16,568	16,568
Buildings and improvements	196,402	251,228	447,630
Machinery and equipment	37,793	284,678	322,471
Infrastructure	195,000	87,580	282,580
Construction in progress	41,047	37,569	78,616
Total capital assets	<u>869,090</u>	<u>692,764</u>	<u>1,561,854</u>
Designated and invested cash	22,350	42,050	64,400
Restricted cash	-	32,877	32,877
Prepaid energy	-	947	947
Property held for resale	6,007	-	6,007
Total noncurrent assets	<u>897,447</u>	<u>768,638</u>	<u>1,666,085</u>
Total assets	<u>1,172,215</u>	<u>928,082</u>	<u>2,100,297</u>
Deferred outflows of resources:			
Loss on refunding	-	1,443	1,443
Total assets and deferred outflows of resources	<u>\$ 1,172,215</u>	<u>929,525</u>	<u>2,101,740</u>

(Continued)

Exhibit A-1
CITY OF GLENDALE
Statement of Net Position
June 30, 2013 (in thousands)

	Governmental Activities	Business-type Activities	Total
Liabilities and net position			
Current liabilities:			
Accounts payable	\$ 14,472	11,820	26,292
Accrued wages and withholding	6,079	-	6,079
Interest payable	598	4,193	4,791
Claims payable	11,514	-	11,514
Compensated absences	2,887	1,040	3,927
Bonds payable, due in one year	7,705	2,844	10,549
Deposits	4,251	3,995	8,246
Other current liabilities	6,791	-	6,791
Total current liabilities	<u>54,297</u>	<u>23,892</u>	<u>78,189</u>
Noncurrent liabilities:			
Claims payable	32,136	-	32,136
Post employment benefits	39,066	18,931	57,997
Compensated absences	13,539	4,681	18,220
Landfill closure and postclosure care	39,635	-	39,635
Long-term bonds payable	41,195	200,354	241,549
Long-term debt	3,096	-	3,096
Total noncurrent liabilities	<u>168,667</u>	<u>223,966</u>	<u>392,633</u>
Total liabilities	<u>222,964</u>	<u>247,858</u>	<u>470,822</u>
Net position:			
Net investment in capital assets	816,785	516,774	1,333,559
Restricted			
City Charter - stabilization	22,228	-	22,228
Federal and state grants	4,571	-	4,571
Public safety	1,127	-	1,127
Transportation	15,569	-	15,569
Landscaping district	48	-	48
Low and moderate housing	15,605	-	15,605
Air quality improvement	269	-	269
Cable access	783	-	783
Electric public benefit AB1890	1,308	-	1,308
State gas tax mandates	8,539	-	8,539
SCAQMD emission controls	-	5,669	5,669
Unrestricted	<u>62,419</u>	<u>159,224</u>	<u>221,643</u>
Total net position	<u>\$ 949,251</u>	<u>681,667</u>	<u>1,630,918</u>

CITY OF GLENDALE

Statement of Activities

Fiscal Year Ended June 30, 2013 (in thousands)

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		Total
	Expenses	Charges for services	Operating	Capital	Governmental Activities	Business-type Activities	
			Grants and Contributions	Grants and Contributions			
Governmental Activities:							
General government	\$ 33,432	16,249	76	-	(17,107)	-	(17,107)
Police	72,997	746	932	-	(71,319)	-	(71,319)
Fire	50,880	8,327	2,998	3	(39,552)	-	(39,552)
Public works	39,349	18,647	15,492	16,166	10,956	-	10,956
Housing, health and comm dev	44,534	67	35,897	-	(8,570)	-	(8,570)
Employment programs	6,080	1,512	4,204	-	(364)	-	(364)
Public service	4,490	-	-	-	(4,490)	-	(4,490)
Parks, recreation and community services	12,326	15	246	1,780	(10,285)	-	(10,285)
Library	8,338	170	10	-	(8,158)	-	(8,158)
Interest and fiscal charges on bonds	1,932	-	-	-	(1,932)	-	(1,932)
Total governmental activities	274,358	45,733	59,855	17,949	(150,821)	-	(150,821)
Business-type activities:							
Recreation	2,820	2,645	4	183	-	12	12
Hazardous disposal	1,709	1,559	-	89	-	(61)	(61)
Fire Communications	3,291	3,288	-	-	-	(3)	(3)
Parking	7,683	8,699	-	-	-	1,016	1,016
Sewer	14,585	16,143	-	-	-	1,558	1,558
Refuse disposal	19,197	21,704	219	-	-	2,726	2,726
Electric	172,509	173,701	-	51	-	1,243	1,243
Water	41,862	44,605	-	880	-	3,623	3,623
Total business-type activities	263,656	272,344	223	1,203	-	10,114	10,114
Total primary government	\$ 538,014	318,077	60,078	19,152	(150,821)	10,114	(140,707)
General revenues:							
Taxes:							
Property taxes	\$	45,943	-	-	-	-	45,943
Sales taxes		33,789	-	-	-	-	33,789
Utility users tax		26,968	-	-	-	-	26,968
Other taxes		14,594	-	-	-	-	14,594
Investment income							
Interest		1,305	1,560	-	-	-	2,865
Net decrease in the fair value of investments		(1,390)	(1,329)	-	-	-	(2,719)
Other		13,401	8,270	-	-	-	21,671
Transfers		25,299	(25,299)	-	-	-	-
Extraordinary (loss)		(6,423)	-	-	-	-	(6,423)
Total general revenues, transfers, capital contributions and extraordinary (loss)		153,486	(16,798)				136,688
Change in net position		2,665	(6,684)	-	-	-	(4,019)
Net position, July 1, as restated		946,586	688,351	-	-	-	1,634,937
Net position, June 30	\$	949,251	681,667	-	-	-	1,630,918

Exhibit B-1
CITY OF GLENDALE
Balance Sheet
Governmental Funds
June 30, 2013 (in thousands)

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Housing Assistance Fund	Capital Improvement Fund		
Assets					
Pooled cash and investments	\$ 53,468	1,230	2,575	69,930	127,203
Cash with fiscal agent	-	-	-	5,005	5,005
Designated & invested cash	-	-	-	22,350	22,350
Interest receivable	187	3	1	598	789
Accounts receivable, net	11,360	243	4,638	15,393	31,634
Due from other funds	10,652	-	-	-	10,652
Advance to other funds	1,946	-	-	-	1,946
Inventories	633	-	-	-	633
Prepaid items	-	2,238	-	37	2,275
Loans receivable	-	-	-	4,959	4,959
Property held for resale	-	-	-	6,007	6,007
Total assets	78,246	3,714	7,214	124,279	213,453
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable	5,356	29	1,707	5,213	12,305
Due to other funds	-	-	-	10,652	10,652
Advance from other funds	-	-	-	1,946	1,946
Interest payable	-	-	-	5	5
Wages and benefits payable	6,079	-	-	-	6,079
Unearned revenues	3	-	-	5	8
Deposits	3,919	45	-	287	4,251
Total liabilities	15,357	74	1,707	18,108	35,246
Deferred inflows of resources:					
Deferred revenues	-	-	3,294	6,105	9,399
Total liabilities and deferred inflows of resources	\$ 15,357	74	5,001	24,213	44,645

(Continued)

Exhibit B-1
CITY OF GLENDALE
 Balance Sheet
 Governmental Funds
 June 30, 2013 (in thousands)

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Housing Assistance Fund	Capital Improvement Fund		
Fund Balances:					
Nonspendable:					
Inventory	\$ 633	-	-	-	633
Advance to other funds	1,946	-	-	-	1,946
Prepaid	-	2,238	-	37	2,275
Restricted for:					
City Charter - stabilization	22,228	-	-	-	22,228
Federal and state grants	-	1,402	-	3,169	4,571
Public safety	-	-	-	1,127	1,127
Transportation	-	-	-	15,569	15,569
Landscaping district	-	-	-	48	48
Low and moderate housing	-	-	-	15,605	15,605
Air quality improvement	-	-	-	269	269
Cable access	-	-	-	783	783
Electric public benefit AB1890	-	-	-	1,308	1,308
State gas tax mandates	-	-	-	8,539	8,539
Landfill postclosure	-	-	-	22,350	22,350
Committed to:					
Debt service	-	-	-	31,590	31,590
Urban art	-	-	-	1,893	1,893
Public safety	-	-	-	116	116
Impact fee funded projects	-	-	-	5,830	5,830
Capital projects	-	-	2,213	-	2,213
Unassigned:	38,082	-	-	(8,167)	29,915
Total fund balances	62,889	3,640	2,213	100,066	168,808
Total liabilities, deferred inflows of resources and fund balances	\$ 78,246	3,714	7,214	124,279	213,453

Exhibit B-2

CITY OF GLENDALE

Reconciliation of Balance Sheet of
 Governmental Funds to the Statement of Net Position
 June 30, 2013 (in thousands)

Fund balances of governmental funds	\$	168,808
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets are not included as financial resources in governmental fund activity:</p>		
Land	\$	398,848
Buildings and improvements		196,402
Equipment		37,793
Infrastructure		195,000
Construction in progress		41,047
		<u>869,090</u>
<p>Long-term debt not included in the governmental fund activity:</p>		
<p> Due within one year:</p>		
Police building bonds	(7,705)	
RDLP Loan	(4,643)	
Capital lease	(1,978)	
Section 108 2011	(170)	(14,496)
		<u>(14,496)</u>
<p> Due more than one year:</p>		
Police building bonds	(41,195)	
Landfill closure and postclosure care	(39,635)	
Capital lease	(1,427)	
Section 108 2011	(1,669)	(83,926)
		<u>(83,926)</u>
<p>Accrued interest payable for the current portion of interest due are not included in the governmental fund activity:</p>		
RDLP Loan	(455)	
Capital lease	(126)	
Section 108 2011	(12)	(593)
		<u>(593)</u>
Deferred inflows in the governmental funds is revenue in the statement of activities:		9,407
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 position.		<u>961</u>
Net position of governmental activities	\$	<u><u>949,251</u></u>

Exhibit C-1

CITY OF GLENDALE

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Fund

Fiscal Year Ended June 30, 2013 (in thousands)

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Housing Assistance Fund	Capital Improvement Fund		
Revenues:					
Property taxes	\$ 45,943	-	-	-	45,943
Sales tax	31,793	-	-	1,996	33,789
Utility users tax	26,968	-	-	-	26,968
Other taxes	8,863	-	-	5,731	14,594
Revenue from other agencies	369	29,360	1,646	43,680	75,055
Licenses and permits	8,336	-	-	2,530	10,866
Fines and forfeitures	833	-	-	613	1,446
Charges for services	2,063	-	3,133	14,652	19,848
Use of money and property	2,405	-	3	142	2,550
Interfund revenue	14,921	-	-	-	14,921
Sales of property	30	-	-	19	49
Miscellaneous revenue	2,623	18	-	4,103	6,744
Total Revenues	145,147	29,378	4,782	73,466	252,773
Expenditures:					
Operating expenditures					
General government	22,826	-	-	-	22,826
Community promotion	111	-	-	-	111
Police	64,364	-	-	3,860	68,224
Fire	39,350	-	16	8,273	47,639
Public works	14,692	-	242	15,897	30,831
Housing, health and community development	6,397	29,746	(4)	8,858	44,997
Employment programs	221	-	-	5,807	6,028
Public service	-	-	-	4,656	4,656
Parks, recreation and community services	8,841	-	524	573	9,938
Library	7,601	-	149	173	7,923
Capital	284	-	9,722	18,314	28,320
Debt service	-	-	-	3,717	3,717
Total expenditures	164,687	29,746	10,649	70,128	275,210
Excess of revenues over (under) expenditures	(19,540)	(368)	(5,867)	3,338	(22,437)
Other financing sources (uses):					
Transfers in	23,907	-	1,702	3,430	29,039
Transfers out	(1,044)	-	(1,642)	(1,054)	(3,740)
Total financing sources	22,863		60	2,376	25,299
Extraordinary (loss)	-	-	-	(7,504)	(7,504)
Net change in fund balances	3,323	(368)	(5,807)	(1,790)	(4,642)
Fund balances, July 1	59,566	4,008	8,020	101,856	173,450
Fund balances, June 30	\$ 62,889	3,640	2,213	100,066	168,808

Exhibit C-2

CITY OF GLENDALE

Reconciliation of the Statement of Revenues, Expenditures, and Changes in the Fund balances of Governmental Funds to the Statement of Activities
 Fiscal Year Ended June 30, 2013 (in thousands)

Net change in fund balances - total governmental funds	\$	(4,642)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital assets as expenditures		25,389
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		(20,778)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Police building bonds	\$	1,800
Capital lease		1,275
Section 108 2011		161
Section 108 2002		240
		<u>3,476</u>
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:		
Fire equipment lease		(44)
Fire equipment lease 09		(53)
RDLP Loan		(139)
Section 108 2002		5
Capital lease - MSB Retrofit		43
		<u>(188)</u>
Landfill postclosure care liability increased from prior year		(1,504)
Deferred inflows in the governmental funds is a revenue in the statement of activities		3,594
Open space obtained through development agreement		1,780
Extraordinary gain		1,081
Change in net position of Internal Service funds allocated to governmental activities		<u>(5,543)</u>
Change in net position for governmental activities	\$	<u><u>2,665</u></u>

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources - Budget to Actual

General Fund

Fiscal Year Ended June 30, 2013 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Property taxes	\$ 44,457	44,739	45,943	1,204
Sales taxes:				
Sales tax	22,150	22,200	22,511	311
ERAF in lieu of sales tax	7,400	7,674	7,674	-
State 1/2% sales tax	1,478	1,494	1,608	114
Total	31,028	31,368	31,793	425
Utility users tax	27,000	27,000	26,968	(32)
Other taxes:				
Franchise tax	2,950	2,950	2,709	(241)
Occupancy tax	3,300	3,300	3,545	245
Property transfer tax	580	580	781	201
Landfill host assessment	2,000	2,000	1,828	(172)
Total	8,830	8,830	8,863	33
Licenses and permits:				
Dog licenses	180	180	120	(60)
Building permits	3,200	4,500	5,303	803
Green bldg initiative SB1473	-	-	1	1
ADAA - SB1186	-	-	1	1
Plan check fees	315	315	381	66
Planning permits	1,050	1,050	1,259	209
Grading permits	30	30	110	80
Street permits	310	310	715	405
Business license permits	500	500	446	(54)
Total	5,585	6,885	8,336	1,451
Fines & forfeitures-traffic safety fines	1,200	1,200	833	(367)
Use of money and property:				
Interest & inv. revenue	500	500	526	26
Interest & inv. GASB 31	-	-	(882)	(882)
Landfill gas royalties	2,500	2,500	2,473	(27)
Rental income	384	384	288	(96)
Lease income	549	-	-	-
Total	\$ 3,933	3,384	2,405	(979)

(Continued)

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources - Budget to Actual

General Fund

Fiscal Year Ended June 30, 2013 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Revenue from other agencies:				
Disaster relief reimb	\$ -	-	1	1
Mutual aid reimbursement	-	-	46	46
State S/B 90	285	285	71	(214)
Motor vehicle in lieu	-	-	88	88
County grants	-	79	66	(13)
Local grants	-	475	97	(378)
Total	285	839	369	(470)
Miscellaneous revenue:				
Donations & contribution	30	30	27	(3)
Rose float donations	50	50	47	(3)
Sponsorships	-	-	29	29
Advertising revenue	100	100	102	2
Rebate revenue	40	40	64	24
Miscellaneous Revenue	875	2,569	2,354	(215)
Total	1,095	2,789	2,623	(166)
Sales of property	-	-	30	30
Charges for services:				
Zoning-subdivision fees	80	80	104	24
City clerk fees	-	-	1	1
Map and publication fees	53	53	63	10
Filing-certification fee	5	5	10	5
Notary fees	2	2	-	(2)
Film rentals of city property	10	10	15	5
Special event fees	65	65	215	150
Finger print fees	245	-	3	3
Special police fees	427	427	354	(73)
Vehicle tow admin fee (VTACR)	160	160	163	3
Fire fees	360	360	513	153
Hydrant flow test fees	-	-	4	4
Code enforcement fees	115	115	64	(51)
Outreach revenue	75	75	39	(36)
Express plan check fees	200	200	119	(81)
Final map checking fees	-	-	35	35
Excavation fees	150	150	126	(24)
Engineering Fees	-	-	8	8

(Continued)

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources - Budget to Actual

General Fund

Fiscal Year Ended June 30, 2013 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Collectible jobs-A & G	\$ 100	100	109	9
Library fines and fees	115	115	89	(26)
Library misc. fees	4	4	-	(4)
Program/ registration revenue	12	12	11	(1)
Aquatics	-	-	4	4
Local assessment fees	75	75	1	(74)
Charges for surveillance	250	-	-	-
Graphics fees	-	-	13	13
Total	2,503	2,008	2,063	55
Interfund revenue:				
Charges to enterprise funds for:				
Salary O/H budget Job	410	410	728	318
Cost allocation revenue	14,266	14,266	14,193	(73)
Total	14,676	14,676	14,921	245
Transfers in	23,907	23,907	23,907	-
Total revenues and transfers	\$ 164,499	167,625	169,054	1,429

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures and Other
Financing Uses - Budget to Actual
General Fund
Fiscal Year Ended June 30, 2013 (in thousands)

	Salaries and Benefits			Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
General government:				
City clerk	\$ 649	649	651	(2)
Elections	31	54	90	(36)
City treasurer	537	537	516	21
City manager	2,324	2,324	2,182	142
City auditor	859	859	796	63
Legal	2,870	2,870	2,835	35
Finance	3,499	3,499	3,422	77
Planning	2,832	2,857	2,678	179
Personnel	1,373	1,398	1,337	61
Training	-	-	-	-
Non-departmental	-	1,672	1,672	-
Total	14,974	16,719	16,179	540
Community promotion:				
Membership and dues	-	-	-	-
Total	-	-	-	-
Police	56,265	56,265	53,578	2,687
Fire:				
Fire	33,112	33,112	33,638	(526)
Fire prevention	745	745	715	30
Fire communications	-	-	-	-
Emergency services	100	100	68	32
Total	\$ 33,957	33,957	34,421	(464)

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures and Other

Financing Uses - Budget to Actual

General Fund

Fiscal Year Ended June 30, 2013 (in thousands)

		Maintenance and Operation			Variance With
		Original Budget	Final Budget	Actual	Final Budget
		(Over)/Under			
General government:					
City clerk	\$	274	274	208	66
Elections		188	347	309	38
City treasurer		97	97	97	-
City manager		739	749	566	183
City auditor		114	136	82	54
Legal		257	257	222	35
Finance		1,562	1,562	1,298	264
Planning		351	801	408	393
Personnel		747	747	694	53
Training		95	95	69	26
Non-departmental		-	2,694	2,694	-
Total		4,424	7,759	6,647	1,112
Community promotion:					
Membership and dues		100	100	111	(11)
Total		100	100	111	(11)
Police		10,422	10,369	10,786	(417)
Fire:					
Fire		3,753	3,753	3,815	(62)
Fire prevention		237	273	215	58
Fire communications		831	831	831	-
Emergency services		81	81	68	13
Total	\$	4,902	4,938	4,929	9

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures and Other

Financing Uses - Budget to Actual

General Fund

Fiscal Year Ended June 30, 2013 (in thousands)

		Capital Outlay			Variance With
		Original Budget	Final Budget	Actual	Final Budget (Over)/Under
General government:					
	City clerk	\$ -	-	-	-
	Elections	-	-	-	-
	City treasurer	-	-	-	-
	City manager	-	25	26	(1)
	City auditor	-	-	-	-
	Legal	-	-	-	-
	Finance	-	-	-	-
	Planning	-	-	-	-
	Personnel	-	-	-	-
	Training	-	-	-	-
	Non-departmental	-	-	-	-
	Total	-	25	26	(1)
Community promotion:					
	Membership and dues	-	-	-	-
	Total	-	-	-	-
	Police	-	53	-	53
Fire:					
	Fire	245	245	243	2
	Fire prevention	-	-	-	-
	Fire communications	-	-	-	-
	Emergency services	-	-	-	-
	Total	\$ 245	245	243	2

(Continued)

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures and Other
Financing Uses - Budget to Actual
General Fund
Fiscal Year Ended June 30, 2013 (in thousands)

	Transfers			Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
General government:				
City clerk	\$ -	-	-	-
Elections	-	-	-	-
City treasurer	-	-	-	-
City manager	-	-	-	-
City auditor	-	-	-	-
Legal	-	-	-	-
Finance	-	-	-	-
Planning	-	-	-	-
Personnel	-	-	-	-
Training	-	-	-	-
Non-departmental	1,044	1,044	1,044	-
Total	1,044	1,044	1,044	-
Community promotion:				
Membership and dues	-	-	-	-
Total	-	-	-	-
Police	-	-	-	-
Fire:				
Fire	-	-	-	-
Fire prevention	-	-	-	-
Fire communications	-	-	-	-
Emergency services	-	-	-	-
Total	\$ -	-	-	-

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures and Other

Financing Uses - Budget to Actual

General Fund

Fiscal Year Ended June 30, 2013 (in thousands)

	Total			Variance With
	Original Budget	Final Budget	Actual	Final Budget (Over)/Under
General government:				
City clerk	\$ 923	923	859	64
Elections	219	401	399	2
City treasurer	634	634	613	21
City manager	3,063	3,098	2,774	324
City auditor	973	995	878	117
Legal	3,127	3,127	3,057	70
Finance	5,061	5,061	4,720	341
Planning	3,183	3,658	3,086	572
Personnel	2,120	2,145	2,031	114
Training	95	95	69	26
Non-departmental	1,044	5,410	5,410	-
Total	20,442	25,547	23,896	1,651
Community promotion:				
Membership and dues	100	100	111	(11)
Total	100	100	111	(11)
Police	66,687	66,687	64,364	2,323
Fire:				
Fire	37,110	37,110	37,696	(586)
Fire prevention	982	1,018	930	88
Fire communications	831	831	831	-
Emergency services	181	181	136	45
Total	\$ 39,104	39,140	39,593	(453)

(Continued)

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures and Other
Financing Uses - Budget to Actual
General Fund
Fiscal Year Ended June 30, 2013 (in thousands)

		Salaries and Benefits			Variance With
		Original Budget	Final Budget	Actual	Final Budget (Over)/Under
Public works:					
Public works	\$	310	310	278	32
Engineering		1,417	1,417	1,667	(250)
Corporation yard		5,457	5,415	5,198	217
Mechanical maintenance		601	601	591	10
Warehouse		-	-	37	(37)
Traffic engineering		288	288	581	(293)
Total		8,073	8,031	8,352	(321)
Housing, health and community development:					
Economic development		905	905	842	63
Building inspection		3,114	3,064	2,960	104
Neighborhood services		1,521	1,521	1,397	124
Total		5,540	5,490	5,199	291
Employment programs		207	207	196	11
Parks, recreation and community services:					
Parks administration		708	708	685	23
Parks		3,483	3,483	3,191	292
Facility & events services		1,356	1,294	1,197	97
Recreation & community services		488	550	555	(5)
Total		6,035	6,035	5,628	407
Library		5,571	5,571	5,373	198
Total expenditures and transfers	\$	130,622	132,275	128,926	3,349

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures and Other

Financing Uses - Budget to Actual

General Fund

Fiscal Year Ended June 30, 2013 (in thousands)

		Maintenance and Operation			Variance With
		Original Budget	Final Budget	Actual	Final Budget (Over)/Under
Public works:					
Public works	\$	183	183	161	22
Engineering		761	761	642	119
Corporation yard		5,164	4,174	4,028	146
Mechanical maintenance		12	177	148	29
Warehouse		6	6	4	2
Traffic engineering		1,526	1,526	1,357	169
Total		7,652	6,827	6,340	487
Housing, health and community development:					
Economic development		156	156	110	46
Building inspection		858	926	803	123
Neighborhood services		277	277	285	(8)
Total		1,291	1,359	1,198	161
Employment programs		25	25	25	-
Parks, recreation and community services:					
Parks administration		261	261	245	16
Parks		2,375	2,266	2,357	(91)
Facility & events services		342	340	324	16
Recreation & community services		162	323	287	36
Total		3,140	3,190	3,213	(23)
Library		2,248	2,233	2,228	5
Total expenditures and transfers	\$	34,204	36,800	35,477	1,323

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures and Other

Financing Uses - Budget to Actual

General Fund

Fiscal Year Ended June 30, 2013 (in thousands)

		Capital Outlay			Variance With
		Original Budget	Final Budget	Actual	Final Budget (Over)/Under
Public works:					
Public works	\$	-	-	-	-
Engineering		-	-	-	-
Corporation yard		-	-	-	-
Mechanical maintenance		-	-	-	-
Warehouse		-	-	-	-
Traffic engineering		-	-	-	-
Total		-	-	-	-
Housing, health and community development:					
Economic development		-	-	-	-
Building inspection		-	-	-	-
Neighborhood services		-	-	-	-
Total		-	-	-	-
Employment programs		-	-	-	-
Parks, recreation and community services:					
Parks administration		-	-	-	-
Parks		-	-	-	-
Facility & events services		-	-	-	-
Recreation & community services		-	-	-	-
Total		-	-	-	-
Library		-	15	15	-
Total expenditures and transfers	\$	245	338	284	54

(Continued)

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures and Other
Financing Uses - Budget to Actual
General Fund
Fiscal Year Ended June 30, 2013 (in thousands)

	Transfers			Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
Public works:				
Public works	\$ -	-	-	-
Engineering	-	-	-	-
Corporation yard	-	-	-	-
Mechanical maintenance	-	-	-	-
Warehouse	-	-	-	-
Traffic engineering	-	-	-	-
Total	-	-	-	-
Housing, health and community development:				
Economic development	-	-	-	-
Building inspection	-	-	-	-
Neighborhood services	-	-	-	-
Total	-	-	-	-
Employment programs	-	-	-	-
Parks, recreation and community services:				
Parks administration	-	-	-	-
Parks	-	-	-	-
Facility & events services	-	-	-	-
Recreation & community services	-	-	-	-
Total	-	-	-	-
Library	-	-	-	-
Total expenditures and transfers	\$ 1,044	1,044	1,044	-

(Continued)

CITY OF GLENDALE

Statement of Expenditures and Other

Financing Uses - Budget to Actual

General Fund

Fiscal Year Ended June 30, 2013 (in thousands)

	Total			Variance With
	Original Budget	Final Budget	Actual	Final Budget (Over)/Under
Public works:				
Public works	\$ 493	493	439	54
Engineering	2,178	2,178	2,309	(131)
Corporation yard	10,621	9,589	9,226	363
Mechanical maintenance	613	778	739	39
Warehouse	6	6	41	(35)
Traffic engineering	1,814	1,814	1,938	(124)
Total	15,725	14,858	14,692	166
Housing, health and community development:				
Economic development	1,061	1,061	952	109
Building inspection	3,972	3,990	3,763	227
Neighborhood services	1,798	1,798	1,682	116
Total	6,831	6,849	6,397	452
Employment programs	232	232	221	11
Parks, recreation and community services:				
Parks administration	969	969	930	39
Parks	5,858	5,749	5,548	201
Facility & events services	1,698	1,634	1,521	113
Recreation & community services	650	873	842	31
Total	9,175	9,225	8,841	384
Library	7,819	7,819	7,616	203
Total expenditures and transfers	\$ 166,115	170,457	165,731	4,726

Exhibit D-3

CITY OF GLENDALE

Schedule of Revenues - Budget to Actual

Housing Assistance Fund

Fiscal Year Ended June 30, 2013 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Housing Assistance Fund:				
Use of money and property	\$ 15	15	-	(15)
Revenue from other agencies	30,794	30,794	29,360	(1,434)
Miscellaneous revenue	57	57	18	(39)
Total revenues	\$ 30,866	30,866	29,378	(1,488)

Exhibit D-4

CITY OF GLENDALE

Schedule of Expenditures - Budget to Actual

Housing Assistance Fund

Year Ended June 30, 2013 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Housing Assistance Fund:				
Housing, health and community development:				
Salaries and benefits	\$ 2,184	2,184	2,128	56
Maintenance and operations	28,624	28,624	27,618	1,006
Total expenditures	\$ 30,808	30,808	29,746	1,062

Exhibit E-1
CITY OF GLENDALE
Statement of Net Position
Proprietary Funds
June 30, 2013 (in thousands)

Business-type Activities - Enterprise Funds

	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets and deferred outflows of resources						
Current assets:						
Pooled cash and investments	\$ 50,210	23,692	-	37,750	111,652	85,636
Cash with fiscal agent	-	2,308	5,749	-	8,057	-
Investments with fiscal agent	-	2,398	-	-	2,398	-
Interest receivable	201	201	24	93	519	462
Investment-gas/electric commodity	-	1,794	-	-	1,794	-
Accounts receivable, net	2,192	24,412	7,544	3,063	37,211	1,642
Due from other funds	12,878	-	-	-	12,878	-
Advances to other funds	2,800	-	-	-	2,800	-
Inventories	-	6,274	-	-	6,274	-
Prepaid items	-	5,482	-	-	5,482	583
Total current assets	68,281	66,561	13,317	40,906	189,065	88,323
Noncurrent assets:						
Designated and invested cash	-	42,050	-	-	42,050	-
Restricted Cash	-	5,669	27,208	-	32,877	-
Prepaid energy	-	947	-	-	947	-
Total noncurrent assets	-	48,666	27,208	-	75,874	-
Capital assets:						
Land	578	6,239	1,034	7,290	15,141	-
Natural gas reserve	-	22,129	-	-	22,129	-
Buildings and improvements	209,992	64,710	60,296	48,982	383,980	-
Machinery and equipment	2,288	509,620	27,278	26,153	565,339	38,241
Infrastructure	-	-	126,856	-	126,856	-
Accumulated depreciation	(61,619)	(282,701)	(65,594)	(42,775)	(452,689)	(19,600)
Gas depletion	-	(5,561)	-	-	(5,561)	-
Construction in progress	501	12,241	24,399	428	37,569	2,576
Total capital assets	151,740	326,677	174,269	40,078	692,764	21,217
Total noncurrent assets	151,740	375,343	201,477	40,078	768,638	21,217
Total assets	220,021	441,904	214,794	80,984	957,703	109,540
Deferred outflows of resources:						
Loss on refunding	-	1,443	-	-	1,443	-
Total assets and deferred outflows of resources	\$ 220,021	443,347	214,794	80,984	959,146	109,540

(Continued)

Exhibit E-1
CITY OF GLENDALE
Statement of Net Position
Proprietary Funds
June 30, 2013 (in thousands)

Business-type Activities - Enterprise Funds

	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Liabilities and net position						
Current liabilities:						
Accounts payable	\$ 1,099	4,715	4,447	1,559	11,820	2,165
Due to other funds	-	-	12,878	-	12,878	-
Advances from other funds	-	-	-	-	-	2,800
Interest payable	-	2,394	1,799	-	4,193	81
Claims payable	-	-	-	-	-	11,514
Compensated absences	-	-	-	-	-	3,927
Bonds payable, due in one year	-	1,548	1,296	-	2,844	646
Deposits	290	2,266	994	445	3,995	-
Total current liabilities	<u>1,389</u>	<u>10,923</u>	<u>21,414</u>	<u>2,004</u>	<u>35,730</u>	<u>21,133</u>
Noncurrent liabilities:						
Claims payable	-	-	-	-	-	32,136
Compensated absences	-	-	-	-	-	18,220
Bonds payable, net of current portion	-	115,615	84,739	-	200,354	-
Long term debt	-	-	-	-	-	1,427
Total noncurrent liabilities	<u>-</u>	<u>115,615</u>	<u>84,739</u>	<u>-</u>	<u>200,354</u>	<u>51,783</u>
Total liabilities	<u>1,389</u>	<u>126,538</u>	<u>106,153</u>	<u>2,004</u>	<u>236,084</u>	<u>72,916</u>
Net position:						
Net Investment in capital assets	151,740	209,514	115,442	40,078	516,774	19,144
Restricted						
SCAQMD emission controls	-	5,669	-	-	5,669	-
Unrestricted	66,892	101,626	(6,801)	38,902	200,619	17,480
Total net position	<u>\$ 218,632</u>	<u>316,809</u>	<u>108,641</u>	<u>78,980</u>	<u>723,062</u>	<u>36,624</u>

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

(41,395)

Total net position of business-type activities

\$ 681,667

CITY OF GLENDALE

Statement of Revenues, Expenses and

Changes in Net Position

Proprietary Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:						
Charges for services	\$ 16,143	173,701	44,605	37,895	272,344	85,846
Miscellaneous revenue	313	3,864	2,600	1,156	7,933	34
Total operating revenue	<u>16,456</u>	<u>177,565</u>	<u>47,205</u>	<u>39,051</u>	<u>280,277</u>	<u>85,880</u>
Operating expenses:						
Maintenance and operations	9,265	143,113	34,797	31,083	218,258	26,684
Claims and settlement	-	-	-	-	-	41,706
Equipment purchased	-	-	-	-	-	956
Depreciation	5,462	26,262	5,400	3,163	40,287	2,576
Gas depletion	-	1,532	-	-	1,532	-
Total operating expenses	<u>14,727</u>	<u>170,907</u>	<u>40,197</u>	<u>34,246</u>	<u>260,077</u>	<u>71,922</u>
Operating income	<u>1,729</u>	<u>6,658</u>	<u>7,008</u>	<u>4,805</u>	<u>20,200</u>	<u>13,958</u>
Non operating revenues (expenses):						
Use of money and property	(3)	540	63	14	614	253
Proprietary grants	-	51	880	491	1,422	3,970
Interest expense	-	(4,393)	(1,997)	-	(6,390)	(144)
Total non operating revenues (expenses), net	<u>(3)</u>	<u>(3,802)</u>	<u>(1,054)</u>	<u>505</u>	<u>(4,354)</u>	<u>4,079</u>
Income before contributions and transfers	<u>1,726</u>	<u>2,856</u>	<u>5,954</u>	<u>5,310</u>	<u>15,846</u>	<u>18,037</u>
Capital Contributions	-	-	-	4	4	1,291
Transfers in	-	-	-	-	-	700
Transfers out	(1,392)	(20,857)	-	(3,050)	(25,299)	(700)
Change in net position	334	(18,001)	5,954	2,264	(9,449)	19,328
Net position, July 1, as restated	<u>218,298</u>	<u>334,810</u>	<u>102,687</u>	<u>76,716</u>		<u>17,296</u>
Net position, June 30	<u>\$ 218,632</u>	<u>316,809</u>	<u>108,641</u>	<u>78,980</u>		<u>36,624</u>

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.

2,765

Total net position of business-type activities

\$ (6,684)

CITY OF GLENDALE

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Cash from customers	\$ 16,219	176,908	46,216	38,525	277,868	91,388
Cash paid to employees	(3,177)	(35,720)	(3,912)	(14,883)	(57,692)	(15,574)
Cash paid to suppliers	(5,588)	(105,029)	(29,984)	(15,450)	(156,051)	(59,558)
Net cash provided by operating activities	7,454	36,159	12,320	8,192	64,125	16,256
Cash flows from noncapital financing activities:						
Amounts received from other funds	7,181	1,331	-	-	8,512	2,800
Amounts paid to other funds	-	-	(9,981)	-	(9,981)	-
Transfers out	(1,392)	(20,857)	-	(3,050)	(25,299)	(700)
Transfers in	-	-	-	-	-	700
Investment - gas/electric commodity	-	1,114	-	-	1,114	-
Grant received	-	51	880	491	1,422	3,970
Net cash provided (used) by noncapital financing	5,789	(18,361)	(9,101)	(2,559)	(24,232)	6,770
Cash flows from capital and related financing activities:						
Interest on long term debt	-	(4,847)	(1,353)	-	(6,200)	(144)
Bond proceeds and premium	-	(477)	34,377	-	33,900	(582)
Contribution in aid	-	-	-	4	4	1,291
Acquisition of property, plant, gas and equipment	(4,681)	(5,993)	(6,724)	(3,424)	(20,822)	(7,673)
Net cash provided (used) by capital and related financing activities	(4,681)	(11,317)	26,300	(3,420)	6,882	(7,108)
Cash provided (used) by investing activities						
Interest received	55	589	(48)	65	661	328
Net increase in cash and cash equivalents	8,617	7,070	29,471	2,278	47,436	16,246
Cash and cash equivalents at July 1	41,593	66,649	3,486	35,472	147,200	69,390
Cash and cash equivalents at June 30	50,210	73,719	32,957	37,750	194,636	85,636
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	1,729	6,658	7,008	4,805	20,200	13,958
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	5,462	26,262	5,400	3,163	40,287	2,576
Gas Depletion	-	1,532	-	-	1,532	-
(Increase) Decrease Accounts receivable, net	(30)	13,911	2,808	(207)	16,482	44
(Increase) Unbilled receivable	(210)	(15,017)	(3,795)	(244)	(19,266)	-
(Increase) Decrease Due from other agencies	3	449	(2)	(75)	375	5,464
(Increase) Inventories	-	(424)	-	-	(424)	-
Decrease Prepaid expenses	-	178	-	-	178	4
Decrease Prepaid energy	-	3,457	-	-	3,457	-
(Decrease) Compensated absences	-	-	-	-	-	(4,018)
Increase Accounts payable	65	941	859	638	2,503	1,320
(Decrease) Contracts - retention	-	(1,691)	(180)	-	(1,871)	-
Increase Due to other agencies	421	-	-	73	494	-
Increase (Decrease) Deposits	14	(97)	222	39	178	-
(Decrease) Claims payable	-	-	-	-	-	(3,092)
Total adjustments	5,725	29,501	5,312	3,387	43,925	2,298
Net cash provided (used) by operating activities	\$ 7,454	36,159	12,320	8,192	64,125	16,256
Noncash investing, capital, and financing activities:						
Decrease in fair value of investments	(285)	(373)	(44)	(166)	(868)	(309)

Exhibit F-1

CITY OF GLENDALE

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2013 (in thousands)

	Glendale Successor Agency Trust Fund	
Assets		
Cash and cash equivalents:		
Pooled cash and investments	\$	110,206
Cash with fiscal agent		15,485
Receivables:		
Interest receivable		258
Accounts receivable, net		72
Loans receivable		1,593
Other assets:		
Property held for resale		6,114
Land		27,909
Buildings and improvements		9,280
Machinery and equipment		946
Accumulated depreciation		(4,181)
Construction in progress		1,251
Total assets		<u>168,933</u>
Liabilities and net position		
Liabilities		
Accounts payable and accrued liabilities		430
Interest payable		672
Bonds Payable, due in one year		7,595
Bonds Payable, due in more than one year		128,178
Unamortized premium (discount)		86
Other liabilities		3,003
Total liabilities		<u>139,964</u>
Net position		
Net investment in capital assets		35,205
Restricted		
Debt service		17,466
Unrestricted		(23,702)
Total net position	\$	<u>28,969</u>

Exhibit F-2

CITY OF GLENDALE

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Fiscal Year Ended June 30, 2013 (in thousands)

	<u>Glendale Successor Agency Trust Fund</u>
Additions:	
Property tax	\$ 42,203
Interest income	303
Other Income:	
Rental income	174
Parking garage revenue	234
Miscellaneous revenues	<u>137</u>
Total additions	<u>43,051</u>
Deductions:	
Interest expense on bonds and loans	8,389
Bonds discount (premium) amortization	(82)
Administrative expenses	1,006
Refund of tax increment	11,980
Project expenses	<u>3,774</u>
Total Deductions	<u>25,067</u>
Change in net position before extraordinary items	<u>17,984</u>
Extraordinary items:	
Extraordinary gain	<u>6,423</u>
Change in net position	24,407
Net position, July 1, as restated	<u>4,562</u>
Net position, June 30	<u>\$ 28,969</u>

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CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(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 two component units: 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 Housing Authority and the Financing Authority. Management of the City has operational responsibility for the Authority and the Financing Authority as these component units are managed in an essentially the same manner as other City departments. In addition, the Financing Authority provides financial services entirely to the City. Therefore, 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 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 Funds; 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 was to provide financial assistance to the City of Glendale in connection with the construction and improvement of a Police Services Building located 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 position and the statement of changes in net position) report information on all of the activities of the City. The effect of inter-fund activity has been removed from these statements except for 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. Effective February 1, 2012, due to AB 1x 26, - the dissolution of Redevelopment Agencies throughout CA, the activities of the dissolved Glendale Redevelopment Agency are recorded in the Glendale Successor Agency fiduciary fund.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary fund. 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, fund balance/net position, revenues, and expenditures or expenses, as appropriate. The

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

City reports a total of 61 funds comprised of the General Fund, 1 Fiduciary Fund, 29 Special Revenue Funds, 2 Debt Service Funds, 6 Capital Project Funds, 8 Enterprise Funds and 14 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 deferred outflows, liabilities and deferred inflows, is fund balance. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

The City has categorized the Capital Improvement Fund as a major fund for public interest reasons. The City believes that this judgmentally determined major fund is particularly important to the financial statements users. 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.

Housing Assistance Special Revenue Fund: Used 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.

Capital Improvement Capital Project 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 as required by law or regulation and Capital Projects Funds which 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.

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

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

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

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

Other non-major enterprise funds consist of Recreation, Hazardous Disposal, Parking, Refuse and Fire Communication Funds. Recreation Fund mainly accounts for the recreation programs of the Parks, Recreation and Community Services department on a user fee basis. Hazardous Disposal Fund is for the operations of the toxic waste disposal of the City. Parking Fund accounts for operations of City-owned public parking lots and garages. Refuse Disposal Fund is for operations of the City-owned refuse collection and disposal services. Fire

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

Communication Fund is for monies received and expended, as the lead City, for the tri-city (Burbank, Glendale and Pasadena) fire communication operations.

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.

3) *Fiduciary Fund Types*

Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. The City maintains one fiduciary fund – Glendale Successor Agency Fund.

Since the resources of the Fiduciary Funds are not available to support the City's own programs, it is not reflected in the City's Government-wide financial statements. The accounting used for Fiduciary Funds are much like that used for Proprietary Funds.

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 90 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), claims and judgments, are recorded only when payment is due.

Intergovernmental revenues are recognized in the period when all eligibility requirements imposed by the provider 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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

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.

D. Assets, Liabilities and Fund Balance or Net Position

1. Cash and Investments

The City combines the cash and investments of all funds into two pools (the City pool and the Successor Agency pool) except for funds required to be held by outside fiscal agents under the provisions of bond indentures. Each fund's portion of the pooled cash and investments are displayed on the governmental funds balance sheets, the proprietary funds' statement of net position or the fiduciary fund statement of net position.

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 position 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, adopted by the City Council, and 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.

Interest income from the pooled cash and investments is allocated to all funds, except the Capital Improvement Funds, on a monthly basis based upon the prior month end cash balance of the fund and as a percentage of the month end total pooled cash balance.

For purposes of statement of cash flows of the proprietary fund types, cash and cash equivalents include all pooled cash and investments, restricted cash and cash with fiscal agents with an original maturity of three months or less. The City considers the cash and investments pool to be a demand deposit accounts where funds may be withdrawn and deposited at any time without prior notice or penalty.

Investment-gas/electric commodity represents the City's implementation of a program to purchase and sell options (calls and puts) in natural gas futures contracts at strike prices. These transactions allow the City to stabilize the ultimate purchase price of natural gas for the City's power plant. They, and other transactions, also give the City the ability to manage its overall exposure to fluctuations in the purchase price of natural gas. The options are carried at fair market value.

2. Designated Cash and Investments

The 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, 2013, 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, 2013, \$42,050 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, 2013, established a target of \$7,500 of designated cash in the following

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

categories: \$6,500 for contingency reserve; and \$1,000 for rate stabilization reserve. As of June 30, 2013, no reserve was designated.

The designated cash of \$22,350 in Landfill Postclosure Fund is for Scholl Canyon Landfill Reserve.

3. *Receivables*

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

Accounts Receivables – These are comprised primarily of 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, – are included in this account. Management determines the allowance for doubtful accounts by evaluating individual customer accounts. Utility customer closed accounts are written off when deemed uncollectible. Recoveries to utility customer receivables previously written off are recorded when received. For non utility accounts receivable, delinquent notices for 30 days are sent out to customers with outstanding balances. After 60 days, accounts still outstanding are forwarded to a collection company.

Loans Receivable – The Low & Moderate Income Housing Asset Fund has an outstanding developer loan receivable with Heritage Housing Partners (HHP), in support of an affordable homeownership housing project – Doran Gardens. The outstanding balance as of June 30, 2013 is \$4,959, with an annual interest rate of 2.965%. The loan will be paid back to the City after all the housing units are developed and sold. Through November 5, 2013, the City has received \$3,929, and the remaining principle balance of \$1,030 is expected to be received in FY2013-14.

4. *Inter-fund Transactions*

Inter-fund services provided and used would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues (seller funds) and expenditures or expenses (purchaser funds) in the funds involved. For the fiscal year ended June 30, 2013, the General Fund recorded \$14,921 as inter-fund revenue for general government services provided to other funds.

Due to/from Other Funds are used when a fund has a temporary cash overdraft. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Transfers in/out are budgetary authorized exchanges of cash between funds.

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 lower of cost or market, 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. 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.

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Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

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 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. Interest costs information for the Electric and Water funds for the fiscal year ended June 30, 2013 are as follows:

Electric Fund	\$ 701
Water Fund	882

Building and 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	
General Structure & Parking Lot Landscaping Improvements	10
Building & Parking Lot Improvements	20
Land Improvements	30
Parks & Wastewater Capacity Upgrades	40
Transmission-Off System	50
Machinery and Equipment	
Police Patrol Vehicles	3
Passenger Cars, Pickup/Refuse	6
Cargo Vans, Street Sweepers	7
Dump/Tractor/Trailer Trucks	10
Helicopters	15
Emergency Response Engines	20
Sewer Improvements (Intangible)	40
Infrastructure (non-sewer)	
Traffic Signals	15
Potable-Services	20
Supply-Mains and Wells	25
Supply-Structure Improvements	30
Supply-Springs & Tunnels & Potable-Hydrants	40
Streets, Paved Streets, Paved Alleys & Sidewalks	50
Potable-Mains	75

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 initial share in the project was \$13.1 million or 4.28%, with estimated peak daily volume between 1,600 to 1,800 MMBtu. As of June 30, 2013, the net balance for Natural Gas Reserve Project, including drilling program capitalization was \$16,568.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

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 position. 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. Effective this fiscal year bond issuance costs are expensed. In the governmental funds statement of revenues, expenditures and changes in fund balances, issuance of debt is recorded as another financing source (use) in the respective fund. Issuance costs and payment of principal are reported as debt service expenditures.

8. Compensated Absences

The City records a liability for its employees' earned but unused accumulated vacation and overtime in government-wide and proprietary fund financial statements. 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, 2013, the total liability is \$13,056 and the City has \$8,283 cash available in the Employee Benefits Fund dedicated to this liability.

The City also provides sick leave conversion benefits through the Retiree Health Savings Plan (RHSP). Employees earn one day of sick leave per month and the 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), Glendale Management Association (GMA), and International Brotherhood of Electrical Workers (IBEW). 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, 2013 is \$3,868.

Based on the most recent actuarial valuation, the actuarial accrued liability for the RHSP as of June 30, 2011 is \$17,068. The City has a reserve of \$5,092 in the RHSP Benefits Fund, an Internal Service Fund, dedicated to provide benefits, so the unreserved actuarial accrued liability is \$11,976 as of June 30, 2011. The City has \$6,657 cash for RHSP as of June 30, 2013 and the unreserved actuarial accrued liability is \$9,090. The actuarial accrued liability 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 Association (GMA) employees 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 10 retirees receiving this City paid benefit. These 10 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.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

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

10. *Unearned Revenue*

Unearned revenue liability reports revenue received in advance of providing goods or services. When the goods or services are provided, this account balance is decreased and a revenue account is increased.

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. *Fund Balance*

GASB54 established fund balance classifications for governmental fund types in the fund financial statements. The classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. In the fund financial statements, the governmental funds may report nonspendable, restricted, committed, assigned, and unassigned fund balances to show the level of constraint governing the use of the funds.

- Nonspendable fund balances cannot be spent, because they are in nonspendable form or are required to be maintained intact.
- Restricted fund balances are restricted for specific purposes by third parties or enabling legislation.
- Committed fund balances include amounts that can be used only for specific purposes determined by the formal action of the City Council, as they are the highest level of decision-making authority. Council must have at least a 3 to 2 vote to pass a resolution for the specific purpose. These committed amounts cannot be used for any other purpose unless the City Council remove or change the specified use through the same type of formal action taken to establish the commitment.
- Assigned fund balances comprise amounts intended to be used by the City for specific purposes but are not restricted or committed. The City does not have any assigned fund balances at June 30, 2013.
- Unassigned fund balances are residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, and include all deficit amounts in all other governmental funds.

When both restricted and unrestricted resources are available for an incurred expenditure, it is the City's policy to spend restricted resources first then unrestricted resources, as necessary. When unrestricted resources are available for incurred expenditures, it is the City's policy to use committed amounts first, followed by assigned amounts, and then unassigned amounts.

13. *Net Position*

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, excluding unspent debt proceeds. Net position 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.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

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

14. *Deferred Outflows and Inflows of Resources*

In FY 2012-13, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and their effects on the City's net position. In addition, the City early implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As a result of implementing these Statements, the statement of net position reports a separate section for deferred outflows of resources, in addition to assets. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources, or expenses, until then. For current or advance refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debts (i.e., deferred charges) is reported as a deferred outflow of resources and amortized to interest expense based on the effective interest method over the remaining life of the old debt or the life of the new debt, whichever is shorter. The City's deferred outflows of resources at June 30, 2013, is \$1,443 in the Electric Fund.

In addition to liabilities, the governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources, or revenues, until then. When an asset is recorded in governmental fund financial statements but the revenue is not available, the City reports a deferred inflow of resources until such time as the revenue becomes available. The City has recorded deferred inflows of resources of \$3,294 in the Capital Improvement Fund and \$6,105 in the Nonmajor Governmental Funds.

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, Special Revenue, Enterprise and Internal Service fund types. The City Council annually adopts the capital improvement program for the Capital Projects Funds. The City of Glendale budget presents the Capital Improvement Projects on a ten year plan basis, with the "Future Years" column representing a cumulative of five years projections. The City Council only approves and authorizes one year of the Capital Improvement Projects. Prior year unspent Capital Improvement Projects budget is carried forward into the new year. Annual budget comparison on multi-year projects is impractical.

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:

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

- The City Charter requires that the City Manager submit to the City Council a proposed budget for the coming year on or before the first of June. 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, 2013:

<u>General Fund</u>	<u>Amount Over Expended</u>
Fire	\$ 586
Public Works Engineering	131
Public Works Warehouse	35
Public Works Traffic Engineering	124

III. Detailed Notes on All Funds

A. Cash and Investments

Governmental and Business type activities:

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

Investments	\$ 421,620
Cash with fiscal agents	13,062
Investment with fiscal agent	2,398
	<u>437,080</u>
Cash held in financial institutions & imprest cash	1,943
Total	\$ <u><u>439,023</u></u>

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

Pooled cash and investments	\$ 324,492
Restricted cash	32,877
Cash with fiscal agents	13,062
Investment with fiscal agent	2,398
Restricted investment	1,794
Designated cash and investments	<u>64,400</u>
Total	\$ <u><u>439,023</u></u>

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

Fiduciary type activities:

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

Investments	\$	110,206
Cash with fiscal agents		<u>15,485</u>
Total	\$	<u><u>125,691</u></u>

The following amounts are reflected in the fiduciary statement of net position:

Cash and invested cash	\$	110,206
Cash with fiscal agents		<u>15,485</u>
Total	\$	<u><u>125,691</u></u>

Authorized Investments

Under the 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. Treasury Securities	5 years	100%
Federal Agencies Securities	5 years	100%
State of California and California Local Agencies	N/A	15%
Obligation of Other States	N/A	10%
Medium Term Corporate Notes	5 years	20%
Commercial Paper (A1, P1, F1 minimum rating)	270 days	25%
Bankers’ Acceptances	180 Days	30%
Time Deposits (FDIC Insured)	1 year	10%
Negotiable Certificates of Deposit	1 year	30%
Local Agency Investment Fund (State Pool)	N/A	LAIF maximum
Money Market Mutual Funds	90 days	20%
Los Angeles County Treasury Pool	N/A	10%

Investments in Medium Term Corporate Notes may be invested in Securities rated A 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, govern 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.

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

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.

Governmental and Business type activities:

	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Commercial Paper	\$ 29,996	29,996	-	-	-
Federal Agency Term Notes	25,357	11,073	9,117	5,167	-
U.S. Government Agency Callable Bonds	95,614	970	4,989	89,655	-
Corporate Notes	77,408	13,102	5,007	59,299	-
Negotiable Certificates of Deposit	15,000	15,000	-	-	-
State and Municipal Bonds	3,970	-	1,001	2,969	-
State Investment Pool	119,885	119,885	-	-	-
Los Angeles County Pool	37,000	37,000	-	-	-
Money Market Fund	17,390	17,390	-	-	-
Held by Fiscal Agents:					
Federal Agency Term Notes	5,005	5,005	-	-	-
Guaranteed Investment Contracts	2,398	-	-	-	2,398
Treasury Notes	8,057	8,057	-	-	-
	\$ 437,080	257,478	20,114	157,090	2,398

Fiduciary type activities:

	Total	Remaining Maturity (in Months)	
		12 Months or Less	More than 60 Months
Commercial Paper	\$ 49,489	49,489	-
Negotiable Certificates of Deposit	33,000	33,000	-
State Investment Pool	5,187	5,187	-
Money Market Fund	22,530	22,530	-
Held by Fiscal Agents:			
Federal Agency Term Notes	4,842	4,842	-
Money Market Fund	10,643	10,643	-
	\$ 125,691	125,691	-

The City assumes that callable investments will not be called. The Glendale Successor Agency funds in the amount of \$5,187 were invested in the State Investment Pool.

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, Aa or A rated corporate securities, and A1,P1,F1 rated commercial paper, negotiable certificates of deposit and banker's acceptance securities. The City's Investment Policy requires the City to sell any security with a credit rating below BBB.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

Governmental and Business type activities:

	Rating as of Year End								
	Total	Aaa	Aa1	Aa2	Aa3	A1,P1	A2	A3	Unrated
Commercial Paper	\$ 29,996	-	-	-	-	29,996	-	-	-
Federal Agency Term Notes	25,357	25,357	-	-	-	-	-	-	-
U.S. Government Agency Callable Bonds	95,614	94,644	-	-	-	-	-	-	970
Corporate Notes	77,408	-	-	-	31,635	22,119	17,821	5,833	-
Negotiable Certificates of Deposit	15,000	-	-	-	-	15,000	-	-	-
State and Municipal Bonds	3,970	-	1,970	-	-	2,000	-	-	-
State Investment Pool	119,885	-	-	-	-	-	-	-	119,885
Los Angeles County Pool	37,000	-	-	-	-	-	-	-	37,000
Money Market Fund	17,390	422	-	-	-	-	-	-	16,968
Held by Fiscal Agents:									
Federal Agency Term Notes	5,005	5,005	-	-	-	-	-	-	-
Guaranteed Investment Contracts	2,398	-	-	2,398	-	-	-	-	-
Treasury Notes	8,057	8,057	-	-	-	-	-	-	-
	\$ 437,080	133,485	1,970	2,398	31,635	69,115	17,821	5,833	174,823

Fiduciary type activities:

	Ratings as of Year End				
	Total	Aaa	Aa2	A1,P1	Unrated
Commercial Paper	\$ 49,489	-	-	49,489	-
Negotiable Certificates of Deposit	33,000	-	-	33,000	-
State Investment Pool	5,187	-	-	-	5,187
Money Market Fund	22,530	22,530	-	-	-
Held by Fiscal Agents:					
Federal Agency Term Notes	4,842	4,842	-	-	-
Money Market Fund	10,643	10,643	-	-	-
	\$ 125,691	38,015	-	82,489	5,187

Concentration on Credit Risk

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

Issuer	Investment Type	Reported Amount
GECC	Corporate Medium Term Notes	\$ 19,354
UBOC	Commercial Paper	10,000
UBOC	Negotiable Certificate of Deposits	15,000
	Total	<u>25,000</u>
FHLMC	Federal Agency Term Notes	3,028
FHLMC	Federal Agency Callable Bonds	25,680
	Total	<u>28,708</u>
FNMA	Federal Agency Term Notes	22,329
FNMA	Federal Agency Callable Bonds	46,514
	Total	\$ <u>68,843</u>

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of the failure of a depository financial institution, a government agency will not be able to recover its deposits or will not be able to recover investment securities that are in the possession of an outside party. As it relates to deposits, the Dodd-Franks financial regulatory reform legislation makes all noninterest-bearing transaction accounts fully insured by the Federal Deposit Insurance Corporation (FDIC) without limit effective December 31, 2010 until January 1, 2013. All City of Glendale deposits as of June 30, 2013 were fully insured by FDIC insurance.

For interest-bearing accounts the FDIC deposit insurance amount of \$250 per depositor was made permanent. The City of Glendale does not have any interest-bearing accounts.

The custodial risk for investments is also twofold. An investment trade transaction occurs between a government agency and a broker/dealer (counterparty). Counterparty risk occurs with the failure of a brokerage/dealer, and in a trade transaction with a government agency, the counterparty is then unable to deliver securities after the government agency has made payment. The City of Glendale prevents counterparty risk by requiring all trade transactions to be done on a delivery-versus-payment arrangement.

A government agency uses an independent third-party custodian/safekeeper to domicile the securities in its portfolio. The City of Glendale uses Bank of America as its third-party safekeeping servicer, and prevents custodial/safekeeping risk by having all securities purchased and owned by the City of Glendale registered in the name of the City, separated from other client securities portfolios, and segregated from securities owned by the bank.

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.

B. Housing Loans Receivable

The Housing Authority uses CDBG grant, HOME grant and Low Moderate Income Housing Asset Fund program income and BEGIN grant to make different kinds of loans to create and maintain affordable housing for low and moderate income people. Most of the Housing Authority loans are forgiven or restructured when all requirements are met, so they are not recorded on the financial statements. There are usually four different kinds of loans.

- *Single Family Home Rehabilitation Loan*

The program provided funds for moderate rehabilitation of owner-occupied homes for low and moderate income households. The deferred payment loan is interest bearing with rate ranging from 0% to 4% annually (simple interest) for up to 10 years, and with a loan amount up to \$25. Generally, the loan is repaid at the time of sale or transfer of the property. The loan is secured by a deed of trust on the property. Although this program does not make any new loans, there are existing loans receivable.

- *First Time Home Buyer Loan*

FTHB – Down Payment Assistant – Resale Homes Purchase. The program provided funds for down payment and affordability gap assistance for the purchase of a resale home by a low or moderate income first time home buyer household. Loan terms vary from 30 to 45 years. Loans require either 5% simple annual interest payments (paid monthly), or 0% interest rate with no monthly payments. All loans are second mortgage deferred payment, forgivable loans up to \$75. If the property is sold or transferred, or if the property is no longer owner-occupied before the term expires, the borrower must repay the original

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

principal amount plus an appreciation share. Although this program does not make any new loans, there are existing loans receivable.

FTHB – Down Payment Assistant – New Construction Homes Purchase. For new construction units, the amount of the loan is based upon the amount of the affordability gap. The loan is secured by a deed of trust on the property and affordable housing covenants. The loan term is generally 45 years and the loan is forgiven at the end of the loan term. If the property is sold or transferred, or if the property is no longer owner-occupied before the term expires, the borrower must repay the original principal amount plus an appreciation share. A small set of loans funded through the American Dream Down Payment Assistance Program are forgiven, at a set percentage of the principal amount, each year.

- *Multi Family Apartment Rehabilitation Loan*

The program provides funds for moderate rehabilitation of rental properties owned by private or nonprofit owners. Units must be rented to low and moderate income tenants at an affordable rent for the term of the loan. The loan is secured by a deed of trust and affordable housing covenants on the property. The loan is an interest bearing (4% simple interest), deferred payment, forgivable loan. The maximum loan amount is \$10 per unit for a 5 year loan. (In target neighborhoods, the maximum per unit is up to \$15 per unit for a 7 year loan for repairs and rehab.) The maximum amount per project is up to \$100. The owner needs to contribute at least 10% of the total project cost. Repayments are due on an annual basis. If the property is in compliance with the terms of the loan agreement, the annual payment is forgiven.

- *New Construction and Acquisition/Rehabilitation Rental Development Loan*

The program provides funds for new construction or acquisition/rehabilitation of affordable rental housing. Loan terms and loan underwriting requirements are negotiated with the developer on a project by project basis. The loan is secured by a deed of trust and affordable housing covenants on the property. Loans provide gap assistance to make housing units affordable to low and moderate income households, and units must be rented at an affordable rent. Leveraging of funds with other sources and contribution of developer equity is required. Loans may be second mortgage deferred payment loans, which generally require loan principal plus interest to be repaid at the end of the loan term. Residual receipt payments are required. Loans may also be permanent financing first mortgage loans at below market interest rate, and monthly amortized payments are required.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

C. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance at July 1	Increases	Decreases	Reclass	Adjustments*	Ending Balance
Governmental activities						
Capital assets not being depreciated						
Land	\$ 405,495	1,780	(9,508)		1,081	398,848
Construction in progress	31,853	20,958	-	(11,764)	-	41,047
Total assets not being depreciated	437,348	22,738	(9,508)	(11,764)	1,081	439,895
Depreciable capital assets						
Building and improvements	289,465	869	-	4,978	-	295,312
Machinery and equipment	101,256	9,652	(2,933)	1,310	-	109,285
Infrastructure	280,390	7,314	(1,388)	5,553	-	291,869
Total other capital assets at cost	671,111	17,835	(4,321)	11,841	-	696,466
Less accumulated depreciation:						
Building and improvements	91,428	7,482	-	-	-	98,910
Machinery and equipment	67,143	7,277	(2,910)	(18)	-	71,492
Infrastructure	90,919	7,338	(1,388)	-	-	96,869
Total accumulated depreciation	249,490	22,097	(4,298)	(18)	-	267,271
Total assets being depreciated, net	421,621	(4,262)	(23)	11,859	-	429,195
Governmental activities capital assets, net	\$ 858,969	18,476	(9,531)	95	1,081	869,090

*Successor Agency transferred back real properties to the City.

**\$35,758 and \$40,817 of Machinery & Equipment for 2012 and 2013 respectively from Internal Service funds is included in Governmental Activities.

***\$19,638 and \$19,600 of Accumulated Depreciation for 2012 and 2013 respectively from Internal Service funds is included in Governmental Activities.

Depreciation expense was charged to functions of the City for the year ended June 30, 2013 as follows:

Governmental Activities:	
General Government	\$ 1,840
Police	3,545
Fire	2,423
Public Works	11,190
Parks, Recreation & Community Services	2,540
Library	248
Housing, Health & Community Development	311
Total depreciation expense	\$ <u>22,097</u>

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

	Balance at July 1	Increases	Decreases	Reclass	Ending Balance
Business-type activities					
Capital assets not being depreciated/depleted					
Land	\$ 15,141	-	-	-	15,141
Construction in progress	41,529	6,504	(8,956)	(1,508)	37,569
Total assets not being depreciated/depleted	56,670	6,504	(8,956)	(1,508)	52,710
Depreciable capital assets					
Building and improvements	376,621	5,852	-	1,508	383,981
Machinery and equipment	573,358	15,655	(22,504)	(1,169)	565,340
Infrastructure	125,225	1,631	-	-	126,856
Total other capital assets at cost	1,075,204	23,138	(22,504)	339	1,076,177
Depletable capital assets					
Natural Gas Reserve	21,824	305	-	-	22,129
Less accumulated depreciation:					
Building and improvements	123,923	8,830	-	-	132,753
Machinery and equipment	276,722	27,445	(22,431)	(1,074)	280,662
Infrastructure	35,264	4,012	-	-	39,276
Total accumulated depreciation	435,909	40,287	(22,431)	(1,074)	452,691
Less allowance for gas depletion					
Natural Gas Reserve	4,028	1,533	-	-	5,561
Total assets being depreciated, net	657,091	(18,377)	(73)	1,413	640,054
Business-type activities capital assets, net	\$ 713,761	(11,873)	(9,029)	(95)	692,764

Depreciation and depletion expense was charged to functions of the City for the year ended June 30, 2013 as follows:

Business-type Activities:

Depreciation	
Sewer	\$ 5,462
Electric	26,262
Water	5,400
Recreation	2
Hazardous Disposal	12
Parking	1,177
Refuse Disposal	1,755
Fire Communication	217
Total depreciation expense	40,287
Depletion – Electric	1,532
Total depreciation and depletion expense	\$ 41,819

CITY OF GLENDALE

Notes to the Financial Statements
 Fiscal Year Ended June 30, 2013
 (in thousands)

	Balance at July 1	Increases	Reclass	Adjustments*	Ending Balance
Fiduciary activities					
Capital assets not being depreciated					
Land	\$ 28,990	-	-	(1,081)	27,909
Construction in progress	-	1,251	-	-	1,251
Total assets not being depreciated	28,990	1,251	-	(1,081)	29,160
Depreciable capital assets					
Building and improvements	8,881	399	-	-	9,280
Machinery and equipment	946	-	-	-	946
Infrastructure	-	-	-	-	-
Total other capital assets at cost	9,827	399	-	-	10,226
Less accumulated depreciation:					
Building and improvements	3,179	209	-	-	3,388
Machinery and equipment	728	65	-	-	793
Infrastructure	-	-	-	-	-
Total accumulated depreciation	3,907	274	-	-	4,181
Total assets being depreciated, net	5,920	125	-	-	6,045
Fiduciary activities capital assets, net	\$ 34,910	1,376	-	(1,081)	35,205

*The Successor Agency transferred back real properties to the City.

D. Property Held for Resale

Below is the governmental activities property held for resale at June 30, 2013:

Purpose	Acquisition Date	Location	Carrying Value
Housing Project	October 2011	Fifth & Sonora	\$ 6,007

Below is the fiduciary property held for resale at June 30, 2013:

Purpose	Acquisition Date	Location	Carrying Value
North Central	December 1987	820 N. Central	\$ 825
Other	August 1982	111 E. Wilson	352
	March 1986	225 W. Wilson	1,013
	June 2008	216-218 S. Brand	2,885
	December 2010	212 S. Brand	1,039
			5,289
Total			\$ 6,114

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2013
(in thousands)

E. Long-Term Debt

The City's long-term debt as of June 30, 2013 consists of the following:

	Principal Amount	Amount Out- standing at June 30, 2012	Additions	Retirements	Amount Out- standing at June 30, 2013	Due within one year
Governmental Activities						
Claims Payable	\$ -	46,742	38,614	41,706	43,650	11,514
Post employment benefits	-	25,781	13,285	-	39,066	-
Compensated absences	-	18,979	9,195	11,748	16,426	2,887
Landfill closure and postclosure care	-	38,131	1,504	-	39,635	-
Bonds Payable						
Police building project (COPs)	64,200	50,700	-	1,800	48,900	7,705
Total bonds payable	64,200	50,700	-	1,800	48,900	7,705
Other Long-Term Liabilities						
Capital leases:						
MSB retrofit lease- Capital One Public Funding	8,200	2,606	-	1,275	1,331	1,331
Fire equip't lease 2005- BOA Public Capital Corp.	3,743	1,267	-	407	860	423
Fire equip't lease 2009- Wells Fargo Equip.	2,299	1,429	-	215	1,214	224
Section 108 loan - Housing and Urban Development (HUD) (2002 Series)	1,800	240	-	240	-	-
Section 108 loan - Housing and Urban Development (HUD) (2011 Series)	2,000	2,000	-	161	1,839	170
Residential development loan program (RDLP)-CA Housing Finance Authority	4,643	4,643	-	-	4,643	4,643
Total other long-term liabilities	22,685	12,185	-	2,298	9,887	6,791
Total governmental long-term liabilities	\$ 86,885	192,518	62,598	57,552	197,564	28,897

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

	Principal Amount	Amount Out- Standing At June 30, 2012	Additions	Retirements	Amount Out- Standing At June 30, 2013	Due Within one year
Business Type Activities						
Post employment benefits	\$ -	12,461	6,470	-	18,931	-
Compensated absences	-	7,186	1,821	3,286	5,721	1,040
Bonds Payable:						
Electric revenue bonds, 2003 series	31,640	24,485	-	24,485	-	-
Electric revenue bonds, 2006 refunding series	38,830	32,795	-	1,225	31,570	1,290
Electric revenue bonds, 2008 series	60,000	60,000	-	-	60,000	-
Water revenue bonds, 2008 series	50,000	50,000	-	1,175	48,825	1,210
Water revenue bonds, 2012 series	35,000	-	35,000	-	35,000	-
Electric revenue bonds, 2013 refunding series	20,510	-	20,510	-	20,510	-
Bond premium	-	3,441	4,383	531	7,293	344
Total bonds payable	235,980	170,721	59,893	27,416	203,198	2,844
Total business type long-term liabilities	235,980	190,368	68,184	30,702	227,850	3,884
Total long-term debt	\$ 322,865	382,886	130,782	88,254	425,414	32,781

For the governmental activities, claims payable, compensated absences and post employment benefits are primarily liquidated by the General Fund.

CITY OF GLENDALE

Notes to the Financial Statements
 Fiscal Year Ended June 30, 2013
 (in thousands)

	Principal Amount	Amount Out- standing at June 30, 2012	Additions	Retirements	Amount Out- standing at June 30, 2013	Due within one year
Fiduciary Type Activities						
Notes Payable	\$ 750	-	750	-	750	750
2002 GRA tax allocation bonds	48,015	29,580	-	2,400	27,180	2,500
2003 GRA tax allocation bonds	58,880	36,352	-	3,000	33,352	3,155
2010 GRA tax allocation bonds	26,970	26,970	-	-	26,970	150
2011 Subordinate taxable tax allocation bonds (STTABs)	50,000	50,000	-	1,730	48,270	1,790
Bond premium	-	2,359	-	251	2,108	250
Net original bond discount - 2010 TABs	-	(303)	-	(23)	(280)	(23)
Net original bond discount - 2011 STTABs	-	(1,887)	-	(145)	(1,742)	(145)
Low and mod loan - Union Bank	14,000	5,171	-	2,917	2,254	2,254
Total fiduciary bonds payable	\$ 198,615	148,242	750	10,130	138,862	10,681

THE CITY OF GLENDALE FINANCING AUTHORITY

Variable Rate Demand Certificates of Participation (COPs) - 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 \$5,000 in accordance with the trust agreement, and (c) pay for the costs incurred to issue the bonds. Since the issuance of the Bonds in 2000 until July 8, 2013 (the closing of the Direct Purchase Agreement with Bank of America), the Bonds were 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. The Remarketing Agent was required to use 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. In addition, the COPs were secured by a Standby Bond Purchase Agreement (SBPA) with JPMorgan Chase Bank (JPMorgan). The City has agreed to pay to JPMorgan an annual Commitment Fee for the SBPA 0.960% per annum. Under the SBPA, if the Bonds were 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 SBPA was set to expire on July 15, 2013. However, on May 28, 2013, the City and the Financing Authority adopted Resolution No. 13-76 and Resolution GFA-13-02 respectively, accepting Bank of America's proposal for a Direct Purchase Index Floater (Direct Purchase Agreement) of the Glendale COPs to replace the SBPA.

A Direct Purchase Agreement is a financing alternative of which a Bank or a Financial Institution purchases Variable Rate Demand Certificates and hold them for an agreed period of time. This financing alternative is not backed by a Liquidity Facility and remarketing of Certificates is no longer necessary. In addition, Direct Purchase does not require a Reserve Fund deposited with the Trustee. It will provide savings to the City as Commitment Fee of 0.960% per annum, the Remarketing Fee of 0.065% per annum and other fees associated with maintaining a SBPA are no longer applicable. Since a Reserve Fund is not required, the City decided to use the existing \$5,000 Reserve Fund with the Trustee to pay down outstanding principal balance. The variable interest rates are based on 70.0% of monthly LIBOR Index plus a fixed spread of 0.400%. Under the Direct Purchase Agreement, the COPs mature in annual installments ranging from \$7,705 to \$4,200 annually from 2014-2030. As of June 30, 2013, the principal balance was \$48,900 and the interest rate

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

was 0.517%. Accordingly, the Certificates of Participation are classified as long-term debt in the City's financial statements. The annual debt service requirement schedule for these bonds is included in note D.

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.

THE CITY OF GLENDALE HOUSING AUTHORITY

Section 108 Loan (Series 2002-A)

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 with an interest rate of 7.06% and the total interest is \$493. The City has pledged current and future CDBG funds as principal security for the loan. The Section 108 loan payment is budgeted as a CDBG project each year based on the payment schedule. The last loan payment was made in August 2012.

Section 108 Loan (Series 2011-A)

Section 108 Loan of \$2,000 was used to acquire and rehabilitate an Emergency Shelter and Homeless Access Center at 1948 Gardena Avenue, Glendale for the S.H. Ho Hope and Compassion Center, a non-profit organization. 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 second time receiving a Section 108 loan. The City received the loan in November 2011. The term of the loan is ten years with an interest rate of 2.56% and the total interest is \$210. The City has pledged current and future CDBG funds as principal security for the loan. The principal amounts range from \$170 to \$242 for fiscal year 2014 to 2022. The Section 108 loan payment is budgeted as a CDBG project each year based on the payment schedule.

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 principal 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, which is expected to happen in fiscal year 2014.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(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, 2012 was 9.97 million tons. The permitted capacity filled between July 11, 2012 and July 11, 2013 was 0.21 million tons. The total permitted capacity as of August 18, 1989 remains 14.75 million tons. Therefore, the City has 4.57 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 12 years. Using an inflation factor from the U.S. Department of Commerce, Bureau of Economic Analysis of 1.018, the revised post-closure cost was \$57,427. This amount includes \$100 that was amended in June 29, 2012 for the newly required water release correction action cost estimate. Using the data above, the amount of \$39,635 is recognized as a long-term liability on the Statement of Net position. 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 \$17,792. 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, 2013 the City has set aside \$22,350 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

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. The balance of \$1,659 has been assigned by SunTrust Leasing Corporation to Bank of America Public Capital Corp. As of June 30, 2013 the outstanding balance of this lease was \$860.

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. As of June 30, 2013, the balance of the lease was \$1,331. This is the final payment for this lease.

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 apparatus, 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 equipment funded was \$2,299 with an annual interest rate of 4.04%. The City will make lease payments 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. As of June 30, 2013, the balance of this lease was \$1,214.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

ENTERPRISE FUNDS

Electric Revenue Bonds, 2003 Series

The Electric Revenue Bonds, 2003 Series were refunded in March 2013 with the Electric Revenue Bonds, 2013 Refunding Series. Accordingly, the liability for the defeased bonds has been removed from the long-term debt.

Electric Revenue Bonds, 2013 Refunding Series

The Electric utility of Glendale Water & Power issued \$20,510 in revenue bonds in March 2013 to provide funds to refund all of the City's outstanding Electric Revenue Bonds, 2003 Series and pay cost of issuance. The bond proceeds were deposited in an escrow account and were used to refund the Electric Revenue Bonds, 2003 Series through a legal defeasance.

The current refunding resulted in the recognition of a deferred outflow of resources of \$155 and is being amortized through year 2032. The City in effect reduced its aggregate debt service payments by \$4,070 over the next nineteen years and obtained an economic gain (difference between the present value of the old and new debt service payments) of \$3,695 (2.478%). The bonds mature in regularly increasing amounts ranging from \$900 to \$1,805 annually from 2017 to 2032.

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, 2013 for \$1,288 is recognized and reported in the financial statements as a deferred outflow of resources 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 fund 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 \$1,290 to \$2,570 annually from 2014 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 fund equal to the Reserve Fund Requirement. The Reserve Fund Requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. Up to 50% of the Reserve Fund Requirement amount may be held in an unrestricted fund or account. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$2,241.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

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 fund 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 \$1,210 to \$3,060 annually from 2014 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, 2012 Series

The Water Utility of Glendale Water & Power issued \$35,000 in revenue bonds in December 2012 to finance the costs of acquisition and construction of certain improvements to the Water System of the City.

The terms of the 2012 Water Revenue Bonds' (2008 Bonds) indenture require the trustee to establish and maintain a reserve fund 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 \$1,636.

The bonds mature in regularly increasing amounts ranging from \$415 to \$4,945 annually from 2018 to 2042. The 2012 Bonds maturing on or prior to February 1, 2022 are not subject to redemption prior to maturity. The 2012 bonds maturing on and after February 1, 2023 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on August 1, 2022, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2012 Bonds to be redeemed, together with accrued interest to the redemption date.

In May 2013, the City and the Financing Authority adopted Resolutions approving the replacement of the current Standby Bond Purchase Agreement (SBPA) for the Police Building Project Variable Rate Demand Certificates of Participation (COP's) that expired on July 15, 2013, with the Direct Purchase Agreement with Bank of America that expires on July 8, 2016. The Direct Purchase closed on July 8, 2013. Bank of America purchased the Certificates and will hold them for three years. If the City is not able to either renew or extend the Direct Purchase Agreement when it expires on July 8, 2016, then the entire amount of the outstanding Police Building Project COP's of \$35,605 would be due and payable for the fiscal year ending June 30, 2017 resulting in total governmental and business type principal debt service payments of \$39,746 for the fiscal year ending June 30, 2017.

The debt service maturity schedule below is assuming the City will renew or replace the Direct Purchase Agreement for the Police Building Project COPs throughout the term of the bonds that currently expire on July 8, 2016.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

Fiscal Year	Police Building Project (COPs) Governmental		Capital Lease Governmental		Section 108 (2011 Series) Governmental	
	Interest	Principal	Interest	Principal	Interest	Principal
2014	\$ 264	7,705	140	1,978	29	170
2015	222	2,795	56	670	28	178
2016	207	2,795	31	242	27	186
2017	192	1,820	21	252	24	194
2018	182	1,905	11	263	22	203
2019-2023	749	10,935	-	-	45	908
2024-2028	421	14,155	-	-	-	-
2029-2033	55	6,790	-	-	-	-
	\$ 2,292	48,900	259	3,405	175	1,839

Fiscal Year	RDLP Loan Governmental		Revenue Bonds Business-Type	
	Interest	Principal	Interest	Principal
2014	\$ 153	4,643	8,647	2,500
2015	-	-	8,514	2,595
2016	-	-	8,416	2,700
2017	-	-	8,302	3,695
2018	-	-	8,113	6,130
2019-2023	-	-	36,249	34,650
2024-2028	-	-	27,723	42,910
2029-2033	-	-	17,925	43,085
2034-2038	-	-	10,544	36,485
2039-2043	-	-	2,715	21,155
	\$ 153	4,643	137,148	195,905

Fiscal Year	Total Governmental		Total Business-Type		Total Debt Service
	Interest	Principal	Interest	Principal	
2014	\$ 586	14,496	8,647	2,500	26,229
2015	306	3,643	8,514	2,595	15,058
2016	265	3,223	8,416	2,700	14,604
2017	237	2,266	8,302	3,695	14,500
2018	215	2,371	8,113	6,130	16,829
2019-2023	794	11,843	36,249	34,650	83,536
2024-2028	421	14,155	27,723	42,910	85,209
2029-2033	55	6,790	17,925	43,085	67,855
2034-2038	-	-	10,544	36,485	47,029
2039-2043	-	-	2,715	21,155	23,870
	\$ 2,879	58,787	137,148	195,905	394,719

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

FIDUCIARY FUND

Tax Allocation Bonds, 2002 Series

The former Glendale Redevelopment Agency, now Glendale Successor Agency (GSA) 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 \$2,400 to \$3,655 from 2014 to 2022. The 80% of all incremental property tax revenues allocated to and received by the Agency for the Central Project Area net of county share of statutory tax sharing and county administration charge, has been pledged to the payment of principal, interest, premium and discounts (if any) on these bonds. 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. As of June 30, 2013, the principal balance of this issue is \$27,180.

Tax Allocation Bonds, 2003 Refunding Series

GSA 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 principal amounts ranging from \$3,355 to \$4,520 from 2014 to 2022. The 80% of all incremental property tax revenues allocated to and received by the Agency for the Central Project Area net of county share of statutory tax sharing and county administration charge and on a parity with the Agency's previously issued 2002 tax allocation bonds, has been pledged to the payment of principal, interest, premium and discounts (if any) on these 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. As of June 30, 2013, the principal balance of this issue is \$33,152 (net of deferred credits).

Tax Allocation Bonds, 2010 Series

GSA 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 incremental property tax revenues 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, net of county share of statutory tax sharing and county administration charge, pledged to the payment of principal, interest and discounts on these bonds. As of June 30, 2013, the principal balance of this issue is \$26,970.

Subordinate Taxable Tax Allocation Bonds, 2011 Series

GSA issued \$50,000 in 2011 subordinate taxable tax allocation bonds with an average rate of 6.75% for 14 years. The Bonds were issued to finance redevelopment projects and low and moderate income housing activities; to fund the Reserve Requirement for the Bonds; and to provide for the costs of issuing the Bonds. The bonds mature in amounts ranging from \$1,790 to \$7,210 from 2014 to 2025. For the security of the Non-Housing portion of the Bonds, the Agency grants a first pledge of and lien on all of the Subordinate Tax Revenues consisting of Non-Housing Tax Revenues on a parity with the pledge and lien which secures any Parity Debt. For the security of the Housing portion of the Bonds, the Agency grants a first pledge of and lien on all of the Subordinate Tax Revenues consisting of Housing Tax Revenues, on a parity with the pledge and lien which secures any Parity Debt. Subordinate Tax Revenues are pledged to the payment of principal, interest and discounts on the Bonds pursuant to the Indenture until the Bonds are paid, or until moneys are set-aside irrevocably for that purpose. As of June 30, 2013, the principal balance of this issue is \$48,270.

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Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

Low & Mod Loans Payable

The Low and Moderate Housing of the former Glendale Redevelopment Agency, now Glendale Housing Successor Agency 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. As of June 30, 2013, the principal balance of the loan is \$2,254 of which this balance will be paid by the Redevelopment Property Tax Trust Fund (RPTTF).

Notes Payable

On June 21, 2013, the Glendale Successor Agency (“Successor Agency”) the successor to the former Glendale Redevelopment Agency and the City of Glendale (the “City”) entered into a Loan Agreement for the purpose of covering the financial gap between the Successor Agency’s funding sources and the actual cost to fund the Alex Theatre Expansion Project. The City agreed to lend to the Successor Agency the principal amount of \$750, which shall be secured by a deed of trust recorded against the Alex Theatre property. The loan shall be treated as an enforceable obligation of the Successor Agency payable from the Redevelopment Property Tax Trust Fund (RPTTF) paid by the Los Angeles County Auditor-Controller to the Successor Agency for enforceable obligations and shall be included on list of the Successor Agency’s enforceable obligations on ROPS 13-14B covering the period from January 1, 2014 through June 30, 2014, and on every subsequent ROPS period until the Loan is paid in full. Interest on the Loan shall accrue at a rate equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund, compounded annually, and shall accrue as of the Effective Date and continue until such time as the Loan is repaid in full.

Fiscal Year	GSA Tax Allocation Bonds Fiduciary		Low & Mod Loans Payable Fiduciary		Notes Payable Fiduciary	
	Interest	Principal	Interest	Principal	Interest*	Principal
2014	\$ 7,760	7,677	39	2,254	-	750
2015	7,415	8,032	-	-	-	-
2016	7,027	9,012	-	-	-	-
2017	6,578	9,447	-	-	-	-
2018	6,054	10,307	-	-	-	-
2019-2023	20,517	61,274	-	-	-	-
2024-2028	3,179	30,110	-	-	-	-
	<u>\$ 58,530</u>	<u>135,859</u>	<u>39</u>	<u>2,254</u>	<u>-</u>	<u>750</u>

Fiscal Year	Total Fiduciary		Total Debt Service
	Interest	Principal	
2014	\$ 7,799	10,680	18,479
2015	7,415	8,032	15,447
2016	7,027	9,012	16,039
2017	6,578	9,447	16,025
2018	6,054	10,307	16,361
2019-2023	20,517	61,274	81,791
2024-2028	3,179	30,110	33,289
	<u>\$ 58,569</u>	<u>138,862</u>	<u>197,431</u>

*On November 15, 2013, the State Department of Finance only approved the principal amount of \$750, the Successor Agency’s loan from the City on the Agency’s Recognized Obligation Payment Schedule (ROPS) 13-14 B.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(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, 2013
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	1,040

F. Post Employment Benefits

The City’s contribution is currently based on a pay-as-you-go funding method, that is, benefits are payable when due. For fiscal year 2012-13, the City contributed \$2,657 in benefit payments (\$96 for the premium subsidy and \$2,561 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:

	Amount
Annual required contribution	\$ 23,605
Interest on net OPEB obligation	1,721
Adjustment to annual required contribution	(2,914)
Annual OPEB cost (expense)	22,412
Contributions to irrevocable trust	-
Benefit payments	(2,657)
Increase in net OPEB obligation	19,755
Net OPEB obligation – beginning of year	38,242
Net OPEB obligation – end of year	\$ 57,997

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 10,081	21%	\$ 19,855
6/30/2012	20,932	12%	38,242
6/30/2013	\$ 22,412	11%	\$ 57,997

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Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

The funded status of the plan as of June 30, 2011, the plan’s most recent actuarial valuation date, was:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(A)	(B)	(B-A)	(A/B)	(C)	((B-A)/C)
6/30/2011	\$ 0	191,063	191,063	0%	\$ 140,403	136%

The June 30, 2011 unfunded actuarial accrued liability has increased significantly from the June 30, 2009 valuation. The increases are due to the following reasons:

- Demographic assumptions (retirement, termination, disability, mortality, etc.) were updated to CalPERS 1997-2007 experience study. Post retirement mortality improvement is also added to project continuing mortality improvement in the future. The impact of these changes increased the accrual actuarial liability by approximately \$27.1 million.
- The medical trend assumption was increased to reflect current expectations for future healthcare cost and premium changes by increasing the assumption for 2011-12 by 1% to 2%, changing the ultimate healthcare inflation rate from 4.5% to 5.0%, and lengthening the period to reach the ultimate healthcare inflation rate. The impact of the medical trend assumption change increases the accrued actuarial liability by approximately \$27.5 million.
- The remaining \$32.5 million increase in the accrued actuarial liability is due to anticipated increases, experience gains/losses and changes in medical plan election assumptions.

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

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

In the June 30, 2011 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 medical cost trend rate of 9.0% for 2013 decreasing to 5.0% after 8 years. The post-Medicare eligible medical cost trend rate started 0.4% higher for 2013. The June 30, 2009 UAAL is being amortized as a level percentage of projected payroll over a 30 years closed period (28 years remaining for fiscal year 2011/12 ARC). Subsequent increases / decreases in UAAL due to actuarial gains / losses or changes in assumptions are amortized over 15 year closed periods. The remaining average amortization period at June 30, 2011 was 20 years.

G. Restricted Net Position

The City has restricted its ordinarily available net position for certain commitments and contingencies. The City Charter requires \$22,228 in restricted net position to be set aside to meet the legal demands against the treasury during the beginning

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

of new budget period prior to the receipt of ad valorem taxes. Pursuant to redevelopment laws of the State of California, \$15,605 is restricted for low and moderate housing.

The Electric Fund’s restricted net position \$5,669 was for excess capital surcharge revenue to retrofit the City’s Grayson Power Plant as mandated by the South Coast Air Quality Management District. The Reserve Fund Requirements for both Electric & Water Revenue bonds are deposited with the Trustee. This is in compliance with the terms of the Indenture of Trust.

H. Net Deficits of Individual Funds

As of June 30, 2013, the following funds have negative fund balances or net position:

Special Revenue Funds:

CDBG Fund	\$	42
Glendale Youth Alliance Fund		12
PW Special Grants Fund		307
Measure R Regional Return Fund		759
Police Special Grants Fund		166
Fire Grant Fund		1,790
Emergency Medical Services Fund		5,054

Internal Service Funds:

Compensation Insurance Fund	\$	16,757
Employee Benefits Fund		4,752
Retiree Health Savings Plan Benefits Fund		2,417

CDBG 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.

Glendale Youth Alliance Fund – This is a reimbursement account for the Glendale Youth Alliance. Revenue from the grants and enterprise programs reimburse the program expenses. Over the years the grant funding has shrunk and more efforts have been focused on generating revenue through the enterprise programs. There is a timing difference between the time the actual jobs are performed and when the payment is received for the enterprise programs, resulting in a deficit in the fund balance. This fund will balance by the end of the next fiscal year.

PW Special Grants Fund – This is a reimbursement type of grant. These revenues are always drawn down based on the expenditures. As such, there will always be a timing difference between revenue and expenditures resulting in a deficit, as the revenue does not represent available resources.

Measure R Regional Return Fund – This is a reimbursement type of grant. These revenues are always drawn down based on the expenditures. As such, there will always be a timing difference between revenue and expenditures resulting in a deficit, as the revenue does not represent available resources.

Police Special Grants Fund – This is a reimbursement type of grant. These revenues are always drawn down based on the expenditures. As such, there will always be a timing difference between revenue and expenditures resulting in a deficit, as the revenue does not represent available resources.

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Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

Fire Grant Fund – This is a reimbursement type of grant. These revenues are always drawn down based on the expenditures. As such, there will always be a timing difference between available revenue and expenditures resulting in a deficit, as the revenue does not represent available resources.

Emergency Medical Services Fund – A new business model (Basic Life Support) has been implemented to reduce costs as well as the deficit over the next five years.

Internal Service Funds – The deficits have been decreasing due to the premium increases in fiscal year 2012-13 and prior fiscal years. The City will continue to increase the premiums in the future to eliminate the deficits.

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, unemployment insurance, 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 2013-14 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	\$25

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, 2013 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 Liability Insurance Fund, Compensation Insurance Fund and Medical Insurance Fund 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
2011-12	\$46,894	\$36,258	\$36,410	\$46,742
2012-13	\$46,742	\$38,614	\$41,706	\$43,650

The City has numerous claims and pending legal proceedings that generally involve accidents regarding its citizens on City property and employment issues. These proceedings are, in the opinion of management, ordinary routine matters incidental to the normal business conducted by the City. In the opinion of management, such proceedings are substantially covered by

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

insurance, and the ultimate disposition of such proceedings are not expected to have a material adverse effect on the City's financial position, results of operations or cash flows.

B. Contingent Liabilities and Commitments

Power Purchase Agreements

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 Power Plant 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 assumed control of operation and maintenance of the plant in 1987. Under this renewed contract, the City is entitled to 21 megawatts or 1.03% of the capacity and 1.59% of the firm energy.

The City's electric operation was committed to purchase all available landfill gas generated by Scholl Canyon LFG Limited Partnership at a price based on various natural gas indices. The term of this commitment was for a period of twenty years from July 1994 to July 2014. The contract was bought out in January 2010 by the City of Glendale and the entire landfill gas delivery facility is currently being operated by the City.

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.

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

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 representative for each supervisorial district entirely or partially 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. 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 twelve "Take or Pay" contracts, which require payments to be made whether or not projects are completed or operable, or whether output from such projects is suspended, interrupted or terminated. Such payments represent the City's share of current and long-term obligations. Payment for these obligations is expected to be made from operating revenues received during the year that payment is due. These contracts provide for current and future electric generating capacity and transmission of energy for City residents. Through these contracts, the City purchased approximately 46% of its total energy requirements during fiscal year 2012-2013. 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 1.70% of the generation. In addition, the City entered into an "Excess Power Sales Agreement" with Intermountain Consumer Power Association (ICPA), agent for the Utah Municipal Purchasers and the Cooperative Purchasers, which entitles the City to an additional share of 8 megawatts or 0.50% beginning March 24, 2004. The total City's obligation from Intermountain Power Project (IPP) is 38 megawatts.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

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 eleven 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 3 units, each having an electric output of approximately 1,270 megawatts. SCPPA has purchased approximately 225 megawatts of capacity and associated energy (approximately 5.91% of total Palo Verde output), of which the City receives 9.9 megawatts or 4.40% of SCPPA's entitlement. As of June 30, 2013, Glendale's share is 4.40%.
- 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 2.27% or approximately 44 megawatts. As of June 30, 2013, Glendale's share is 2.27%.
- 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 9.80% of the SCPPA entitlement. As of June 30, 2013, Glendale's share is 9.80%.
- 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 11.04% of the SCPPA entitlement. As of June 30, 2013, Glendale's share is 11.04%.
- 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 11.76% to 22.73%. 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, 2013, Glendale's share is 14.80%.
- A sixth project financed through SCPPA is the Magnolia Power Project (MPP) located on Burbank Water & Power's generation station complex adjacent to Magnolia Boulevard in Burbank, California. The project consists of a combined cycle natural gas-fired generating plant with a nominally rated net base capacity of 242 megawatts. The City is obligated for 40 megawatts or 16.53% of the project's output. As of June 30, 2013, Glendale's generation cost share is 16.53% and indenture cost share is 17.25%.
- 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, 2013, Glendale's share is 23.00%.
- 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 the purchase of 10.00% (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. As of June 30, 2013, Glendale's share is 10.00%.

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Fiscal Year Ended June 30, 2013

(in thousands)

- A ninth project financed through SCPPA is the Tieton Hydropower Project (THP) located near the town of Tieton in Yakima County, Washington. The Project 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. The City is obligated for approximately 6.8 megawatts or 50.00% of the project's output. As of June 30, 2013, Glendale's share is 50.00 %.
- A tenth project financed through SCPPA is Windy Point/Windy Flats project (WP) located in Klickitat County in the state of Washington. The Project has a maximum capacity of approximately 262.2 megawatts. The City Council approved a 20 year purchase power agreement with SCPPA for the purchase of approximately 20 megawatts or 7.63% of the renewable energy output from 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. As of June 30, 2013, Glendale's share is 7.63 %.
- The eleventh project financed through SCPPA is the Milford II Wind Project (MIL2) located near Beaver and Millard Counties, Utah. The Project has a capacity of approximately 102 megawatts. The City Council approved a 20 year purchase power agreement with SCPPA for the purchase of approximately 5 megawatts or 4.90% of the Project's output. 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. As of June 30, 2013, Glendale's share is 4.90%.

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

Project	Contract Expiration Date	Glendale's Share
Intermountain Power Project (IPP)	2027	2.14%
Palo Verde Project (PV)	2030	4.40%
Southern Transmission System (STS)	2027	2.27%
San Juan Project (SJ)	2030	9.80%
Mead-Adelanto Project (MA)	2030	11.04%
Mead-Phoenix Project (MP)	2030	14.80%
Magnolia Power Project (MPP)	2036	17.25%
Natural Gas Prepaid Project (NGPP)	2038	23.00%
Linden Wind Energy Project (LIN)	2030	10.00%
Tieton Hydropower Project (THP)	2029	50.00%
Windy Point/Windy Flats Project (WP)	2030	7.63%
Milford II Wind Project (MIL2)	2031	4.90%

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

A summary of the City’s “Take or Pay” debt service commitment and the final maturity date as of June 30, 2013:

Fiscal Year	IPP	PV	STS	SJ	MA	MP	MPP	NGPP	LIN	THP	WP	MIL2	TOTAL
2014	\$ 4,572	551	1,879	3,098	2,616	1,042	3,716	4,561	1,016	1,680	3,131	631	28,493
2015	4,307	554	1,879	1,614	2,467	985	3,717	4,562	1,015	1,679	3,132	630	26,541
2016	4,855	556	1,845	1,612	2,450	983	3,717	4,562	1,016	1,679	3,132	631	27,038
2017	3,432	560	1,818	1,611	2,431	976	2,895	4,588	1,015	1,680	3,132	630	24,768
2018	5,205	-	1,798	1,610	2,411	966	2,895	4,715	1,016	1,679	3,132	631	26,058
2019-2023	19,511	-	9,073	1,562	4,179	1,672	14,545	26,281	5,078	8,401	15,658	3,152	109,112
2024-2028	247	-	3,280	-	-	-	16,433	31,296	5,077	9,186	15,658	3,153	84,330
2029-2033	-	-	-	-	-	-	16,980	36,774	5,029	8,338	6,263	1,892	75,276
2034-2038	-	-	-	-	-	-	18,399	8,906	1,914	8,337	-	-	37,556
2039-2043	-	-	-	-	-	-	-	-	-	5,018	-	-	5,018
Total	\$42,129	2,221	21,572	11,107	16,554	6,624	83,297	126,245	22,176	47,677	53,238	11,350	444,190

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 2013 and 2012 are as follows:

Fiscal Year	IPP	PV	STS	SJ	MA	MP	MPP	NGPP	LIN	THP	WP	MIL2	TOTAL
2013	\$ 8,578	2,336	486	6,804	257	143	4,238	13	-	611	-	-	23,466
2012	\$ 5,954	3,260	529	7,166	189	172	3,508	19	-	32	-	-	20,829

D. Employee Retirement System and Plan

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 include both safety (fire and police) and miscellaneous (general and management) 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.

For all employees hired before January 1, 2011, they are under the 1st tier plan, and the benefit is calculated as follows: years of credited service multiplied by their highest twelve consecutive months of salary multiplied by a percentage factor. The percentage factor is age-based. Under the 1st tier plan, the safety employees use the 3% at age 50 factor, and the miscellaneous employees use the 2.5% at age 55 factor.

All employees hired between January 1, 2011 and December 31, 2012, and existing CalPERS members from other municipalities hired on or after January 1, 2013 are under the 2nd tier plan. For miscellaneous employees, the benefit is calculated as follows: years of credited service multiplied by their highest three average years of salary multiplied by a percentage factor. The miscellaneous employees use the 2% at age 55 factor. For police safety employees hired on or after January 1, 2012, the benefit is calculated as follows: years of credited service multiplied by their highest three average years of salary multiplied by a percentage factor. The police safety employees use the 3% at age 55 factor. For fire safety employees hired on or after January 1, 2011, the benefit is calculated as follows: years of credited service multiplied by their highest twelve consecutive months of salary multiplied by a percentage factor. For fire safety employees hired on or after January 1, 2014, the benefit is calculated as follows: years of credited service multiplied by their highest three average years of salary multiplied by a percentage factor. The fire safety employees use the 3% at age 55 factor.

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Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

Effective January 1, 2013, the City implemented Public Employees' Pension Reform Act of 2013 (PEPRA). For new employees hired on or after January 1, 2013 who are not CalPERS members, the benefit is calculated as follows: years of credited service multiplied by their highest three average years of salary (subject to the cap) multiplied by a percentage factor. The miscellaneous employees use the 2% at age 62 factor. The safety employees use the 2.7% at age 57 factor. The annual salary cap that counts towards final compensation for all new employees is at \$110.10 (2012 Social Security Contribution and Benefit base) for employees that participate in Social Security or \$132.12 (120% of the Contribution and Benefit Base) for those employees that do not participate in Social Security. This compensation cap would adjust annually based on the CPI for all Urban Consumers.

CalPERS also provides death and disability benefits. CalPERS issues a public 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 Method

CalPERS is a contributory plan deriving funds from employee and employer contributions as well as earnings from investments. The actuarial funding method used for the retirement program is the Entry Age Normal Cost Method. Under this method, projected benefits are determined for all members and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire (entry aged) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost.

The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years. The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed retirement age, and for members entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

The excess of the total actuarial accrued liability over the actuarial valued of plan assets is called the unfunded actuarial accrued liability. Funding requirements are determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payrolls. All changes in the liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methodology are amortized separately over a 20-year period. All new gains or losses are tracked and amortized over a rolling 30-year period. If a plan's accrued liability exceeds the actuarial value of assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30-year amortization of the unfunded liability.

The City's miscellaneous employees hired under the 1st tier plan are required to contribute 8.0% of their annual salary. Effective January 1, 2011, the newly hired miscellaneous employees under the 2nd tier plan are required to contribute 7.0% of their annual salary. Effective January 1, 2013, the newly hired miscellaneous employees under the 3rd tier plan are required to contribute 6.75% of their annual salary. The City's safety employees are required to contribute 9.0% of their annual salary. The City is required to contribute at an actuarially determined rate. Effective July 1, 2012, the City's contribution rate for miscellaneous employees was 15.727%, and for safety employees was 30.376%. The contribution requirements of the plan members are established by State statute, and the employer contribution rates are established and may be amended by CalPERS.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

In addition to the required member rates that the employees contribute to the retirement plan, they also contribute an additional rate to help fund part of the City’s PERS cost in fiscal year 2012-13. The cost sharing rates are based on the Memoranda of Understanding (MOU’s) between the City and the five City Associations. The employee contribution rates by each employee association group for fiscal year 2012-13 are as follows:

Association	% of Employee Contributions
International Brotherhood of Electrical Workers (IBEW)	0.50%
Glendale City Employee Association (GCEA)	1.50%
Glendale Management Association (GMA)	3.00%
Glendale Fire Fighter Association (GFFA)	2.00%
Glendale Fire Fighter Association (GFFA) Effective January 1, 2013	2.25%
Glendale Police Officers Association (GPOA)	3.50%

The City’s annual required contributions to CalPERS (including the employees’ cost sharing component of the City’s required contribution) totaled \$28,534 during the fiscal year ended June 30, 2013 in accordance with actuarially determined contribution requirements through an actuarial valuation as of June 30, 2010. The breakdown of the City’s contribution as of June 30, 2013 is as follow:

Plan	Annual required contribution	City contribution	Employees’ Share For City’s Contribution
Miscellaneous	\$ 14,066	12,386	1,680
Police	8,594	7,608	986
Fire	5,874	5,464	410
	<u>\$ 28,534</u>	<u>25,458</u>	<u>3,076</u>

Asset Valuation Method

In order to dampen the effect of short-term market value fluctuations on employer contribution rates, the following asset smoothing technique is used. First, an expected value of assets is computed by bringing forward the prior year’s actuarial value of assets and the contributions received and benefits paid during the year at the assumed actuarial rate of return. The actuarial value of assets is then computed as the expected value of assets plus one-fifteenth of the difference between the actual market value of assets and the expected value of assets, as of the valuation date. However, in no case will the actuarial value of assets be less than 80% or greater than 120% of the actual market value of assets.

In June 2009, the CalPERS Board adopted changes to the asset smoothing method in order to phase in over a three-year period the impact of the negative -24 percent investment loss experienced by CalPERS in fiscal year 2008-09. The following changes were adopted:

- Increase the corridor limits for the actuarial value of assets from 80 percent/120 percent of market value to 60 percent/140 percent of market value on June 30, 2009
- Reduce the corridor limits for the actuarial value of assets to 70 percent/130 percent of market value on June 30, 2010
- Return to the 80 percent/120 percent of market value corridor limits for the actuarial value of assets on June 30, 2011 and thereafter

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

Actuarial Assumptions

The actuarial calculation is based on two categories: Economic and Demographic.

1. Economic Assumptions:
 - a) Discount rate is 7.50% compounded annually
 - b) Termination liability discount rate is a weighted average of the 10 and 30-year US Treasury yields in effect on the valuation date that equal the duration of the pension liabilities
 - c) Salary growth annual increases vary by category (miscellaneous or safety), entry age and duration of service, ranging from 3.30% to 14.20%
 - d) Overall payroll growth is 3.00% compounded annually
 - e) Inflation is 2.75% compounded annually
 - f) Non-valued potential additional liabilities – the potential liability loss for a cost of living increase exceeding the 2.75% inflation assumption, and any potential liability loss from future member service purchases are not reflected in the valuation
 - g) Miscellaneous loading factors such as credit for unused sick leave

2. Demographic Assumptions:
 - a) Pre-retirement mortality
 - b) Post-retirement mortality
 - c) Marital status
 - d) Age of spouse
 - e) Terminated members
 - f) Non-industrial (not job-related) disability
 - g) Industrial (job-related) disability
 - h) Service retirement

Annual Pension Cost

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013:			
Misc.	\$ 14,066	100%	\$ 0
Safety	14,468	100%	0
Total	<u>\$ 28,534</u>	100%	\$ 0

Schedule of Pension Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability <AAL> – Entry Age (B)	(Over- funded)/ Unfunded AAL (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	(Overfunded AAL)/ Unfunded AAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2012:						
Misc.	\$ 755,863	861,889	106,026	87.70%	\$ 101,681	104.27%
Safety	492,663	625,617	132,954	78.75%	47,930	277.39%
Total	<u>\$ 1,248,526</u>	<u>1,487,506</u>	<u>238,980</u>	83.93%	<u>\$ 149,611</u>	159.73%

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

E. 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. Advances to/from other funds are borrowings until the fund is healthy to pay it back. Some advances are formal lending agreements between the funds.

Due to/from other funds for fiscal year 2012-13 consisted of the following:

Due to General fund from:		
Nonmajor governmental funds	\$	10,652
Due to Sewer fund from:		
Water fund	\$	12,878

Advances to/from other funds for fiscal year 2012-13 consisted of the following:

Advance from General fund to:		
Emergency Medical Services fund	\$	1,946
Advance from Sewer fund to:		
ISD Wireless fund	\$	2,800

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	\$ 20,857	Fund general fund operations
Nonmajor enterprise funds	<u>3,050</u>	Fund general fund operations
	<u>23,907</u>	
Transfers to nonmajor governmental funds from:		
General fund	734	Fund fire paramedics operations
Nonmajor governmental fund	1,054	Fund housing project development
Capital improvement fund	1,392	Fund MSB Building lease payment
Capital improvement fund	<u>250</u>	Fund Scholl Canyon Landfill reserve
	<u>3,430</u>	
Transfers to capital improvement fund from:		
General fund	310	Fund capital improvement projects
Sewer fund	<u>1,392</u>	Fund capital improvement projects
	<u>1,702</u>	
Transfers to internal service funds from:		
Internal service fund	<u>700</u>	Fund ISD equipment replacement
	<u>700</u>	
Total Interfund Transfers	<u>\$ 29,739</u>	

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

F. Successor Agency Trust For Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Glendale that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12-01.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in governmental funds – increase to net assets of the Successor Agency Trust Fund	\$ 7,504*
Capital assets recorded in the government-wide financial statements – decrease to net assets of the Successor Agency Trust Fund.	<u>(1,081)**</u>
Net increase to net assets of the Successor Agency Trust Fund as a result of transfers (equal to amount of extraordinary loss reported in the government-wide financial statements of the City)	<u>\$ 6,423</u>

*This amount is the Housing Authority’s portion of the former Glendale Redevelopment Agency’s Subordinate Taxable Tax Allocation Bonds 2011 series Bond Proceeds. Due to AB 1x 26, this amount was transferred in fiscal year 2012 to the Housing Authority’s Project Fund. However, with the passage of AB 1484, it was determined that these Bond Proceeds belong to the Successor Agency and therefore, these funds were transferred back to the Successor Agency Trust Fund.

**During this fiscal year, a Due Diligence Review (DDR) of the former Glendale Redevelopment Agency’s Other Fund Account (OFA) Assets was requested by the State Department of Finance. During the review, it was determined that this asset belongs to the Housing Authority, that was incorrectly recorded in the former Redevelopment Agency’s financial statements since its acquisition in 1993. It was noted on the DDR and was approved by the State Department of Finance that this asset will be transferred to the Housing Authority this fiscal year.

G. Subsequent Events

Prior to the end of fiscal year 2012-2013, the Glendale Successor Agency (GSA) obtained approval from the Oversight Board to issue 2013 Series Subordinate Tax Allocation Refunding Bonds in the amount of \$44,985, to refinance outstanding obligations of the former Glendale Redevelopment Agency on the existing Tax Allocation Bonds 2002 and 2003 Refunding Series, to purchase a debt service reserve fund surety bond for the Bonds and to provide funds for the costs of issuing the Bonds. The refunding of these Bonds will provide savings in debt service payments for an approximate amount of \$985 until the refunding bonds are paid in full. This refunding has been approved by the State Department of Finance and occurred on December 2, 2013.

Prior to the end of fiscal year 2012-2013, the City Council approved the issuance of the Electric Revenue Bonds 2013 series in the amount of \$60,000, to provide funds for the acquisition and construction of certain improvements to the City’s public utility (the “Electric System”), making a deposit to the Parity Reserve Fund and paying the costs of issuance. The Bond issuance is projected to be funded on December 5, 2013.

H. Pronouncement Issued but Not yet Accepted

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the City, except that GASB Statement No. 68 and No. 71 will have an effect on the City’s net position. However, management has not calculated such effect.

- GASB Statement No. 66 – *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62.*
- GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.*
- GASB Statement No. 69 – *Government Combinations and Disposals of Government Operations.*

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

- GASB Statement No. 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees.*
- GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date.*

I. Implementation of Pronouncement

The City has adopted and implemented the following GASB Statements during the year ended June 30, 2013:

- GASB Statement No. 60 – *Accounting and Financial Reporting for Service Concession Arrangements.*
- GASB Statement No. 61 – *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34.*
- GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*
- GASB Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*
- GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities.*

The implementation of GASB Statements No. 60, No. 61 and No. 62 did not impact the financial statements of the City during the year ended June 30, 2013.

The implementation of GASB Statements No. 63 impacted certain terminology used but did not have an impact on the net position at June 30, 2013, or the change in net position during the year ended June 30, 2013.

The implementation of GASB Statement No. 65 impacted the City’s net position as of June 30, 2011 and 2012 and the change in net position during the fiscal year ended June 30, 2012.

During the year ended June 30, 2013, the City early implemented GASB Statement No. 65. As a result, the cumulative effect on beginning net position as well as certain asset accounts have been restated from previously issued financial statements to reflect the City’s write off of unamortized issuance costs. In addition, the City issued water revenue bonds 2012 series and electric revenue bonds 2013 refunding series. The cost of issuance for each issue was expensed in its respective fund. Statement No. 65 clarifies the appropriate reporting of deferred outflows of resources to ensure consistency in financial reporting.

The effect on the City’s previously issued June 30, 2012 financial statements due to the implementation of GASB No. 65 is summarized as follows:

Business-type activities:

Statement of Net Position Balances as of June 30, 2012	Previously Reported Balance	Increase (Decrease)	Balance as Restated
Deferred charges	\$3,112	(\$3,112)	\$0
Total assets	\$649,137	(\$3,112)	\$646,025
Ending net position	\$440,609	(\$3,112)	\$437,497

The impact had the effect of decreasing the change in the business-type activities net position for fiscal year ended June 30, 2012 of \$3,112.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

Electric fund

Statement of Net Position Balances as of June 30, 2012	Previously Reported Balance	Increase (Decrease)	Balance as Restated
Deferred charges	\$2,527	(\$2,527)	\$0
Total assets	\$465,653	(\$2,527)	\$463,126
Ending net position	\$337,337	(\$2,527)	\$334,810

The impact had the effect of decreasing the change in the electric fund's net position for fiscal year ended June 30, 2012 of \$2,527.

Water fund

Statement of Net Position Balances as of June 30, 2012	Previously Reported Balance	Increase (Decrease)	Balance as Restated
Deferred charges	\$585	(\$585)	\$0
Total assets	\$183,484	(\$585)	\$182,899
Ending net position	\$103,272	(\$585)	\$102,687

The impact had the effect of decreasing the change in the water fund's net position for fiscal year ended June 30, 2012 of \$585.

Governmental activities:

Statement of Net Position Balances as of June 30, 2012	Previously Reported Balance	Increase (Decrease)	Balance as Restated
Deferred charges	\$414	(\$414)	\$0
Total assets	\$1,160,278	(\$414)	\$1,159,864
Ending net position	\$947,000	(\$414)	\$946,586

The impact had the effect of decreasing the change in the governmental activities fund's net position for fiscal year ended June 30, 2012 of \$414.

The effect on the Fiduciary fund's previously issued June 30, 2012 financial statements due to the implementation of GASB No. 65 is summarized as follows:

Statement of Net Position Balances as of June 30, 2012	Previously Reported Balance	Increase (Decrease)	Balance as Restated
Deferred charges	\$2,493	(\$2,493)	\$0
Total assets	\$175,641	(\$2,493)	\$173,148
Ending net position	\$7,055	(\$2,493)	\$4,562

The impact had the effect of decreasing the change in the fiduciary fund's net position for fiscal year ended June 30, 2012 of \$2,493.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2013

(in thousands)

J. Restatement of Net Position Components

Subsequent to the issuance of the Comprehensive Annual Financial Report (CAFR), the City determined that the amounts reported in Business-Type Activities and the Water Fund for "Net Investment in Capital Assets" and "Unrestricted" were understated and overstated respectively by \$27,208, which represented restricted cash from unspent bond proceeds. As a result, Net Position components of Business-Type Activities and the Water Fund have been restated to correct the error. This restatement had no effect on the change in net position for the year ended June 30, 2013 or 2012.

The effect on the Net Position components of Business-Type Activities and the Water Fund's previously issued June 30, 2013 financial statements is summarized as follows:

Business-Type Activities:

Statement of Net Position at June 30, 2013	Previously Reported Balance	Restatement Increase (Decrease)	Balance as Restated
Net Investment in Capital Assets	\$489,566	\$27,208	\$516,774
Restricted	\$5,669	\$0	\$5,669
Unrestricted	\$186,432	\$(27,208)	\$159,224
Total Net Position	\$681,667	\$0	\$681,667

Water Fund:

Statement of Net Position at June 30, 2013	Previously Reported Balance	Restatement Increase (Decrease)	Balance as Restated
Net Investment in Capital Assets	\$88,234	\$27,208	\$115,442
Unrestricted	\$20,407	\$(27,208)	\$(6,801)
Total Net Position	\$108,641	\$0	\$108,641

CITY OF GLENDALE

Required Supplementary Information

Fiscal Year Ended June 30, 2013

(in thousands)

(A) Employee Retirement Plan**Schedule of Annual Pension Cost**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011:			
Misc.	\$ 11,922	100%	\$ 0
Safety	12,916	100%	0
Total	<u>24,838</u>	100%	0
6/30/2012:			
Misc.	15,821	100%	0
Safety	14,749	100%	0
Total	<u>30,570</u>	100%	0
6/30/2013:			
Misc.	14,066	100%	0
Safety	14,468	100%	0
Total	<u>\$ 28,534</u>	100%	\$ 0

Schedule of Pension Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability <AAL> – Entry Age (B)	(Over- funded)/ Unfunded AAL (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	(Overfunded AAL)/ Unfunded AAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2010:						
Misc.	\$ 694,063	788,085	94,022	88.07%	\$ 104,409	90.05%
Safety	449,556	560,655	111,099	80.18%	50,320	220.78%
Total	<u>1,143,619</u>	<u>1,348,740</u>	<u>205,121</u>	84.79%	<u>154,729</u>	132.57%
6/30/2011:						
Misc.	727,228	830,155	102,927	87.60%	103,355	99.59%
Safety	472,794	596,914	124,120	79.21%	49,932	248.58%
Total	<u>1,200,022</u>	<u>1,427,069</u>	<u>227,047</u>	84.09%	<u>153,287</u>	148.12%
6/30/2012:						
Misc.	755,863	861,889	106,026	87.70%	101,681	104.27%
Safety	492,663	625,617	132,954	78.75%	47,930	277.39%
Total	<u>\$ 1,248,526</u>	<u>1,487,506</u>	<u>238,980</u>	83.93%	<u>\$ 149,611</u>	159.73%

CITY OF GLENDALE
 Required Supplementary Information
 Fiscal Year Ended June 30, 2013
 (in thousands)

(B) Postemployment Healthcare Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(A)	(B)	(B-A)	(A/B)	(C)	((B-A)/C)
6/30/2007	\$ 0	27,902	27,902	0%	\$ 133,050	21%
6/30/2009	0	103,947	103,947	0%	140,934	74%
6/30/2011	\$ 0	191,063	191,063	0%	\$ 140,403	136%

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, Housing Assistance 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.

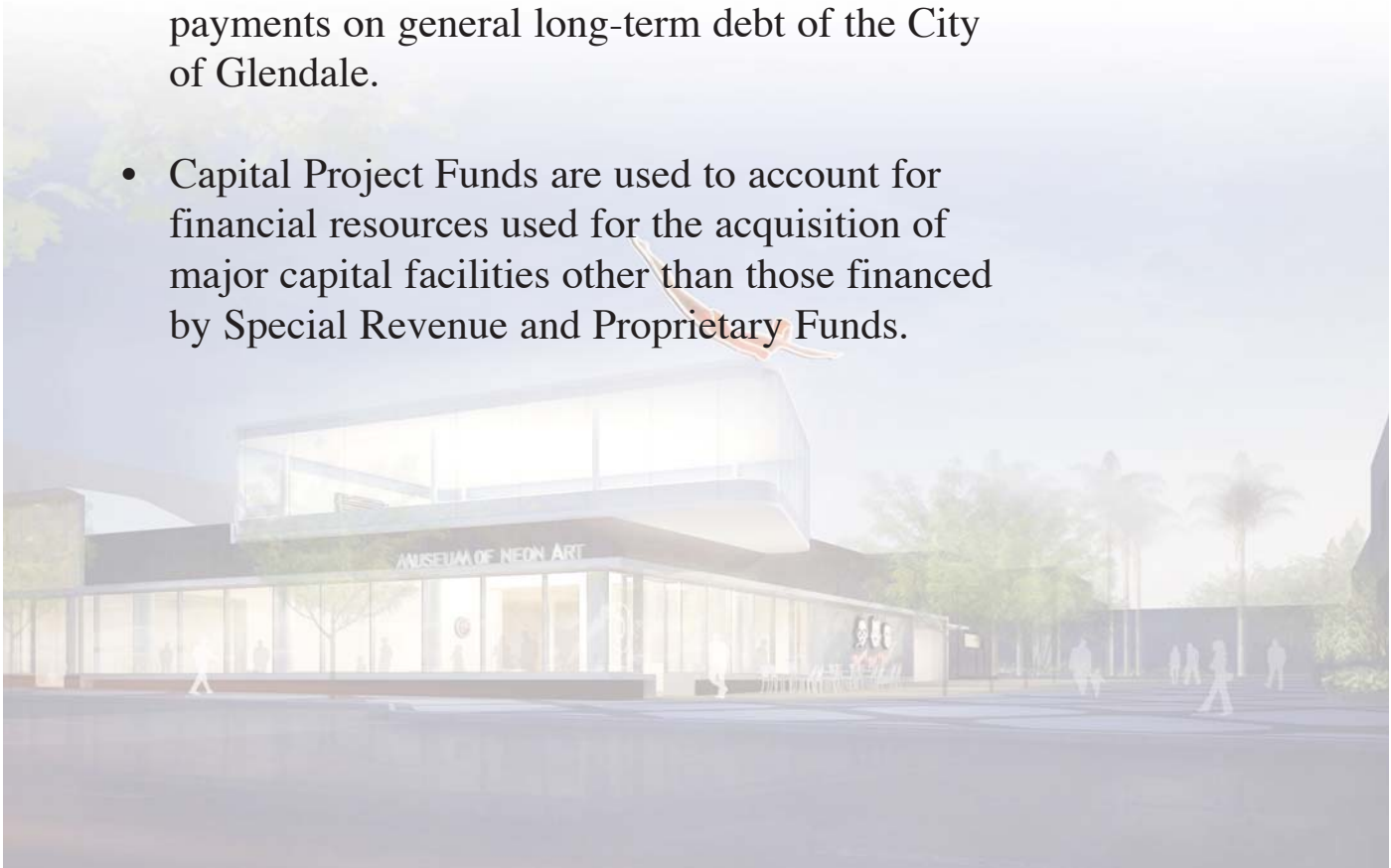


Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013 (in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets				
Pooled cash and investments	\$ 28,885	26,655	14,390	69,930
Cash with fiscal agent	-	5,005	-	5,005
Designated & invested cash	-	-	22,350	22,350
Interest receivable	497	66	35	598
Accounts receivable, net	14,975	-	418	15,393
Prepaid items	37	-	-	37
Loans receivable	4,959	-	-	4,959
Property held for resale	6,007	-	-	6,007
Total assets	55,360	31,726	37,193	124,279
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	4,627	131	455	5,213
Due to other funds	10,652	-	-	10,652
Advance from other funds	1,946	-	-	1,946
Interest payable	-	5	-	5
Unearned revenues	5	-	-	5
Deposits	287	-	-	287
Total liabilities	17,517	136	455	18,108
Deferred inflows of resources:				
Deferred revenues	6,086	-	19	6,105
Total liabilities and deferred inflows of resources	23,603	136	474	24,213
Fund Balances:				
Nonspendable:				
Prepaid	37	-	-	37
Restricted for:				
Federal and state grants	3,169	-	-	3,169
Public safety	1,127	-	-	1,127
Transportation	15,569	-	-	15,569
Landscaping district	48	-	-	48
Low and moderate housing	15,605	-	-	15,605
Air quality improvement	269	-	-	269
Cable access	783	-	-	783
Electric public benefit AB1890	1,308	-	-	1,308
State gas tax mandates	-	-	8,539	8,539
Landfill postclosure	-	-	22,350	22,350
Committed to:				
Debt service	-	31,590	-	31,590
Urban art	1,893	-	-	1,893
Public safety	116	-	-	116
Impact fee funded projects	-	-	5,830	5,830
Unassigned:	(8,167)	-	-	(8,167)
Total fund balances	31,757	31,590	36,719	100,066
Total liabilities, deferred inflows of resources and fund balances	\$ 55,360	31,726	37,193	124,279

CITY OF GLENDALE

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

Nonmajor Governmental Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Sales taxes	\$ 1,996	-	-	1,996
Other taxes	5,731	-	-	5,731
Revenue from other agencies	39,026	-	4,654	43,680
Licenses and permits	918	-	1,612	2,530
Fines and forfeitures	613	-	-	613
Charges for services	14,652	-	-	14,652
Use of money and property	69	(12)	85	142
Miscellaneous revenue	4,122	-	-	4,122
Total Revenues	67,127	(12)	6,351	73,466
Expenditures:				
Operating expenditures				
Police	3,263	597	-	3,860
Fire	8,273	-	-	8,273
Public works	13,199	-	2,698	15,897
Housing, health & community development	8,858	-	-	8,858
Employment programs	5,807	-	-	5,807
Public service	4,656	-	-	4,656
Parks, recreation and community services	347	-	226	573
Library	173	-	-	173
Capital	12,333	-	5,981	18,314
Debt service				
Interest expenses	36	205	-	241
Principal	401	3,075	-	3,476
Total expenditures	57,346	3,877	8,905	70,128
Excess of revenues over (under) expenditures	9,781	(3,889)	(2,554)	3,338
Other financing sources (uses):				
Transfers in	1,788	1,392	250	3,430
Transfers out	(1,054)	-	-	(1,054)
Total financing sources	734	1,392	250	2,376
Extraordinary (loss)	(7,504)	-	-	(7,504)
Net change in fund balances	3,011	(2,497)	(2,304)	(1,790)
Fund balances, July 1	28,746	34,087	39,023	101,856
Fund balances, June 30	\$ 31,757	31,590	36,719	100,066

SPECIAL REVENUE FUNDS

- CDBG Fund - To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant (CDBG) Program.
- 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 and expended by the City under the Supportive Housing Grant Program to address the homeless needs of the City.
- Emergency Solutions Grant Fund - To account for monies received and expended by the City under the Emergency Solutions Grant Program to address the homeless needs of the City.
- Workforce Investment Act Fund - To account for grant monies received and expended for the federally funded job training programs.
- Urban Art Fund - To account for art fees collected by the City from contractors to make sure that art is added to all new constructions in the city.
- Glendale Youth Alliance Fund - To account for monies received and expended in the youth employment programs.
- BEGIN Affordable Homeownership Fund - To account for monies received and expended by the City under the Building Equity and Growth in Neighborhoods (BEGIN) grant to provide down payment assistance to 57 eligible first time home buyers in the Doran Gardens project.
- Low & Moderate Income Housing Asset Fund - To account for monies received and expended for low and moderate income housing activities pursuant to AB1484.
- Air Quality Improvement Fund - To account for monies received from South Coast Air Quality Management District and expended on air pollution reduction.
- PW Special Grants Fund - To account for various grants received and expended by the City in the Public Works (PW) department.
- 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 Local Return Fund - To account for monies received from the ½ cent sales tax increase approved in November 2008 by Los Angeles County voters, and the related transportation and street expenses.
- Measure R Regional Return Fund - To account for monies received from the various grants that are funded by the Measure R, which is the ½ cent sales tax increase approved in November 2008 by Los Angeles County voters, and the related transportation and street project expenses.
- Transit Prop A Local Return Fund - To account for monies received from a portion of the sales tax via Prop A which is restricted to transportation-related activities.
- Transit Prop C Local Return Fund - To account for monies received from a portion of the sales tax via Prop C which is restricted to transportation-related activities.
- Transit Utility Fund - To capture the revenues and expenses associated with the operation of fixed route and demand response transit services for reporting to state and federal regulators.
- Asset 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.

- Police Special Grants Fund - To account for various small grants received and expended by the City in the Police department, 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).
- 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 the Federal government 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 Fund - To account for grant monies, donations, and special revenues received and expended for library services from Federal, 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.
- Emergency Medical Services Fund - To account for operations of the emergency transport and paramedic service in the City.

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds-Special Revenue Funds
 June 30, 2013 (in thousands)

	CDBG Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Solutions Grant Fund
Assets				
Pooled cash and investments	\$ -	-	-	-
Interest receivable	-	-	-	-
Accounts receivable, net	302	1,198	598	121
Prepaid items	-	-	37	-
Loans receivable	-	-	-	-
Property held for resale	-	-	-	-
Total assets	302	1,198	635	121
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	198	407	191	20
Due to other funds	146	791	444	101
Advance from other funds	-	-	-	-
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	344	1,198	635	121
Deferred inflows of resources:				
Deferred revenues	-	-	-	-
Total liabilities and deferred inflows of resources	344	1,198	635	121
Fund Balances:				
Nonspendable:				
Prepaid	-	-	37	-
Restricted for:				
Federal and state grants	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Committed to:				
Urban art	-	-	-	-
Public safety	-	-	-	-
Unassigned:	(42)	-	(37)	-
Total fund balances (deficits)	(42)	-	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ 302	1,198	635	121

(Continued)

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds-Special Revenue Funds
 June 30, 2013 (in thousands)

		Workforce Investment Act Fund	Urban Art Fund	Glendale Youth Alliance Fund	BEGIN Affordable Homeownership Fund
Assets					
Pooled cash and investments	\$	154	1,888	-	612
Interest receivable		-	5	-	3
Accounts receivable, net		470	-	128	-
Prepaid items		-	-	-	-
Loans receivable		-	-	-	-
Property held for resale		-	-	-	-
Total assets		624	1,893	128	615
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable		109	-	-	-
Due to other funds		-	-	140	-
Advance from other funds		-	-	-	-
Unearned revenues		-	-	-	-
Deposits		1	-	-	-
Total liabilities		110	-	140	-
Deferred inflows of resources:					
Deferred revenues		-	-	-	-
Total liabilities and deferred inflows of resources		110	-	140	-
Fund Balances:					
Nonspendable:					
Prepaid		-	-	-	-
Restricted for:					
Federal and state grants		514	-	-	615
Public safety		-	-	-	-
Transportation		-	-	-	-
Landscaping district		-	-	-	-
Low and moderate housing		-	-	-	-
Air quality improvement		-	-	-	-
Cable access		-	-	-	-
Electric public benefit AB1890		-	-	-	-
Committed to:					
Urban art		-	1,893	-	-
Public safety		-	-	-	-
Unassigned:		-	-	(12)	-
Total fund balances (deficits)		514	1,893	(12)	615
Total liabilities, deferred inflows of resources and fund balances	\$	624	1,893	128	615

(Continued)

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds-Special Revenue Funds
 June 30, 2013 (in thousands)

	Low & Moderate Income Housing Asset Fund	Air Quality Improvement Fund	PW Special Grants Fund	San Fernando Landscape District Fund
Assets				
Pooled cash and investments	\$ 4,424	164	-	53
Interest receivable	435	-	-	-
Accounts receivable, net	219	122	610	-
Prepaid items	-	-	-	-
Loans receivable	4,959	-	-	-
Property held for resale	6,007	-	-	-
Total assets	16,044	286	610	53
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	12	17	173	5
Due to other funds	-	-	464	-
Advance from other funds	-	-	-	-
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	12	17	637	5
Deferred inflows of resources:				
Deferred revenues	427	-	280	-
Total liabilities and deferred inflows of resources	439	17	917	5
Fund Balances:				
Nonspendable:				
Prepaid	-	-	-	-
Restricted for:				
Federal and state grants	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Landscaping district	-	-	-	48
Low and moderate housing	15,605	-	-	-
Air quality improvement	-	269	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Committed to:				
Urban art	-	-	-	-
Public safety	-	-	-	-
Unassigned:	-	-	(307)	-
Total fund balances (deficits)	15,605	269	(307)	48
Total liabilities, deferred inflows of resources and fund balances	\$ 16,044	286	610	53

(Continued)

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds-Special Revenue Funds
 June 30, 2013 (in thousands)

		Measure R			
		Measure R Local	Regional Return	Transit Prop A	Transit Prop C
		Return Fund	Fund	Local Return Fund	Local Return Fund
Assets					
Pooled cash and investments	\$	3,099	-	9,082	3,547
Interest receivable		7	-	22	9
Accounts receivable, net		-	2,899	214	171
Prepaid items		-	-	-	-
Loans receivable		-	-	-	-
Property held for resale		-	-	-	-
Total assets		3,106	2,899	9,318	3,727
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable		-	1,433	294	288
Due to other funds		-	1,466	-	-
Advance from other funds		-	-	-	-
Unearned revenues		-	-	-	-
Deposits		-	-	-	-
Total liabilities		-	2,899	294	288
Deferred inflows of resources:					
Deferred revenues		-	759	-	-
Total liabilities and deferred inflows of resources		-	3,658	294	288
Fund Balances:					
Nonspendable:					
Prepaid		-	-	-	-
Restricted for:					
Federal and state grants		-	-	-	-
Public safety		-	-	-	-
Transportation		3,106	-	9,024	3,439
Landscaping district		-	-	-	-
Low and moderate housing		-	-	-	-
Air quality improvement		-	-	-	-
Cable access		-	-	-	-
Electric public benefit AB1890		-	-	-	-
Committed to:					
Urban art		-	-	-	-
Public safety		-	-	-	-
Unassigned:		-	(759)	-	-
Total fund balances (deficits)		3,106	(759)	9,024	3,439
Total liabilities, deferred inflows of resources and fund balances	\$	3,106	2,899	9,318	3,727

(Continued)

Exhibit H-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds-Special Revenue Funds
June 30, 2013 (in thousands)

	Asset Forfeiture Fund	Police Special Grants Fund	Supplemental Law Enforcement Fund	Fire Grant Fund
Assets				
Pooled cash and investments	\$ 1,148	-	67	-
Interest receivable	3	-	-	-
Accounts receivable, net	-	694	101	2,096
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
Property held for resale	-	-	-	-
Total assets	1,151	694	168	2,096
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	135	71	-	128
Due to other funds	-	640	-	1,908
Advance from other funds	-	-	-	-
Unearned revenues	-	-	-	-
Deposits	57	-	-	-
Total liabilities	192	711	-	2,036
Deferred inflows of resources:				
Deferred revenues	-	149	-	1,850
Total liabilities and deferred inflows of resources	192	860	-	3,886
Fund Balances:				
Nonspendable:				
Prepaid	-	-	-	-
Restricted for:				
Federal and state grants	-	-	-	-
Public safety	959	-	168	-
Transportation	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Committed to:				
Urban art	-	-	-	-
Public safety	-	-	-	-
Unassigned:	-	(166)	-	(1,790)
Total fund balances (deficits)	959	(166)	168	(1,790)
Total liabilities, deferred inflows of resources and fund balances	\$ 1,151	694	168	2,096

(Continued)

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds-Special Revenue Funds
 June 30, 2013 (in thousands)

	Fire Mutual Aid Fund	Special Events Fund	Nutritional Meals Grant Fund	Library Fund
Assets				
Pooled cash and investments	\$ -	111	20	2,008
Interest receivable	-	1	-	5
Accounts receivable, net	84	-	20	2
Prepaid items	-	-	-	-
Loans receivable	-	-	-	-
Property held for resale	-	-	-	-
Total assets	84	112	40	2,015
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	-	-	15	-
Due to other funds	75	-	-	-
Advance from other funds	-	-	-	-
Unearned revenues	-	5	-	-
Deposits	-	-	-	-
Total liabilities	75	5	15	-
Deferred inflows of resources:				
Deferred revenues	-	-	-	-
Total liabilities and deferred inflows of resources	75	5	15	-
Fund Balances:				
Nonspendable:				
Prepaid	-	-	-	-
Restricted for:				
Federal and state grants	-	-	25	2,015
Public safety	-	-	-	-
Transportation	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Committed to:				
Urban art	-	-	-	-
Public safety	9	107	-	-
Unassigned:	-	-	-	-
Total fund balances (deficits)	9	107	25	2,015
Total liabilities, deferred inflows of resources and fund balances	\$ 84	112	40	2,015

(Continued)

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds-Special Revenue Funds
 June 30, 2013 (in thousands)

	Cable Access Fund	Electric Public Benefit Fund	Emergency Medical Services Fund	Total Nonmajor Special Revenue Funds
Assets				
Pooled cash and investments	\$ 1,015	1,493	-	28,885
Interest receivable	3	4	-	497
Accounts receivable, net	47	851	4,028	14,975
Prepaid items	-	-	-	37
Loans receivable	-	-	-	4,959
Property held for resale	-	-	-	6,007
Total assets	1,065	2,348	4,028	55,360
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	282	814	35	4,627
Due to other funds	-	-	4,477	10,652
Advance from other funds	-	-	1,946	1,946
Unearned revenues	-	-	-	5
Deposits	-	226	3	287
Total liabilities	282	1,040	6,461	17,517
Deferred inflows of resources:				
Deferred revenues	-	-	2,621	6,086
Total liabilities and deferred inflows of resources	282	1,040	9,082	23,603
Fund Balances:				
Nonspendable:				
Prepaid	-	-	-	37
Restricted for:				
Federal and state grants	-	-	-	3,169
Public safety	-	-	-	1,127
Transportation	-	-	-	15,569
Landscaping district	-	-	-	48
Low and moderate housing	-	-	-	15,605
Air quality improvement	-	-	-	269
Cable access	783	-	-	783
Electric public benefit AB1890	-	1,308	-	1,308
Committed to:				
Urban art	-	-	-	1,893
Public safety	-	-	-	116
Unassigned:	-	-	(5,054)	(8,167)
Total fund balances (deficits)	783	1,308	(5,054)	31,757
Total liabilities, deferred inflows of resources and fund balances	\$ 1,065	2,348	4,028	55,360

Exhibit H-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds-Special Revenue Funds
Fiscal Year Ended June 30, 2013 (in thousands)

	CDBG Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Solutions Grant Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	2,573	1,337	2,191	356
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	3	-	-	-
Use of money and property	-	-	-	-
Miscellaneous revenue	-	351	-	-
Total revenues	<u>2,576</u>	<u>1,688</u>	<u>2,191</u>	<u>356</u>
Expenditures:				
Operating expenditures				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community development	2,290	634	2,191	337
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital	402	-	-	-
Debt service	437	-	-	-
Total expenditures	<u>3,129</u>	<u>634</u>	<u>2,191</u>	<u>337</u>
Excess of revenues over (under) expenditures	<u>(553)</u>	<u>1,054</u>	<u>-</u>	<u>19</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(1,054)	-	-
Total financing sources (uses)	<u>-</u>	<u>(1,054)</u>	<u>-</u>	<u>-</u>
Extraordinary (loss)	-	-	-	-
Net change in fund balances	<u>(553)</u>	<u>-</u>	<u>-</u>	<u>19</u>
Fund balances (deficits), July 1	<u>511</u>	<u>-</u>	<u>-</u>	<u>(19)</u>
Fund balances (deficits), June 30	<u>\$ (42)</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

Exhibit H-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds-Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Workforce Investment Act Fund	Urban Art Fund	Glendale Youth Alliance Fund	BEGIN Affordable Homeownership Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	4,263	-	-	4,000
Licenses and permits	-	918	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	1,473	-
Use of money and property	-	2	-	9
Miscellaneous revenue	44	-	-	-
Total revenues	4,307	920	1,473	4,009
Expenditures:				
Operating expenditures				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community development	-	-	-	3,394
Employment programs	4,270	-	1,537	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	11	-	-
Capital	-	-	-	-
Debt service	-	-	-	-
Total expenditures	4,270	11	1,537	3,394
Excess of revenues over (under) expenditures	37	909	(64)	615
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total financing sources (uses)	-	-	-	-
Extraordinary (loss)	-	-	-	-
Net change in fund balances	37	909	(64)	615
Fund balances (deficits), July 1	477	984	52	-
Fund balances (deficits), June 30	\$ 514	1,893	(12)	615

(Continued)

Exhibit H-2

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

Nonmajor Governmental Funds-Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Low & Moderate Income Housing Asset Fund	Air Quality Improvement Fund	PW Special Grants Fund	San Fernando Landscape Distrcet Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	-	292	1,275	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	8	-	-
Use of money and property	48	-	-	-
Miscellaneous revenue	3,056	-	-	60
Total revenues	3,104	300	1,275	60
Expenditures:				
Operating expenditures				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	245	113	55
Housing, health and community development	12	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital	-	-	958	-
Debt service	-	-	-	-
Total expenditures	12	245	1,071	55
Excess of revenues over (under) expenditures	3,092	55	204	5
Other financing sources (uses):				
Transfers in	1,054	-	-	-
Transfers out	-	-	-	-
Total financing sources (uses)	1,054	-	-	-
Extraordinary (loss)	(7,504)	-	-	-
Net change in fund balances	(3,358)	55	204	5
Fund balances (deficits), July 1	18,963	214	(511)	43
Fund balances (deficits), June 30	\$ 15,605	269	(307)	48

(Continued)

Exhibit H-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds-Special Revenue Funds
Fiscal Year Ended June 30, 2013 (in thousands)

	Measure R Measure R Local Return Fund	Measure R Regional Return Fund	Measure R Transit Prop A Local Return Fund
Revenues:			
Sales taxes	\$ 1,996	-	-
Other taxes	-	-	-
Revenue from other agencies	-	6,338	3,213
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	40
Use of money and property	3	-	17
Miscellaneous revenue	-	-	-
Total revenues	<u>1,999</u>	<u>6,338</u>	<u>3,270</u>
Expenditures:			
Operating expenditures			
Police	-	-	-
Fire	-	-	-
Public works	-	104	2,861
Housing, health and community development	-	-	-
Employment programs	-	-	-
Public service	-	-	-
Parks, recreation and community services	-	-	-
Library	-	-	-
Capital	-	6,993	-
Debt service	-	-	-
Total expenditures	<u>-</u>	<u>7,097</u>	<u>2,861</u>
Excess of revenues over (under) expenditures	<u>1,999</u>	<u>(759)</u>	<u>409</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Extraordinary (loss)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,999	(759)	409
Fund balances (deficits), July 1	<u>1,107</u>	<u>-</u>	<u>8,615</u>
Fund balances (deficits), June 30	<u>\$ 3,106</u>	<u>(759)</u>	<u>9,024</u>

(Continued)

Exhibit H-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds-Special Revenue Funds
Fiscal Year Ended June 30, 2013 (in thousands)

	Transit Prop C Local Return Fund	Transit Utility Fund	Asset Forfeiture Fund	Police Special Grants Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	2,669	2,792	-	1,460
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	613	-
Charges for services	32	6,541	-	229
Use of money and property	(7)	-	(1)	-
Miscellaneous revenue	-	267	-	19
Total revenues	<u>2,694</u>	<u>9,600</u>	<u>612</u>	<u>1,708</u>
Expenditures:				
Operating expenditures				
Police	-	-	648	1,643
Fire	-	-	-	-
Public works	2,460	7,361	-	-
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital	-	2,239	-	231
Debt service	-	-	-	-
Total expenditures	<u>2,460</u>	<u>9,600</u>	<u>648</u>	<u>1,874</u>
Excess of revenues over (under) expenditures	<u>234</u>	<u>-</u>	<u>(36)</u>	<u>(166)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total financing sources (uses)	-	-	-	-
Extraordinary (loss)	-	-	-	-
Net change in fund balances	<u>234</u>	<u>-</u>	<u>(36)</u>	<u>(166)</u>
Fund balances (deficits), July 1	<u>3,205</u>	<u>-</u>	<u>995</u>	<u>-</u>
Fund balances (deficits), June 30	<u>\$ 3,439</u>	<u>-</u>	<u>959</u>	<u>(166)</u>

(Continued)

Exhibit H-2

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

Nonmajor Governmental Funds-Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Supplemental Law Enforcement Fund	Fire Grant Fund	Fire Mutual Aid Fund	Special Events Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	245	5,488	277	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	654
Use of money and property	-	1	-	2
Miscellaneous revenue	-	26	-	-
Total revenues	245	5,515	277	656
Expenditures:				
Operating expenditures				
Police	377	-	-	595
Fire	-	699	277	124
Public works	-	-	-	-
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital	-	1,510	-	-
Debt service	-	-	-	-
Total expenditures	377	2,209	277	719
Excess of revenues over (under) expenditures	(132)	3,306	-	(63)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total financing sources (uses)	-	-	-	-
Extraordinary (loss)	-	-	-	-
Net change in fund balances	(132)	3,306	-	(63)
Fund balances (deficits), July 1	300	(5,096)	9	170
Fund balances (deficits), June 30	\$ 168	(1,790)	9	107

(Continued)

Exhibit H-2

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

Nonmajor Governmental Funds-Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Nutritional Meals Grant Fund	Library Fund	Cable Access Fund	Electric Public Benefit Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	5,731
Revenue from other agencies	246	11	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	81	404	-
Use of money and property	-	(10)	-	5
Miscellaneous revenue	44	153	-	42
Total revenues	<u>290</u>	<u>235</u>	<u>404</u>	<u>5,778</u>
Expenditures:				
Operating expenditures				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	4,656
Parks, recreation and community services	347	-	-	-
Library	-	162	-	-
Capital	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>347</u>	<u>162</u>	<u>-</u>	<u>4,656</u>
Excess of revenues over (under) expenditures	<u>(57)</u>	<u>73</u>	<u>404</u>	<u>1,122</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total financing sources (uses)	-	-	-	-
Extraordinary (loss)	-	-	-	-
Net change in fund balances	<u>(57)</u>	<u>73</u>	<u>404</u>	<u>1,122</u>
Fund balances (deficits), July 1	<u>82</u>	<u>1,942</u>	<u>379</u>	<u>186</u>
Fund balances (deficits), June 30	<u>\$ 25</u>	<u>2,015</u>	<u>783</u>	<u>1,308</u>

(Continued)

Exhibit H-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds-Special Revenue Funds
Fiscal Year Ended June 30, 2013 (in thousands)

	Emergency Medical Services Fund	Total Nonmajor Special Revenue Funds
Revenues:		
Sales taxes	\$ -	1,996
Other taxes	-	5,731
Revenue from other agencies	-	39,026
Licenses and permits	-	918
Fines and forfeitures	-	613
Charges for services	5,187	14,652
Use of money and property	-	69
Miscellaneous revenue	60	4,122
Total revenues	<u>5,247</u>	<u>67,127</u>
Expenditures:		
Operating expenditures		
Police	-	3,263
Fire	7,173	8,273
Public works	-	13,199
Housing, health and community development	-	8,858
Employment programs	-	5,807
Public service	-	4,656
Parks, recreation and community services	-	347
Library	-	173
Capital	-	12,333
Debt service	-	437
Total expenditures	<u>7,173</u>	<u>57,346</u>
Excess of revenues over (under) expenditures	<u>(1,926)</u>	<u>9,781</u>
Other financing sources (uses):		
Transfers in	734	1,788
Transfers out	-	(1,054)
Total financing sources (uses)	<u>734</u>	<u>734</u>
Extraordinary (loss)	-	(7,504)
Net change in fund balances	(1,192)	3,011
Fund balances (deficits), July 1	<u>(3,862)</u>	<u>28,746</u>
Fund balances (deficits), June 30	<u>\$ (5,054)</u>	<u>31,757</u>

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget to Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
CDBG Fund:				
Revenue from other agencies	\$ 2,451	2,451	2,573	122
Charges for services	-	-	3	3
Total	<u>2,451</u>	<u>2,451</u>	<u>2,576</u>	<u>125</u>
Home Grant Fund:				
Revenue from other agencies	1,233	7,734	1,337	(6,397)
Miscellaneous revenue	4	4	351	347
Total	<u>1,237</u>	<u>7,738</u>	<u>1,688</u>	<u>(6,050)</u>
Supportive Housing Grant Fund:				
Revenue from other agencies	2,417	2,417	2,191	(226)
Total	<u>2,417</u>	<u>2,417</u>	<u>2,191</u>	<u>(226)</u>
Emergency Solutions Grant Fund:				
Revenue from other agencies	255	286	356	70
Total	<u>255</u>	<u>286</u>	<u>356</u>	<u>70</u>
Workforce Investment Act Fund:				
Revenue from other agencies	4,738	4,738	4,263	(475)
Miscellaneous revenue	27	27	44	17
Total	<u>4,765</u>	<u>4,765</u>	<u>4,307</u>	<u>(458)</u>
Urban Art Fund:				
Use of money and property	-	-	2	2
Licenses & Permits	-	-	918	918
Total	<u>-</u>	<u>-</u>	<u>920</u>	<u>920</u>
Glendale Youth Alliance Fund:				
Charges for services	1,806	1,806	1,473	(333)
Total	<u>\$ 1,806</u>	<u>1,806</u>	<u>1,473</u>	<u>(333)</u>

(Continued)

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget to Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
BEGIN Affordable Homeownership Fund:				
Use of money and property	\$ -	-	9	9
Revenue from other agencies	-	5,266	4,000	(1,266)
Total	-	5,266	4,009	(1,257)
Low & Moderate Income Housing Asset Fund:				
Use of money and property	-	-	48	48
Miscellaneous revenue	220	220	3,056	2,836
Transfers	-	-	1,054	1,054
Total	220	220	4,158	3,938
Air Quality Improvement Fund:				
Use of money and property	5	5	-	(5)
Revenue from other agencies	244	244	292	48
Charges for services	28	28	8	(20)
Total	277	277	300	23
PW Special Grants Fund:				
Revenue from other agencies	-	3,005	1,275	(1,730)
Total	-	3,005	1,275	(1,730)
San Fernando Landscape District Fund:				
Miscellaneous revenue	75	75	60	(15)
Total	75	75	60	(15)
Measure R Local Return Fund:				
Sales taxes	2,020	2,020	1,996	(24)
Use of money and property	19	19	3	(16)
Total	2,039	2,039	1,999	(40)
Measure R Regional Return Fund:				
Revenue from other agencies	800	9,140	6,338	(2,802)
Total	800	9,140	6,338	(2,802)
Transit Prop A Local Return Fund:				
Use of money and property	82	82	17	(65)
Revenue from other agencies	2,976	2,976	3,213	237
Charges for services	100	100	40	(60)
Total	\$ 3,158	3,158	3,270	112

(Continued)

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget to Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Transit Prop C Local Return Fund:				
Use of money and property	\$ 18	18	(7)	(25)
Revenue from other agencies	2,469	2,469	2,669	200
Charges for services	25	25	32	7
Total	<u>2,512</u>	<u>2,512</u>	<u>2,694</u>	<u>182</u>
Transit Utility Fund:				
Revenue from other agencies	6,179	6,179	2,792	(3,387)
Charges for services	9,367	9,367	6,541	(2,826)
Miscellaneous revenue	47	47	267	220
Total	<u>15,593</u>	<u>15,593</u>	<u>9,600</u>	<u>(5,993)</u>
Asset Forfeiture Fund:				
Use of money and property	-	-	(1)	(1)
Fines and forfeitures	-	-	613	613
Total	<u>-</u>	<u>-</u>	<u>612</u>	<u>612</u>
Police Special Grants Fund:				
Revenue from other agencies	657	3,204	1,460	(1,744)
Charges for services	270	270	229	(41)
Miscellaneous revenue	50	50	19	(31)
Total	<u>977</u>	<u>3,524</u>	<u>1,708</u>	<u>(1,816)</u>
Supplemental Law Enforcement Fund:				
Revenue from other agencies	353	353	245	(108)
Total	<u>353</u>	<u>353</u>	<u>245</u>	<u>(108)</u>
Fire Grant Fund:				
Use of money and property	-	-	1	1
Revenue from other agencies	22	672	5,488	4,816
Miscellaneous revenue	-	-	26	26
Total	<u>22</u>	<u>672</u>	<u>5,515</u>	<u>4,843</u>
Fire Mutual Aid Fund:				
Revenue from other agencies	100	100	277	177
Total	<u>\$ 100</u>	<u>100</u>	<u>277</u>	<u>177</u>

(Continued)

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget to Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Special Events Fund:				
Use of money and property	\$ -	-	2	2
Charges for services	788	788	654	(134)
Total	788	788	656	(132)
Nutritional Meals Grant Fund:				
Use of money and property	2	2	-	(2)
Revenue from other agencies	255	255	246	(9)
Miscellaneous revenue	65	65	44	(21)
Total	322	322	290	(32)
Library Fund:				
Use of money and property	10	10	(10)	(20)
Revenue from other agencies	-	10	11	1
Charges for services	110	110	81	(29)
Miscellaneous revenue	44	44	153	109
Total	164	174	235	61
Cable Access Fund:				
Use of money and property	5	5	-	(5)
Charges for services	625	625	404	(221)
Total	630	630	404	(226)
Electric Public Benefit Fund:				
Other taxes	5,973	5,973	5,731	(242)
Use of money and property	3	3	5	2
Miscellaneous revenue	80	80	42	(38)
Total	6,056	6,056	5,778	(278)
Emergency Medical Services Fund:				
Charges for services	14,261	6,533	5,187	(1,346)
Miscellaneous revenue	-	-	60	60
Transfers	734	734	734	-
Total	14,995	7,267	5,981	(1,286)
Total revenues and other financing sources	\$ 62,012	80,634	68,915	(11,719)

Exhibit H-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget to Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
CDBG Fund:				
Housing, health and community development:				
Salaries and benefits	\$ 755	865	884	(19)
Maintenance and operations	531	2,682	1,406	1,276
Capital projects	725	2,477	402	2,075
Debt Service	437	437	437	-
Total	<u>2,448</u>	<u>6,461</u>	<u>3,129</u>	<u>3,332</u>
Home Grant Fund:				
Housing, health and community development:				
Salaries and benefits	219	219	202	17
Maintenance and operations	1,017	6,469	432	6,037
Capital	-	1,100	-	1,100
Transfer to other funds	-	-	1,054	(1,054)
Total	<u>1,236</u>	<u>7,788</u>	<u>1,688</u>	<u>6,100</u>
Supportive Housing Grant Fund:				
Housing, health and community development:				
Salaries and benefits	110	221	119	102
Maintenance and operations	2,308	3,602	2,072	1,530
Total	<u>2,418</u>	<u>3,823</u>	<u>2,191</u>	<u>1,632</u>
Emergency Solutions Grant Fund:				
Housing, health and community development:				
Salaries and benefits	80	142	165	(23)
Maintenance and operations	176	208	172	36
Total	<u>256</u>	<u>350</u>	<u>337</u>	<u>13</u>
Workforce Investment Act Fund:				
Employment and job training services:				
Salaries and benefits	3,024	4,243	2,415	1,828
Maintenance and operations	1,447	1,995	1,855	140
Total	<u>\$ 4,471</u>	<u>6,238</u>	<u>4,270</u>	<u>1,968</u>

(Continued)

Exhibit H-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget to Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Urban Art Fund:				
Library:				
Maintenance and operations	\$ -	17	11	6
Total	<u>-</u>	<u>17</u>	<u>11</u>	<u>6</u>
Glendale Youth Alliance Fund:				
Employment and job training services:				
Salaries and benefits	1,514	1,514	1,272	242
Maintenance and operations	<u>293</u>	<u>293</u>	<u>265</u>	<u>28</u>
Total	<u>1,807</u>	<u>1,807</u>	<u>1,537</u>	<u>270</u>
BEGIN Affordable Homeownership Fund:				
Housing, health and community development:				
Maintenance and operations	-	<u>5,266</u>	<u>3,394</u>	<u>1,872</u>
Total	<u>-</u>	<u>5,266</u>	<u>3,394</u>	<u>1,872</u>
Low & Moderate Income Housing Asset Fund:				
Housing, health and community development:				
Salaries and benefits	215	190	-	190
Maintenance and operations	5	30	12	18
Extraordinary loss	-	-	<u>7,504</u>	<u>(7,504)</u>
Total	<u>220</u>	<u>220</u>	<u>7,516</u>	<u>(7,296)</u>
Air Quality Improvement Fund:				
Public works:				
Salaries and benefits	12	202	176	26
Maintenance and operations	<u>103</u>	<u>103</u>	<u>69</u>	<u>34</u>
Total	<u>115</u>	<u>305</u>	<u>245</u>	<u>60</u>
PW Special Grants Fund:				
Public works:				
Salaries and benefits	-	-	77	(77)
Maintenance and operations	-	-	36	(36)
Capital	-	<u>3,672</u>	<u>958</u>	<u>2,714</u>
Total	<u>\$ -</u>	<u>3,672</u>	<u>1,071</u>	<u>2,601</u>

(Continued)

Exhibit H-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget to Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2013 (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 Fund:				
Public works:				
Maintenance and operations	\$ 81	81	55	26
Total	<u>81</u>	<u>81</u>	<u>55</u>	<u>26</u>
Measure R Regional Return Fund:				
Public works:				
Salaries and benefits	-	48	74	(26)
Maintenance and operations	-	3	30	(27)
Capital	<u>800</u>	<u>9,442</u>	<u>6,993</u>	<u>2,449</u>
Total	<u>800</u>	<u>9,493</u>	<u>7,097</u>	<u>2,396</u>
Transit Prop A Local Return Fund:				
Public works:				
Salaries and benefits	193	193	187	6
Maintenance and operations	5,940	5,940	2,674	3,266
Capital	<u>-</u>	<u>132</u>	<u>-</u>	<u>132</u>
Total	<u>6,133</u>	<u>6,265</u>	<u>2,861</u>	<u>3,404</u>
Transit Prop C Local Return Fund:				
Public works:				
Salaries and benefits	253	253	256	(3)
Maintenance and operations	<u>2,278</u>	<u>2,278</u>	<u>2,204</u>	<u>74</u>
Total	<u>2,531</u>	<u>2,531</u>	<u>2,460</u>	<u>71</u>
Transit Utility Fund:				
Public works:				
Salaries and benefits	352	352	358	(6)
Maintenance and operations	8,546	8,546	7,003	1,543
Capital	<u>6,636</u>	<u>18,319</u>	<u>2,239</u>	<u>16,080</u>
Total	<u>15,534</u>	<u>27,217</u>	<u>9,600</u>	<u>17,617</u>
Asset Forfeiture Fund:				
Public safety:				
Salaries and benefits	433	433	333	100
Maintenance and operations	366	501	315	186
Capital	<u>150</u>	<u>15</u>	<u>-</u>	<u>15</u>
Total	<u>\$ 949</u>	<u>949</u>	<u>648</u>	<u>301</u>

(Continued)

Exhibit H-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget to Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Police Special Grants Fund:				
Public safety:				
Salaries and benefits	\$ 901	2,165	1,161	1,004
Maintenance and operations	135	1,072	482	590
Capital	-	1,817	231	1,586
Total	<u>1,036</u>	<u>5,054</u>	<u>1,874</u>	<u>3,180</u>
Supplemental Law Enforcement Fund:				
Public safety:				
Salaries and benefits	344	344	367	(23)
Maintenance and operations	10	10	10	-
Total	<u>354</u>	<u>354</u>	<u>377</u>	<u>(23)</u>
Fire Grant Fund				
Public safety:				
Salaries and benefits	180	919	198	721
Maintenance and operations	5	715	501	214
Capital	-	1,561	1,510	51
Total	<u>185</u>	<u>3,195</u>	<u>2,209</u>	<u>986</u>
Fire Mutual Aid Fund				
Public safety:				
Salaries and benefits	95	95	277	(182)
Maintenance and operations	3	3	-	3
Total	<u>98</u>	<u>98</u>	<u>277</u>	<u>(179)</u>
Special Events Fund:				
Public safety:				
Salaries and benefits	725	725	674	51
Maintenance and operations	44	44	45	(1)
Total	<u>769</u>	<u>769</u>	<u>719</u>	<u>50</u>
Nutritional Meals Grant Fund:				
Parks, recreation and community services:				
Salaries and benefits	176	176	152	24
Maintenance and operations	229	229	195	34
Total	<u>\$ 405</u>	<u>405</u>	<u>347</u>	<u>58</u>

(Continued)

Exhibit H-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget to Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Library Fund:				
Library:				
Salaries and benefits	\$ 41	97	43	54
Maintenance and operations	146	263	119	144
Total	<u>187</u>	<u>360</u>	<u>162</u>	<u>198</u>
Cable Access Fund:				
General government:				
Maintenance and operations	549	549	-	549
Total	<u>549</u>	<u>549</u>	<u>-</u>	<u>549</u>
Electric Public Benefit Fund:				
Public service:				
Salaries and benefits	349	349	311	38
Maintenance and operations	5,803	5,803	4,345	1,458
Total	<u>6,152</u>	<u>6,152</u>	<u>4,656</u>	<u>1,496</u>
Emergency Medical Services Fund:				
Public safety:				
Salaries and benefits	4,604	4,610	3,382	1,228
Maintenance and operations	11,113	3,385	3,791	(406)
Total	<u>15,717</u>	<u>7,995</u>	<u>7,173</u>	<u>822</u>
Total expenditures and other financing uses	<u>\$ 64,451</u>	<u>107,414</u>	<u>65,904</u>	<u>41,510</u>

DEBT SERVICE FUNDS

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

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Exhibit I-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds - Debt Service Funds
 June 30, 2013 (in thousands)

		<u>Police Building Project Fund</u>
Assets		
Pooled cash and investments	\$	26,655
Cash with fiscal agent		5,005
Interest receivable		<u>66</u>
Total assets		<u><u>31,726</u></u>
 Liabilities and fund balances		
Liabilities:		
Accounts payable		131
Interest payable		<u>5</u>
Total liabilities		<u>136</u>
 Fund Balances:		
Committed to:		
Debt service		<u>31,590</u>
Total fund balances		<u>31,590</u>
Total liabilities and fund balances	\$	<u><u>31,726</u></u>

Exhibit I-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Debt Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Police Building Project Fund	Capital Leases Fund	Total Nonmajor Debt Service Funds
Revenues:			
Use of money and property	\$ (12)	-	(12)
Total Revenues	(12)	-	(12)
Expenditures:			
Operating expenditures			
Police	597	-	597
Debt service			
Interest expenses	88	117	205
Principal	1,800	1,275	3,075
Total expenditures	2,485	1,392	3,877
Excess of revenues over (under) expenditures	(2,497)	(1,392)	(3,889)
Other financing sources (uses):			
Transfers in	-	1,392	1,392
Total financing sources	-	1,392	1,392
Net change in fund balances	(2,497)	-	(2,497)
Fund balances, July 1	34,087	-	34,087
Fund balances, June 30	\$ 31,590	-	31,590

Exhibit I-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget to Actual

Nonmajor Governmental Funds - Debt Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Police Building Project Fund				
Interest and invest. revenue	\$ 400	400	(12)	(412)
Total	400	400	(12)	(412)
Capital Leases Fund				
Transfers	-	1,392	1,392	
Total	-	1,392	1,392	-
Total revenues and other financing sources	\$ 400	1,792	1,380	(412)

Exhibit I-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget to Actual

Nonmajor Governmental Funds - Debt Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Police Building Project Fund				
Administration	\$ 480	480	597	(117)
Debt service	<u>1,920</u>	<u>1,920</u>	<u>1,888</u>	<u>32</u>
Total	<u>2,400</u>	<u>2,400</u>	<u>2,485</u>	<u>(85)</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>
Total expenditures and other financing uses	<u>\$ 3,792</u>	<u>3,792</u>	<u>3,877</u>	<u>(85)</u>

CAPITAL PROJECTS 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.
- Development Impact Fee Funds:

City Council adopted Ordinance No. 5575 on September 11, 2007, in accordance with California AB1600 later on codified under State Government Code section 66006, allowing the City to impose development impact fees on new residential, commercial, office and industrial developments to mitigate the cost of developing new or rehabilitating existing parks and recreational facilities, developing new libraries and/or adding to existing collections in order to maintain adequate parks and library services for those new residents. The Development Impact Fees are broken down into the following three funds:

- Parks Mitigation Fee Fund - To account for the parks revenue collected as impact fees and usage of these funds for allowed projects. In addition, this fund will also be used to guarantee adequate interest accumulation and disbursements of unused funds.
- Library Mitigation Fee Fund - To account for the library revenue collected as impact fees and usage of these funds for allowed projects. In addition, this fund will also be used to guarantee adequate interest accumulation and disbursement of unused funds.
- Parks Quimby Fee Fund - To account for the fees imposed for park or recreational purposes as a condition to the approval of a tentative map or parcel map and usage of these funds for allowed projects. In addition, this fund will also be used to guarantee adequate interest accumulation and disbursements of unused funds.

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Exhibit J-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds-Capital Projects Funds
 June 30, 2013 (in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Parks Mitigation Fee Fund
Assets			
Pooled cash and investments	\$ 8,537	-	5,086
Designated & invested cash	-	22,350	-
Interest receivable	22	-	10
Accounts receivable, net	418	-	-
Total assets	<u>8,977</u>	<u>22,350</u>	<u>5,096</u>
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	419	-	36
Total liabilities	<u>419</u>	<u>-</u>	<u>36</u>
Deferred inflows of resources:			
Deferred revenue	19	-	-
Total liabilities and deferred inflows of resources	<u>438</u>	<u>-</u>	<u>36</u>
Fund Balances:			
Restricted for:			
State gas tax mandates	8,539	-	-
Landfill postclosure	-	22,350	-
Committed to:			
Impact fee funded projects	-	-	5,060
Total fund balances	<u>8,539</u>	<u>22,350</u>	<u>5,060</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,977</u>	<u>22,350</u>	<u>5,096</u>

(Continued)

Exhibit J-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds-Capital Projects Funds
 June 30, 2013 (in thousands)

	Library Mitigation Fee Fund	Parks Quimby Fee Fund	Total Nonmajor Capital Projects Funds
Assets			
Pooled cash and investments	\$ 452	315	14,390
Designated & invested cash	-	-	22,350
Interest receivable	3	-	35
Accounts receivable, net	-	-	418
Total assets	<u>455</u>	<u>315</u>	<u>37,193</u>
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	-	-	455
Total liabilities	<u>-</u>	<u>-</u>	<u>455</u>
Deferred inflows of resources:			
Deferred revenue	-	-	19
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>474</u>
Fund Balances:			
Restricted for:			
State gas tax mandates	-	-	8,539
Landfill postclosure	-	-	22,350
Committed to:			
Impact fee funded projects	455	315	5,830
Total fund balances	<u>455</u>	<u>315</u>	<u>36,719</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 455</u>	<u>315</u>	<u>37,193</u>

Exhibit J-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Capital Projects Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Parks Mitigation Fee Fund
Revenues:			
Revenue from other agencies	\$ 4,654	-	-
Licenses and permits	-	-	794
Use of money and property	(1)	-	72
Total Revenues	4,653	-	866
Expenditures:			
Operating expenditures			
Public works	2,698	-	-
Parks, recreation and community services	-	-	199
Capital	5,882	-	64
Total expenditures	8,580	-	263
Excess of revenues over (under) expenditures	(3,927)	-	603
Other financing sources (uses):			
Transfers in	-	250	-
Total financing sources (uses)	-	250	-
Net change in fund balances	(3,927)	250	603
Fund balances, July 1	12,466	22,100	4,457
Fund balances, June 30	\$ 8,539	22,350	5,060

(Continued)

Exhibit J-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Capital Projects Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Library Mitigation Fee Fund	Parks Quimby Fee Fund	Total Nonmajor Capital Projects Funds
Revenues:			
Revenue from other agencies	-	-	4,654
Licenses and permits	451	367	1,612
Use of money and property	4	10	85
Total Revenues	455	377	6,351
Expenditures:			
Operating expenditures			
Public works	-	-	2,698
Parks, recreation and community services	-	27	226
Capital	-	35	5,981
Total expenditures	-	62	8,905
Excess of revenues over (under) expenditures	455	315	(2,554)
Other financing sources (uses):			
Transfers in	-	-	250
Total financing sources (uses)	-	-	250
Net change in fund balances	455	315	(2,304)
Fund balances, July 1	-	-	39,023
Fund balances, June 30	\$ 455	315	36,719

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.



NONMAJOR 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) Verdugo Fire Communication operations.

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Exhibit K-1
CITY OF GLENDALE
 Combining Statement of Net Position
 Proprietary Funds - Nonmajor Enterprise Funds
 June 30, 2013 (in thousands)

		Recreation Fund	Hazardous Disposal Fund	Parking Fund
Assets				
Current assets:				
Pooled cash and investments	\$	4,403	1,188	5,415
Interest receivable		11	3	13
Accounts receivable, net		28	209	205
Total current assets		<u>4,442</u>	<u>1,400</u>	<u>5,633</u>
Capital assets:				
Land		-	-	5,651
Buildings and improvements		-	598	41,585
Machinery and equipment		65	240	2,781
Bldg & impro accm depreciation		(65)	(822)	(23,708)
Construction in progress		302	-	126
Total capital assets		<u>302</u>	<u>16</u>	<u>26,435</u>
Total assets		<u>4,744</u>	<u>1,416</u>	<u>32,068</u>
Liabilities and net position				
Accounts payable		333	45	579
Deposits		83	45	-
Total liabilities		<u>416</u>	<u>90</u>	<u>579</u>
Net position:				
Net investment in capital assets		302	16	26,435
Unrestricted		4,026	1,310	5,054
Total net position	\$	<u>4,328</u>	<u>1,326</u>	<u>31,489</u>

(Continued)

Exhibit K-1
CITY OF GLENDALE
 Combining Statement of Net Position
 Proprietary Funds - Nonmajor Enterprise Funds
 June 30, 2013 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Pooled cash and investments	\$ 22,326	4,418	37,750
Interest receivable	55	11	93
Accounts receivable, net	2,621	-	3,063
Total current assets	<u>25,002</u>	<u>4,429</u>	<u>40,906</u>
Capital assets:			
Land	1,639	-	7,290
Buildings and improvements	6,799	-	48,982
Machinery and equipment	17,417	5,650	26,153
Bldg & impro accm depreciation	(13,742)	(4,438)	(42,775)
Construction in progress	-	-	428
Total capital assets	<u>12,113</u>	<u>1,212</u>	<u>40,078</u>
Total assets	<u><u>37,115</u></u>	<u><u>5,641</u></u>	<u><u>80,984</u></u>
Liabilities and net position			
Accounts payable	576	26	1,559
Deposits	317	-	445
Total liabilities	<u>893</u>	<u>26</u>	<u>2,004</u>
Net position:			
Net investment in capital assets	12,113	1,212	40,078
Unrestricted	24,109	4,403	38,902
Total net position	<u><u>\$ 36,222</u></u>	<u><u>5,615</u></u>	<u><u>78,980</u></u>

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses and
Changes in Net Position

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Recreation Fund	Hazardous Disposal Fund	Parking Fund
Operating revenues:			
Charges for services	\$ 2,645	1,559	8,699
Miscellaneous revenues	378	52	96
Total operating revenues	<u>3,023</u>	<u>1,611</u>	<u>8,795</u>
Operating expenses:			
Salaries and benefits	1,817	1,060	2,579
Maintenance and operations	975	557	3,902
Depreciation	2	12	1,177
Total operating expenses	<u>2,794</u>	<u>1,629</u>	<u>7,658</u>
Operating income (loss)	<u>229</u>	<u>(18)</u>	<u>1,137</u>
Non operating revenues (expenses):			
Interest revenue	(2)	-	-
Proprietary grants	183	89	-
Contribution in aid	4	-	-
Total non operating revenues (expenses), net	<u>185</u>	<u>89</u>	<u>-</u>
Income before transfers	<u>414</u>	<u>71</u>	<u>1,137</u>
Transfers out	-	-	(1,900)
Change in net position	<u>414</u>	<u>71</u>	<u>(763)</u>
Net position, July 1	<u>3,914</u>	<u>1,255</u>	<u>32,252</u>
Net position, June 30	<u>\$ 4,328</u>	<u>1,326</u>	<u>31,489</u>

(Continued)

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses and
Changes in Net Position

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 21,704	3,288	37,895
Miscellaneous revenues	6	624	1,156
Total operating revenues	<u>21,710</u>	<u>3,912</u>	<u>39,051</u>
Operating expenses:			
Salaries and benefits	7,330	2,097	14,883
Maintenance and operations	9,891	875	16,200
Depreciation	1,755	217	3,163
Total operating expenses	<u>18,976</u>	<u>3,189</u>	<u>34,246</u>
Operating income (loss)	<u>2,734</u>	<u>723</u>	<u>4,805</u>
Non operating revenues (expenses):			
Interest revenue	15	1	14
Proprietary grants	219	-	491
Contribution in aid	-	-	4
Total non operating revenues (expenses), net	<u>234</u>	<u>1</u>	<u>509</u>
Income before transfers	<u>2,968</u>	<u>724</u>	<u>5,314</u>
Transfers out	<u>(1,150)</u>	<u>-</u>	<u>(3,050)</u>
Change in net position	1,818	724	2,264
Net position, July 1	<u>34,404</u>	<u>4,891</u>	<u>76,716</u>
Net position, June 30	<u>\$ 36,222</u>	<u>5,615</u>	<u>78,980</u>

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Proprietary Funds - Nonmajor Enterprise Funds
Fiscal Year Ended June 30, 2013 (in thousands)

	Recreation Fund	Hazardous Disposal Fund
Cash flows from operating activities:		
Cash from customers	\$ 3,006	1,608
Cash paid to employees	(1,817)	(1,060)
Cash paid to suppliers	(712)	(566)
Net Cash provided (used) by operating activities	<u>477</u>	<u>(18)</u>
Cash flows from noncapital financing activities:		
Operating transfers out	-	-
Operating grant received	183	89
Net Cash provided (used) by noncapital financing activities	<u>183</u>	<u>89</u>
Cash flows from capital and related financing activities:		
Contribution in aid	4	-
Acquisition of property, plant, and equipment	(302)	-
Net cash provided (used) by capital and related financing activities	<u>(298)</u>	<u>-</u>
Cash provided by investing activities:		
Interest received	2	1
Net increase (decrease) in cash and cash equivalents	<u>364</u>	<u>72</u>
Cash and cash equivalents at July 1	4,039	1,116
Cash and cash equivalents at June 30	<u>4,403</u>	<u>1,188</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	229	(18)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	2	12
(Increase)Decrease Accounts receivable net	-	5
(Increase)Decrease Unbilled receivable	-	(8)
(Increase)Decrease Due from other agencies	(17)	-
Increase(Decrease) Accounts payable	262	(8)
Increase(Decrease) Due to other agencies	-	-
Increase(Decrease) Deposits	1	(1)
Total adjustments	<u>248</u>	<u>-</u>
Net cash provided (used) by operating activities	\$ 477	(18)
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	(20)	(4)

(Continued)

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Proprietary Funds - Nonmajor Enterprise Funds
Fiscal Year Ended June 30, 2013 (in thousands)

	Parking Fund	Refuse Disposal Fund
Cash flows from operating activities:		
Cash from customers	\$ 8,666	21,307
Cash paid to employees	(2,579)	(7,330)
Cash paid to suppliers	(3,621)	(9,698)
Net Cash provided (used) by operating activities	<u>2,466</u>	<u>4,279</u>
Cash flows from noncapital financing activities:		
Operating transfers out	(1,900)	(1,150)
Operating grant received	-	219
Net Cash provided (used) by noncapital financing activities	<u>(1,900)</u>	<u>(931)</u>
Cash flows from capital and related financing activities:		
Contribution in aid	-	-
Acquisition of property, plant, and equipment	(124)	(2,954)
Net cash provided (used) by capital and related financing activities	<u>(124)</u>	<u>(2,954)</u>
Cash provided by investing activities:		
Interest received	7	49
Net increase (decrease) in cash and cash equivalents	<u>449</u>	<u>443</u>
Cash and cash equivalents at July 1	4,966	21,883
Cash and cash equivalents at June 30	<u>5,415</u>	<u>22,326</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	1,137	2,734
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	1,177	1,755
(Increase)Decrease Accounts receivable net	(126)	(113)
(Increase)Decrease Unbilled receivable	-	(236)
(Increase)Decrease Due from other agencies	(3)	(54)
Increase(Decrease) Accounts payable	208	154
Increase(Decrease) Due to other agencies	73	-
Increase(Decrease) Deposits	-	39
Total adjustments	<u>1,329</u>	<u>1,545</u>
Net cash provided (used) by operating activities	<u>\$ 2,466</u>	<u>4,279</u>
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	(25)	(101)

(Continued)

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Proprietary Funds - Nonmajor Enterprise Funds
Fiscal Year Ended June 30, 2013 (in thousands)

	Fire Communication Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities:		
Cash from customers	\$ 3,938	38,525
Cash paid to employees	(2,097)	(14,883)
Cash paid to suppliers	(853)	(15,450)
Net Cash provided (used) by operating activities	<u>988</u>	<u>8,192</u>
Cash flows from noncapital financing activities:		
Operating transfers out	-	(3,050)
Operating grant received	-	491
Net Cash provided (used) by noncapital financing activities	<u>-</u>	<u>(2,559)</u>
Cash flows from capital and related financing activities:		
Contribution in aid	-	4
Acquisition of property, plant, and equipment	(44)	(3,424)
Net cash provided (used) by capital and related financing activities	<u>(44)</u>	<u>(3,420)</u>
Cash provided by investing activities:		
Interest received	<u>6</u>	<u>65</u>
Net increase (decrease) in cash and cash equivalents	<u>950</u>	<u>2,278</u>
Cash and cash equivalents at July 1	<u>3,468</u>	<u>35,472</u>
Cash and cash equivalents at June 30	<u>4,418</u>	<u>37,750</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>723</u>	<u>4,805</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	217	3,163
(Increase)Decrease Accounts receivable net	26	(208)
(Increase)Decrease Unbilled receivable	-	(244)
(Increase)Decrease Due from other agencies	-	(74)
Increase(Decrease) Accounts payable	22	638
Increase(Decrease) Due to other agencies	-	73
Increase(Decrease) Deposits	-	39
Total adjustments	<u>265</u>	<u>3,387</u>
Net cash provided (used) by operating activities	<u>\$ 988</u>	<u>8,192</u>
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	(16)	(166)

Exhibit K-4

CITY OF GLENDALE

Schedule of Investment in Capital Assets

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2013

	Land	Construction in Progress	Infrastructure	Buildings and Improvements	Machinery and Equipment	Total
Recreation Fund	\$ -	302	-	-	65	367
Hazardous Disposal Fund	-	-	-	598	240	838
Fire Communications Fund	-	-	-	-	5,650	5,650
Parking Fund	5,651	126	-	41,585	2,781	50,143
Refuse Disposal Fund	1,639	-	-	6,799	17,417	25,855
Total capital assets	\$ 7,290	428	-	48,982	26,153	82,853

Exhibit K-5

CITY OF GLENDALE

Schedule of Changes in Capital Assets

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	<u>Balance at July1</u>	<u>Additions/Reclass</u>	<u>Retirements/ Reclass</u>	<u>Total</u>
Recreation Fund	\$ 65	302	-	367
Hazardous Disposal Fund	838	-	-	838
Fire Communication Fund	5,608	44	(2)	5,650
Parking Fund	50,019	124	-	50,143
Refuse Disposal Fund	23,600	2,954	(699)	25,855
Total capital assets	\$ 80,130	3,424	(701)	82,853

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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.
- ISD Infrastructure 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.
- ISD Applications Fund - To account for major ISD Applications resources which are derived from periodic charges to governmental operations to ensure timely replacement of the major application software.
- 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 all the benefits provided after the employees' separation from the City.
- ISD Wireless Fund - To account for the operation of the citywide radio system.

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Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2013 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	ISD Infrastructure Fund	ISD Applications Fund
Assets				
Current assets:				
Pooled cash and investments	\$ 12,643	3,456	3,343	5,196
Interest receivable	31	8	7	13
Accounts receivable, net	-	190	-	22
Prepaid items	-	-	-	-
Total current assets	12,674	3,654	3,350	5,231
Capital assets:				
Machinery and equipment	29,775	2,074	656	47
Bldg & impro accm depreciation	(17,676)	(1,567)	-	(5)
Construction in progress	-	-	425	291
Total capital assets	12,099	507	1,081	333
Total assets	24,773	4,161	4,431	5,564
Liabilities and net position				
Current liabilities:				
Accounts payable	30	28	422	151
Advance from other funds	-	-	-	-
Interest payable	34	-	-	-
Capital leases	646	-	-	-
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Total current liabilities	710	28	422	151
Noncurrent liabilities:				
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Long term debt	1,427	-	-	-
Total noncurrent liabilities	1,427	-	-	-
Total liabilities	2,137	28	422	151
Net position:				
Net investment in capital assets	10,026	507	1,081	333
Unrestricted (deficits)	12,610	3,626	2,928	5,080
Total net position (deficits)	\$ 22,636	4,133	4,009	5,413

(Continued)

Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2013 (in thousands)

	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
Assets				
Current assets:				
Pooled cash and investments	\$ 387	16,742	17,068	601
Interest receivable	1	297	43	1
Accounts receivable, net	-	-	-	-
Prepaid items	-	-	-	-
Total current assets	388	17,039	17,111	602
Capital assets:				
Machinery and equipment	-	-	99	-
Bldg & impro accm depreciation	-	-	(72)	-
Construction in progress	-	-	-	-
Total capital assets	-	-	27	-
Total assets	388	17,039	17,138	602
Liabilities and net position				
Current liabilities:				
Accounts payable	-	134	7	87
Advance from other funds	-	-	-	-
Interest payable	-	-	-	-
Capital leases	-	-	-	-
Claims payable	-	3,647	7,108	-
Compensated absences	-	-	-	-
Total current liabilities	-	3,781	7,115	87
Noncurrent liabilities:				
Claims payable	-	5,356	26,780	-
Compensated absences	-	-	-	-
Long term debt	-	-	-	-
Total noncurrent liabilities	-	5,356	26,780	-
Total liabilities	-	9,137	33,895	87
Net position:				
Net investment in capital assets	-	-	27	-
Unrestricted (deficits)	388	7,902	(16,784)	515
Total net position (deficits)	\$ 388	7,902	(16,757)	515

(Continued)

Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2013 (in thousands)

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fund
Assets				
Current assets:				
Pooled cash and investments	\$ 3,898	387	8,283	6,657
Interest receivable	8	1	22	16
Accounts receivable, net	118	-	-	-
Prepaid items	583	-	-	-
Total current assets	4,607	388	8,305	6,673
Capital assets:				
Machinery and equipment	-	-	-	-
Bldg & impro accm depreciation	-	-	-	-
Construction in progress	-	-	-	-
Total capital assets	-	-	-	-
Total assets	4,607	388	8,305	6,673
Liabilities and net position				
Current liabilities:				
Accounts payable	1,145	14	-	-
Advance from other funds	-	-	-	-
Interest payable	-	-	-	-
Capital leases	-	-	-	-
Claims payable	759	-	-	-
Compensated absences	-	-	1,712	2,215
Total current liabilities	1,904	14	1,712	2,215
Noncurrent liabilities:				
Claims payable	-	-	-	-
Compensated absences	-	-	11,345	6,875
Long term debt	-	-	-	-
Total noncurrent liabilities	-	-	11,345	6,875
Total liabilities	1,904	14	13,057	9,090
Net position:				
Net investment in capital assets	-	-	-	-
Unrestricted (deficits)	2,703	374	(4,752)	(2,417)
Total net position (deficits)	\$ 2,703	374	(4,752)	(2,417)

(Continued)

Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2013 (in thousands)

	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal Service Funds
Assets			
Current assets:			
Pooled cash and investments	\$ 6,571	404	85,636
Interest receivable	14	-	462
Accounts receivable, net	-	1,312	1,642
Prepaid items	-	-	583
Total current assets	<u>6,585</u>	<u>1,716</u>	<u>88,323</u>
Capital assets:			
Machinery and equipment	-	5,590	38,241
Bldg & impro accm depreciation	-	(280)	(19,600)
Construction in progress	-	1,860	2,576
Total capital assets	<u>-</u>	<u>7,170</u>	<u>21,217</u>
Total assets	<u><u>6,585</u></u>	<u><u>8,886</u></u>	<u><u>109,540</u></u>
Liabilities and net position			
Current liabilities:			
Accounts payable	11	136	2,165
Advance from other funds	-	2,800	2,800
Interest payable	-	47	81
Capital leases	-	-	646
Claims payable	-	-	11,514
Compensated absences	-	-	3,927
Total current liabilities	<u>11</u>	<u>2,983</u>	<u>21,133</u>
Noncurrent liabilities:			
Claims payable	-	-	32,136
Compensated absences	-	-	18,220
Long term debt	-	-	1,427
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>51,783</u>
Total liabilities	<u><u>11</u></u>	<u><u>2,983</u></u>	<u><u>72,916</u></u>
Net position:			
Net investment in capital assets	-	7,170	19,144
Unrestricted (deficits)	<u>6,574</u>	<u>(1,267)</u>	<u>17,480</u>
Total net position (deficits)	<u><u>\$ 6,574</u></u>	<u><u>5,903</u></u>	<u><u>36,624</u></u>

Exhibit L-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Position

Internal Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

		Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	ISD Infrastructure Fund	ISD Applications Fund
Operating revenues:					
Charges for services	\$	11,858	409	5,992	6,589
Miscellaneous revenues		-	-	2	2
Total operating revenues		11,858	409	5,994	6,591
Operating Expenses:					
Salaries and benefits		3,671	-	2,410	3,228
Maintenance and operations		6,263	695	2,009	1,779
Equipment purchased		84	-	587	25
Claims and settlements		-	-	-	-
Depreciation		2,399	109	-	5
Total operating expenses		12,417	804	5,006	5,037
Operating income (loss)		(559)	(395)	988	1,554
Non operating revenues (expenses):					
Interest revenue		216	1	9	2
Grant revenue		-	-	-	34
Interest expense		(97)	-	-	-
Contribution in aid		-	456	-	-
Total non operating revenues, net		119	457	9	36
Income (loss) before transfers		(440)	62	997	1,590
Transfers in		-	-	700	-
Transfers out		-	-	-	(700)
Total transfers		-	-	700	(700)
Change in net position		(440)	62	1,697	890
Net position (deficits), July 1		23,076	4,071	2,312	4,523
Net position (deficits), June 30	\$	22,636	4,133	4,009	5,413

(Continued)

Exhibit L-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Position

Internal Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
Operating revenues:				
Charges for services	\$ 303	9,250	12,258	1,628
Miscellaneous revenues	-	2	-	-
Total operating revenues	303	9,252	12,258	1,628
Operating Expenses:				
Salaries and benefits	-	223	838	-
Maintenance and operations	4	1,348	1,080	25
Equipment purchased	-	-	-	-
Claims and settlements	370	424	9,406	1,463
Depreciation	-	-	3	-
Total operating expenses	374	1,995	11,327	1,488
Operating income (loss)	(71)	7,257	931	140
Non operating revenues (expenses):				
Interest revenue	-	(15)	14	1
Grant revenue	-	-	-	-
Interest expense	-	-	-	-
Contribution in aid	-	-	-	-
Total non operating revenues, net	-	(15)	14	1
Income (loss) before transfers	(71)	7,242	945	141
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total transfers	-	-	-	-
Change in net position	(71)	7,242	945	141
Net position (deficits), July 1	459	660	(17,702)	374
Net position (deficits), June 30	\$ 388	7,902	(16,757)	515

(Continued)

Exhibit L-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Position

Internal Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fund
Operating revenues:				
Charges for services	\$ 23,615	280	4,822	3,365
Miscellaneous revenues	1	-	3	-
Total operating revenues	23,616	280	4,825	3,365
Operating Expenses:				
Salaries and benefits	-	-	15	3
Maintenance and operations	410	6	65	53
Equipment purchased	-	-	-	-
Claims and settlements	23,092	227	3,221	1,306
Depreciation	-	-	-	-
Total operating expenses	23,502	233	3,301	1,362
Operating income (loss)	114	47	1,524	2,003
Non operating revenues (expenses):				
Interest revenue	6	-	(3)	(5)
Grant revenue	-	-	-	-
Interest expense	-	-	-	-
Contribution in aid	246	-	-	-
Total non operating revenues, net	252	-	(3)	(5)
Income (loss) before transfers	366	47	1,521	1,998
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total transfers	-	-	-	-
Change in net position	366	47	1,521	1,998
Net position (deficits), July 1	2,337	327	(6,273)	(4,415)
Net position (deficits), June 30	\$ 2,703	374	(4,752)	(2,417)

(Continued)

Exhibit L-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Position

Internal Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 2,177	3,300	85,846
Miscellaneous revenues	-	24	34
Total operating revenues	<u>2,177</u>	<u>3,324</u>	<u>85,880</u>
Operating Expenses:			
Salaries and benefits	-	1,168	11,556
Maintenance and operations	-	1,391	15,128
Equipment purchased	-	260	956
Claims and settlements	2,197	-	41,706
Depreciation	-	60	2,576
Total operating expenses	<u>2,197</u>	<u>2,879</u>	<u>71,922</u>
Operating income (loss)	<u>(20)</u>	<u>445</u>	<u>13,958</u>
Non operating revenues (expenses):			
Interest revenue	27	-	253
Grant revenue	-	3,936	3,970
Interest expense	-	(47)	(144)
Contribution in aid	589	-	1,291
Total non operating revenues, net	<u>616</u>	<u>3,889</u>	<u>5,370</u>
Income (loss) before transfers	<u>596</u>	<u>4,334</u>	<u>19,328</u>
Transfers in	-	-	700
Transfers out	-	-	(700)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	596	4,334	19,328
Net position (deficits), July 1	<u>5,978</u>	<u>1,569</u>	<u>17,296</u>
Net position (deficits), June 30	<u>\$ 6,574</u>	<u>5,903</u>	<u>36,624</u>

Exhibit L-3

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	ISD Infrastructure Fund
Cash flows from operating activities:			
Cash from customers	\$ 11,858	363	5,994
Cash paid to employees	(3,671)	-	(2,410)
Cash paid to suppliers	(6,459)	(688)	(2,200)
Net Cash provided (used) by operating activities	<u>1,728</u>	<u>(325)</u>	<u>1,384</u>
Cash flows from noncapital financing activities:			
Amounts received from other funds	-	-	-
Operating transfers			
Operating transfers out	-	-	-
Operating transfers in	-	-	700
Grants Received	-	-	-
Net Cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>700</u>
Cash flows from capital and related financing activities:			
Interest on long term debt	(97)	-	-
Bond, premium and interest accrued	(629)	-	-
Contribution in aid	-	456	-
Acquisition of property, plant, and equipment	(608)	1	(1,081)
Net cash provided (used) by capital and related financing activities	<u>(1,334)</u>	<u>457</u>	<u>(1,081)</u>
Cash provided by investing activities:			
Interest received	234	6	7
Net increase (decrease) in cash and cash equivalents	<u>628</u>	<u>138</u>	<u>1,010</u>
Cash and cash equivalents at July 1	<u>12,015</u>	<u>3,318</u>	<u>2,333</u>
Cash and cash equivalents at June 30	<u><u>12,643</u></u>	<u><u>3,456</u></u>	<u><u>3,343</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(559)	(395)	988
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,399	109	-
(Increase)Decrease Accounts receivable, net	-	45	-
(Increase)Decrease Due from other agencies	-	(91)	-
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	(112)	7	396
Increase(Decrease) Claims payable	-	-	-
Total adjustments	<u>2,287</u>	<u>70</u>	<u>396</u>
Net cash provided (used) by operating activities	<u>\$ 1,728</u>	<u>(325)</u>	<u>1,384</u>
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	(47)	(12)	(11)

(Continued)

Exhibit L-3

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	ISD Applications Fund	Unemployment Insurance Fund	Liability Insurance Fund
Cash flows from operating activities:			
Cash from customers	\$ 6,569	303	10,352
Cash paid to employees	(3,228)	-	(223)
Cash paid to suppliers	(1,679)	(374)	(3,892)
Net Cash provided (used) by operating activities	<u>1,662</u>	<u>(71)</u>	<u>6,237</u>
Cash flows from noncapital financing activities:			
Amounts received from other funds	-	-	-
Operating transfers			
Operating transfers out	(700)	-	-
Operating transfers in	-	-	-
Grants Received	34	-	-
Net Cash provided (used) by noncapital financing activities	<u>(666)</u>	<u>-</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	(88)	-	-
Net cash provided (used) by capital and related financing activities	<u>(88)</u>	<u>-</u>	<u>-</u>
Cash provided by investing activities:			
Interest received	7	1	-
Net increase (decrease) in cash and cash equivalents	<u>915</u>	<u>(70)</u>	<u>6,237</u>
Cash and cash equivalents at July 1	4,281	457	10,505
Cash and cash equivalents at June 30	<u>5,196</u>	<u>387</u>	<u>16,742</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	1,554	(71)	7,257
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	5	-	-
(Increase)Decrease Accounts receivable, net	-	-	-
(Increase)Decrease Due from other agencies	(22)	-	1,100
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	125	-	134
Increase(Decrease) Claims payable	-	-	(2,254)
Total adjustments	<u>108</u>	<u>-</u>	<u>(1,020)</u>
Net cash provided (used) by operating activities	<u>\$ 1,662</u>	<u>(71)</u>	<u>6,237</u>
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	(20)	(1)	(61)

(Continued)

Exhibit L-3

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Compensation Insurance Fund	Dental Insurance Fund	Medical Insurance Fund
Cash flows from operating activities:			
Cash from customers	\$ 12,258	1,628	23,500
Cash paid to employees	(838)	-	-
Cash paid to suppliers	(10,448)	(1,500)	(23,690)
Net Cash provided (used) by operating activities	<u>972</u>	<u>128</u>	<u>(190)</u>
Cash flows from noncapital financing activities:			
Amounts received from other funds	-	-	-
Operating transfers			
Operating transfers out	-	-	-
Operating transfers in	-	-	-
Grants Received	-	-	-
Net Cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	-
Bond, premium and interest accrued	-	-	-
Contribution in aid	-	-	246
Acquisition of property, plant, and equipment	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>246</u>
Cash provided by investing activities:			
Interest received	34	2	8
Net increase (decrease) in cash and cash equivalents	<u>1,006</u>	<u>130</u>	<u>64</u>
Cash and cash equivalents at July 1	16,062	471	3,834
Cash and cash equivalents at June 30	<u>17,068</u>	<u>601</u>	<u>3,898</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	931	140	114
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3	-	-
(Increase)Decrease Accounts receivable, net	-	-	-
(Increase)Decrease Due from other agencies	-	-	(116)
(Increase)Decrease Prepaid expenses	-	-	4
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	-	87	563
Increase(Decrease) Claims payable	38	(99)	(755)
Total adjustments	<u>41</u>	<u>(12)</u>	<u>(304)</u>
Net cash provided (used) by operating activities	<u>\$ 972</u>	<u>128</u>	<u>(190)</u>
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	(64)	(2)	(12)

(Continued)

Exhibit L-3

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Vision Insurance Fund	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fund
Cash flows from operating activities:			
Cash from customers	\$ 280	4,934	3,520
Cash paid to employees	-	(1,474)	(2,562)
Cash paid to suppliers	(245)	(3,286)	(1,359)
Net Cash provided (used) by operating activities	<u>35</u>	<u>174</u>	<u>(401)</u>
Cash flows from noncapital financing activities:			
Amounts received from other funds	-	-	-
Operating transfers			
Operating transfers out	-	-	-
Operating transfers in	-	-	-
Grants Received	-	-	-
Net Cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</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) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash provided by investing activities:			
Interest received	-	7	6
Net increase (decrease) in cash and cash equivalents	<u>35</u>	<u>181</u>	<u>(395)</u>
Cash and cash equivalents at July 1	<u>352</u>	<u>8,102</u>	<u>7,052</u>
Cash and cash equivalents at June 30	<u><u>387</u></u>	<u><u>8,283</u></u>	<u><u>6,657</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>47</u>	<u>1,524</u>	<u>2,003</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	-
(Increase)Decrease Accounts receivable, net	-	-	-
(Increase)Decrease Due from other agencies	-	109	155
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Compensated absences	-	(1,459)	(2,559)
Increase(Decrease) Accounts payable	10	-	-
Increase(Decrease) Claims payable	(22)	-	-
Total adjustments	<u>(12)</u>	<u>(1,350)</u>	<u>(2,404)</u>
Net cash provided (used) by operating activities	<u><u>\$ 35</u></u>	<u><u>174</u></u>	<u><u>(401)</u></u>
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	(1)	(32)	(24)

(Continued)

Exhibit L-3

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2013 (in thousands)

	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal Service Funds
Cash flows from operating activities:			
Cash from customers	\$ 7,817	2,012	91,388
Cash paid to employees	-	(1,168)	(15,574)
Cash paid to suppliers	(2,186)	(1,552)	(59,558)
Net Cash provided (used) by operating activities	5,631	(708)	16,256
Cash flows from noncapital financing activities:			
Amounts received from other funds	-	2,800	2,800
Operating transfers			
Operating transfers out	-	-	(700)
Operating transfers in	-	-	700
Grants Received	-	3,936	3,970
Net Cash provided (used) by noncapital financing activities	-	6,736	6,770
Cash flows from capital and related financing activities:			
Interest on long term debt	-	(47)	(144)
Bond, premium and interest accrued	-	47	(582)
Contribution in aid	589	-	1,291
Acquisition of property, plant, and equipment	-	(5,897)	(7,673)
Net cash provided (used) by capital and related financing activities	589	(5,897)	(7,108)
Cash provided by investing activities:			
Interest received	14	2	328
Net increase (decrease) in cash and cash equivalents	6,234	133	16,246
Cash and cash equivalents at July 1	337	271	69,390
Cash and cash equivalents at June 30	6,571	404	85,636
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(20)	445	13,958
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	60	2,576
(Increase)Decrease Accounts receivable, net	-	-	45
(Increase)Decrease Due from other agencies	5,640	(1,312)	5,463
(Increase)Decrease Prepaid expenses	-	-	4
Increase(Decrease) Compensated absences	-	-	(4,018)
Increase(Decrease) Accounts payable	11	99	1,320
Increase(Decrease) Claims payable	-	-	(3,092)
Total adjustments	5,651	(1,153)	2,298
Net cash provided (used) by operating activities	\$ 5,631	(708)	16,256
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	(21)	-	(309)

Exhibit M-1

CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2013 (in thousands)

	Land	Construction in Progress	Infrastructure	Buildings and Improvements	Machinery and Equipment	Total
General government:						
City council	\$ -	66	-	-	2,240	2,306
City clerk	-	-	-	5	55	60
City manager	-	(66)	-	273	614	821
Legal	-	-	-	10	41	51
Finance	-	-	-	-	6,117	6,117
Information services	-	-	12,222	430	17,453	30,105
Personnel	-	-	-	-	246	246
Total	-	-	12,222	718	26,766	39,706
Public safety:						
Police	5,227	-	-	68,881	9,923	84,031
Fire	5,925	20	-	18,656	12,742	37,343
Fire paramedics	-	-	-	-	678	678
Emergency services	-	-	-	-	150	150
Total	11,152	20	-	87,537	23,493	122,202
Public works:						
Public works	16,208	3,257	36,373	1,560	1,257	58,655
Engineering	-	-	-	-	56	56
Corporation yard	282,468	15,407	240,150	74,252	1,158	613,435
Mechanical maintenance	-	-	-	-	154	154
Traffic engineering	-	7,072	2,799	922	350	11,143
Transit administration	15,441	48	-	3,267	13,233	31,989
Air quality improvement	-	-	-	-	514	514
Total	314,117	25,784	279,322	80,001	16,722	715,946
Housing, health and community development	19,922	807	326	10,427	872	32,354
Employment programs	-	-	-	-	155	155
Parks, recreation and community services	53,209	3,407	-	106,868	1,117	164,601
Library	448	8,453	-	9,761	1,917	20,579
Total capital assets	398,848	38,471	291,870	295,312	71,042	1,095,543
Accumulated depreciation			(96,870)	(98,910)	(51,892)	(247,672)
Net capital assets	\$ 398,848	38,471	195,000	196,402	19,150	847,871

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 position.

Exhibit M-2

CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity

Fiscal Year Ended June 30, 2013 (in thousands)

	Balance at July 1	Additions	Retirements	Reclass	Total
General government:					
City council	\$ 2,306	-	-	-	2,306
City clerk	10	-	-	50	60
City manager	869	26	(24)	(50)	821
Legal	51	-	-	-	51
Finance	6,117	-	-	-	6,117
Information services	30,166	-	(61)	-	30,105
Personnel	246	-	-	-	246
Total	39,765	26	(85)	-	39,706
Public safety:					
Police	84,044	495	(252)	(256)	84,031
Fire	35,605	1,453	-	285	37,343
Fire paramedics	678	-	-	-	678
Emergency services	150	-	-	-	150
Total	120,477	1,948	(252)	29	122,202
Public works:					
Public works	43,138	-	-	15,517	58,655
Engineering	47	-	-	9	56
Corporation yard	627,168	15,688	(10,895)	(18,526)	613,435
Mechanical maintenance	154	-	-	-	154
Traffic engineering	4,947	3,820	(2)	2,378	11,143
Transit administration	29,587	2,112	-	290	31,989
Air quality improvement	508	-	-	6	514
Total	705,549	21,620	(10,897)	(326)	715,946
Housing, health and community development	31,202	379	-	773	32,354
Employment programs	(358)	-	-	513	155
Parks, recreation and community services	161,170	3,339	-	92	164,601
Library	14,897	5,682	-	-	20,579
Total capital assets	1,072,702	32,994	(11,234)	1,081	1,095,543
Accumulated depreciation	(229,852)	(19,544)	1,724	-	(247,672)
Net capital assets	\$ 842,850	13,450	(9,510)	1,081	847,871

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.

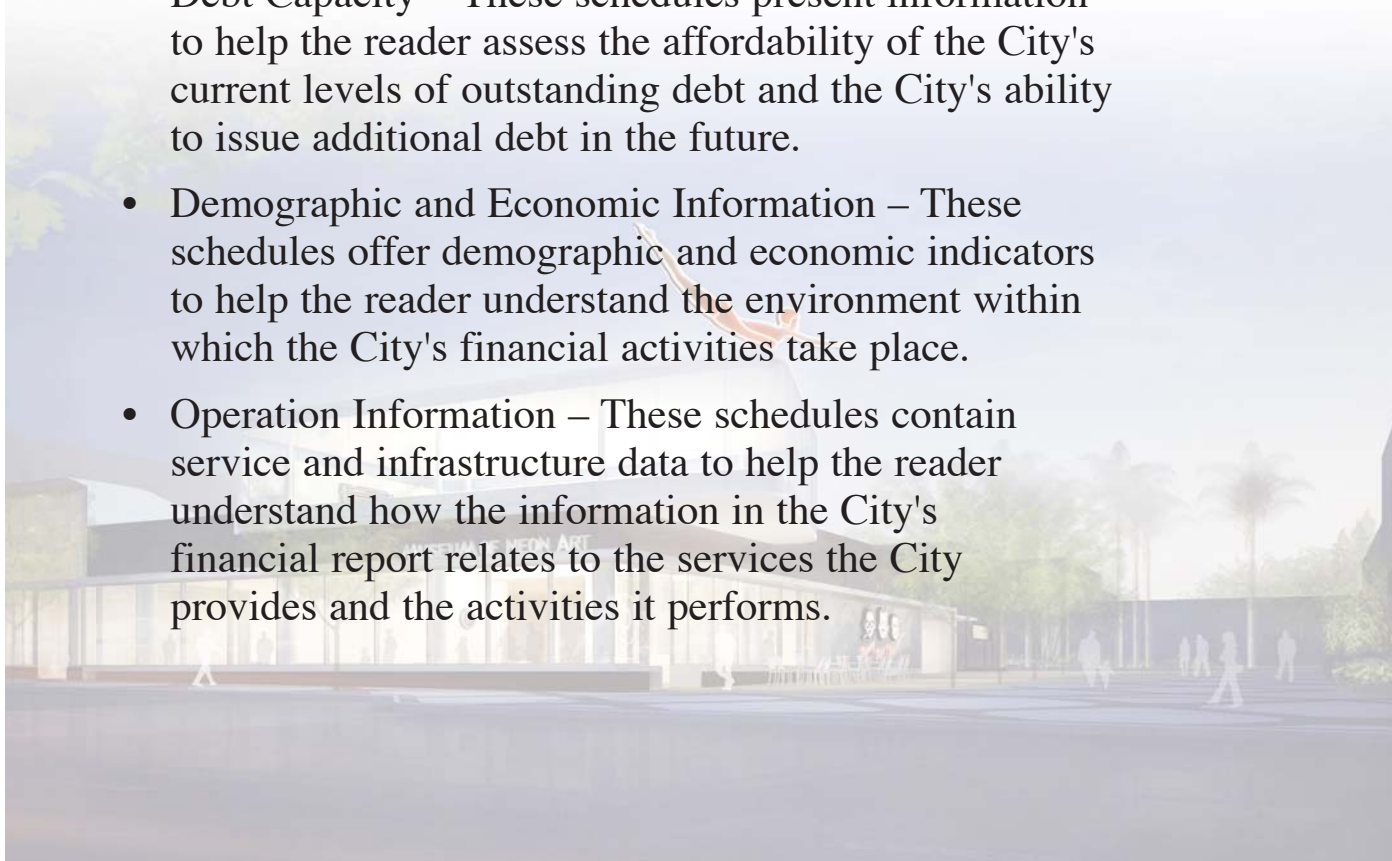
Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

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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 and 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 Position by Component,
 Last Ten Fiscal Years (in thousands)
 (accrual basis of accounting)

	Fiscal Year				
	2013	2012	2011	2010	2009
Governmental Activities					
Investment in capital assets	\$ 816,785	802,729	814,946	806,721	782,170
Restricted	70,047	40,119	53,953	56,854	56,506
Unrestricted	62,419	104,152	85,930	91,582	113,761
Total governmental activities net position	<u>949,251</u>	<u>947,000</u>	<u>954,829</u>	<u>955,157</u>	<u>952,437</u>
Business-type Activities					
Investment in capital assets	516,774	545,511	526,011	476,440	448,099
Restricted	5,669	5,669	15,474	13,864	14,047
Unrestricted	159,224	140,283	159,353	208,562	238,443
Total business-type activities net position	<u>681,667</u>	<u>691,463</u>	<u>700,838</u>	<u>698,866</u>	<u>700,589</u>
Primary Government					
Investment in capital assets	1,333,559	1,348,240	1,340,957	1,283,161	1,230,269
Restricted	75,716	45,788	69,427	70,718	70,553
Unrestricted	221,643	244,435	245,283	300,144	352,204
Total primary government net position	<u>\$ 1,630,918</u>	<u>1,638,463</u>	<u>1,655,667</u>	<u>1,654,023</u>	<u>1,653,026</u>

	Fiscal Year				
	2008	2007	2006	2005	2004
Governmental Activities					
Investment in capital assets	\$ 766,314	608,369	684,725	658,445	635,754
Restricted	48,392	59,782	58,668	60,899	51,900
Unrestricted	109,313	236,117	151,966	151,155	150,127
Total governmental activities net position	<u>924,019</u>	<u>904,268</u>	<u>895,359</u>	<u>870,499</u>	<u>837,781</u>
Business-type Activities					
Investment in capital assets	392,039	472,893	435,757	393,342	371,934
Restricted	14,058	8,392	8,653	12,461	11,947
Unrestricted	278,763	190,462	217,431	261,248	282,328
Total business-type activities net position	<u>684,860</u>	<u>671,747</u>	<u>661,841</u>	<u>667,051</u>	<u>666,209</u>
Primary Government					
Investment in capital assets	1,158,353	1,081,262	1,120,482	1,051,787	1,007,688
Restricted	62,450	68,174	67,321	73,360	63,847
Unrestricted	388,076	426,579	369,397	412,403	432,455
Total primary government net position	<u>\$ 1,608,879</u>	<u>1,576,015</u>	<u>1,557,200</u>	<u>1,537,550</u>	<u>1,503,990</u>

Note:

Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Trust Fiduciary Fund.

Source: City Finance Department

Not covered by independent auditor's report

Schedule 2

CITY OF GLENDALE

Changes in Net Position,
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year				
	2013	2012	2011	2010	2009
Expenses					
Governmental activities:					
General government	\$ 33,432	22,151	25,700	24,157	23,508
Public safety	-	-	-	-	-
Police	72,997	72,160	69,926	66,923	64,113 (3)
Fire	50,880	61,917	57,138	55,743	50,793 (3)
Public works	39,349	42,192	41,598	38,529	35,903
Housing, health, and comm dev	44,534	45,387	69,965	70,813	49,563
Employment programs	6,080	6,197	5,925	7,397	5,432
Public service	4,490	6,369	8,029	8,249	6,729
Parks, recreation and community services	12,326	12,804	16,449	15,578	16,229
Library	8,338	8,209	9,127	9,241	9,162
Interest and fiscal charges on bonds	1,932	10,871	12,696	17,232	7,311
Total governmental activities expenses	<u>274,358</u>	<u>288,257</u>	<u>316,553</u>	<u>313,862</u>	<u>268,743</u>
Business-type activities:					
Recreation	2,820	2,754	2,622	2,645	2,552
Hazardous disposal	1,709	1,507	1,745	1,848	1,680
Fire communications	3,291	3,528	3,289	3,306	2,790
Parking	7,683	7,674	7,763	7,609	6,520
Sewer	14,585	15,148	15,756	17,874	12,195
Refuse disposal	19,197	18,794	18,893	18,101	16,450
Electric	172,509	200,120	188,569	170,423	192,326
Water	41,862	40,937	35,790	34,953	33,886
Total business-type activities expenses	<u>263,656</u>	<u>290,462</u>	<u>274,427</u>	<u>256,759</u>	<u>268,399</u>
Total primary government expenses	<u>\$ 538,014</u>	<u>578,719</u>	<u>590,980</u>	<u>570,621</u>	<u>537,142</u>

Notes:

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- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Trust Fiduciary Fund.
- (5) The negative investment income in FY2013 is due to the net decrease in the fair value of investments based on GASB Statement No. 31.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Position,
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year				
	2013	2012	2011	2010	2009
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 16,249	16,738	17,276	13,922	9,890
Public safety	-	-	-	-	-
Police	746	758	779	1,136	1,164
Fire	8,327	15,553	13,774	12,070	11,221
Public works	18,647	13,401	11,685	10,170	10,990
Housing, health, and comm dev	67	58	51	37	45
Employment programs	1,512	1,831	1,631	1,427	980
Parks, recreation and community services	15	8	13	9	15
Library	170	201	226	239	221
Operating grants and contributions	59,855	61,877	63,166	69,905	55,942
Capital grants and contributions	17,949	6,103	9,040	6,905	6,912
Total governmental activities program revenues	<u>123,537</u>	<u>116,528</u>	<u>117,641</u>	<u>115,820</u>	<u>97,380</u>
Business-type activities:					
Charges for services:					
Recreation	2,645	2,648	2,640	2,353	2,394
Hazardous disposal	1,559	1,547	1,530	1,533	1,550
Fire communications	3,288	3,223	3,337	3,199	2,890
Parking	8,699	8,303	7,853	8,944	7,111
Sewer	16,143	15,716	14,977	14,709	15,440
Refuse disposal	21,704	20,457	20,776	19,941	19,911
Electric	173,701	196,007	187,801	176,903	207,177
Water	44,605	41,359	36,637	35,716	36,068
Operating grants and contributions	223	96	161	421	738
Capital grants and contributions	1,203	6,590	16,238	7,440	3,292
Total business-type activities program revenues	<u>273,770</u>	<u>295,946</u>	<u>291,950</u>	<u>271,159</u>	<u>296,571</u>
Total primary government program revenues	<u>397,307</u>	<u>412,474</u>	<u>409,591</u>	<u>386,979</u>	<u>393,951</u>
Net (Expense) / Revenue					
Governmental activities	(150,821)	(171,729)	(198,912)	(198,042)	(171,363)
Business-type activities	10,114	5,484	17,523	14,400	28,172
Total primary government net expense	<u>\$ (140,707)</u>	<u>(166,245)</u>	<u>(181,389)</u>	<u>(183,642)</u>	<u>(143,191)</u>

Notes:

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Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Position,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2013	2012	2011	2010	2009
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 45,943	59,197	79,714	80,422	77,060
Sales tax	33,789	31,874	30,030	27,594	22,755
Utility users tax	26,968	26,632	26,802	27,827	28,798
Other taxes	14,594	14,181	13,857	13,891	22,268
Investment income	(85) ⁽⁵⁾	2,953	4,066	5,806	8,143
Other	13,401	21,370	17,948	18,077	16,368
Transfers	25,299	24,007	26,167	25,167	26,100
Gain on exchange of land	-	-	-	1,978	-
Contributions	-	-	-	-	(1,712)
Extraordinary (loss)	(6,423)	(16,314)	-	-	-
Total governmental activities	<u>153,486</u>	<u>163,900</u>	<u>198,584</u>	<u>200,762</u>	<u>199,780</u>
Business-type activities:					
Investment income	231 ⁽⁵⁾	1,927	2,089	4,770	8,331
Other	8,270	7,221	8,527	4,274	3,614
Transfers	(25,299)	(24,007)	(26,167)	(25,167)	(26,100)
Contributions	-	-	-	-	1,712
Total business-type activities	<u>(16,798)</u>	<u>(14,859)</u>	<u>(15,551)</u>	<u>(16,123)</u>	<u>(12,443)</u>
Total primary government	<u>136,688</u>	<u>149,041</u>	<u>183,033</u>	<u>184,639</u>	<u>187,337</u>
Change in Net Position					
Governmental activities	2,665	(7,829)	(328)	2,720	28,417
Business-type activities	(6,684)	(9,375)	1,972	(1,723)	15,729
Total primary government	<u>\$ (4,019)</u>	<u>(17,204)</u>	<u>1,644</u>	<u>997</u>	<u>44,146</u>

Notes:

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Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Position,
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
Expenses					
Governmental activities:					
General government	\$ 15,165	25,842	20,301	17,536	11,121
Public safety	118,200	107,660	94,711	83,074	50,085
Public works	40,252	35,442	37,075	39,261	46,435
Housing, health, and comm dev	51,601	63,526	53,214	39,683	49,923
Employment programs	5,962	6,808	6,106	5,136	4,824
Public service	4,682	6,932	3,900	5,024	5,693
Parks, recreation and community services	15,699	14,955	15,561	10,066	25,219
Library	9,916	8,463	7,918	7,003	1,544
Interest and fiscal charges on bonds	9,610	10,097	8,404	7,284	6,729
Total governmental activities expenses	<u>271,087</u>	<u>279,725</u>	<u>247,190</u>	<u>214,067</u>	<u>201,573</u>
Business-type activities:					
Recreation	2,457	2,072	1,853	2,078	2,268
Hazardous disposal	1,801	1,539	1,420	1,350	1,715
Fire paramedic	-	-	-	8,150	7,456
Parking	6,416	6,618	5,593	5,913	5,704
Sewer	17,784	11,993	6,874	8,112	9,790
Refuse disposal	16,283	15,074	14,388	14,636	14,639
Electric	195,590	178,220	184,913	147,377	141,989
Water	31,263	29,927	26,151	25,608	25,606
Total business-type activities expenses	<u>271,594</u>	<u>245,443</u>	<u>241,192</u>	<u>213,224</u>	<u>209,167</u>
Total primary government expenses	<u>\$ 542,681</u>	<u>525,168</u>	<u>488,382</u>	<u>427,291</u>	<u>410,740</u>

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Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Position,
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 9,173	9,533	8,762	8,600	9,167
Public safety	14,391	13,739	12,169	3,757	3,949
Public works	12,498	15,014	12,674	11,256	10,834
Housing, health, and comm dev	55	86	110	99	104
Employment programs	1,131	1,423	1,154	937	806
Parks, recreation and community services	29	47	28	31	95
Library	236	211	202	150	193
Operating grants and contributions	38,170	43,199	40,617	33,855	36,001
Capital grants and contributions	7,271	12,228	17,532	6,860	9,504
Total governmental activities program revenues	<u>82,954</u>	<u>95,480</u>	<u>93,248</u>	<u>65,545</u>	<u>70,653</u>
Business-type activities:					
Charges for services:					
Recreation	2,092	1,842	1,943	1,736	1,617
Hazardous disposal	1,560	1,586	1,404	1,403	1,438
Fire paramedic	-	-	-	6,887	6,390
Parking	7,780	7,329	7,024	7,139	6,159
Sewer	16,857	17,447	16,611	16,323	16,036
Refuse disposal	18,952	18,205	16,115	15,404	13,759
Electric	204,497	178,979	170,208	148,799	151,718
Water	34,817	33,277	31,189	29,753	31,377
Operating grants and contributions	632	1,415	511	659	715
Capital grants and contributions	4,016	5,222	2,712	1,376	3,344
Total business-type activities program revenues	<u>291,203</u>	<u>265,302</u>	<u>247,717</u>	<u>229,479</u>	<u>232,553</u>
Total primary government program revenues	<u>374,157</u>	<u>360,782</u>	<u>340,965</u>	<u>295,024</u>	<u>303,206</u>
Net (Expense) / Revenue					
Governmental activities	(188,133)	(184,245)	(153,942)	(148,522)	(130,920)
Business-type activities	19,609	19,859	6,525	16,255	23,386
Total primary government net expense	<u>\$ (168,524)</u>	<u>(164,386)</u>	<u>(147,417)</u>	<u>(132,267)</u>	<u>(107,534)</u>

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Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Position,
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 72,690	67,394	60,961	55,716	39,491
Sales taxes	24,731	23,944	23,985	22,351	28,328
Utility users tax	27,781	26,202	24,386	23,772	22,666
Other taxes	21,508	21,262	19,216	18,562	11,920
Investment income	14,255	15,826	6,805	9,057	2,696
Other	21,611	13,715	21,411	15,461	14,194
Transfers	25,310	24,811	24,357	27,127	21,987
Contributions	-	-	-	-	-
Total governmental activities	<u>207,886</u>	<u>193,154</u>	<u>181,121</u>	<u>172,046</u>	<u>141,282</u>
Business-type activities:					
Investment income	10,425	11,569	6,421	8,251	2,697
Other	8,387	3,289	3,883	3,463	5,949
Transfers	(25,310)	(24,811)	(24,358)	(27,127)	(21,987)
Contributions	-	-	-	-	-
Total business-type activities	<u>(6,498)</u>	<u>(9,953)</u>	<u>(14,054)</u>	<u>(15,413)</u>	<u>(13,341)</u>
Total primary government	<u>201,388</u>	<u>183,201</u>	<u>167,067</u>	<u>156,633</u>	<u>127,941</u>
Change in Net Position					
Governmental activities	19,753	8,909	27,179	23,525	10,363
Business-type activities	13,111	9,906	(7,529)	841	10,044
Total primary government	<u>\$ 32,864</u>	<u>18,815</u>	<u>19,650</u>	<u>24,366</u>	<u>20,407</u>

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Source: City Finance Department

Not covered by independent auditor's report

Schedule 3

CITY OF GLENDALE

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

	Fiscal Year				
	2013	2012	2011	2010	2009
General Fund					
Nonspendable:	\$ 2,579	558	49,425	71,521	68,840
Restricted for:					
City Charter- stabilization	22,228	21,156	21,105	20,619	19,320
Assigned to:					
Economic Development	-	-	117	-	-
Unassigned:	<u>38,082</u>	<u>37,852</u>	<u>63,408</u>	<u>28,331</u>	<u>37,503</u>
Total general fund	<u><u>62,889</u></u>	<u><u>59,566</u></u>	<u><u>134,055</u></u>	<u><u>120,471</u></u>	<u><u>125,663</u></u>
All Other Governmental Funds					
Nonspendable:	2,275	2,257	14,459	22,311	21,485
Restricted for:					
Federal and state grants	4,571	3,395	4,735	4,915	4,437
Private endowments	-	1,400	-	-	-
Public safety	1,127	1,295	1,759	6,101	6,397
Youth Employment	-	52	-	-	-
Transportation	15,569	12,927	10,606	9,854	12,197
Landscaping district	48	43	53	55	24
Low and Mod Housing	15,605	18,963	9,419	13,964	14,737
Air quality improvement	269	214	286	280	659
Cable access	783	379	792	650	573
Electric public benefit AB1890	1,308	186	862	1,641	3,282
State gas tax mandates	8,539	12,466	14,435	-	-
Landfill postclosure	22,350	22,100	22,100	-	-
Redevelopment activities	-	-	24,071	-	2,211
Debt service funds	-	-	-	49,286	54,486
Capital projects funds	-	-	12,856	37,341	19,534
Committed to:					
Debt service funds	31,590	34,087	52,330	-	-
Capital projects fund	2,213	-	-	-	-
Impact fee funded projects	5,830	4,457	2,209	-	-
Public safety	116	179	170	-	-
Urban art	1,893	984	18	-	-
Assigned to:					
Capital projects funds	-	8,020	-	-	-
Unassigned:	<u>(8,167)</u>	<u>(9,520)</u>	<u>(7,393)</u>	<u>(16,833)</u>	<u>(13,752)</u>
Total all other governmental funds	<u><u>\$ 105,919</u></u>	<u><u>113,884</u></u>	<u><u>163,767</u></u>	<u><u>129,565</u></u>	<u><u>126,270</u></u>

Notes:

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- (2) This schedule has been modified pursuant to GASB Statement No. 54, which establishes the following classifications (effective for FY2011): nonspendable, restricted, committed, assigned, and unassigned.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 3

CITY OF GLENDALE

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

	Fiscal Year				
	2008	2007	2006	2005	2004
General Fund					
Nonspendable:	\$ 68,867	67,347	67,147	66,786	66,288
Restricted for:					
City Charter- stabilization	19,320	17,805	16,495	15,521	13,727
Assigned to:					
Economic Development	-	-	-	-	-
Unassigned:	<u>33,310</u>	<u>42,559</u>	<u>32,541</u>	<u>35,544</u>	<u>43,268</u>
Total general fund	<u><u>121,497</u></u>	<u><u>127,711</u></u>	<u><u>116,183</u></u>	<u><u>117,851</u></u>	<u><u>123,283</u></u>
All Other Governmental Funds					
Nonspendable:	15,043	13,844	71,314	74,324	66,891
Restricted for:					
Federal and state grants	4,959	3,725	1,783	1,075	1,327
Private endowments	-	-	-	-	-
Public safety	7,530	8,569	9,671	11,324	7,831
Youth Employment	-	-	-	-	-
Transportation	13,610	12,976	11,826	4,823	4,261
Landscaping district	-	-	-	-	-
Low and Mod Housing	11,896	17,060	13,976	6,287	3,110
Air quality improvement	658	538	482	457	431
Cable access	486	690	938	1,027	980
Electric public benefit AB1890	3,016	2,716	5,219	5,598	6,925
Redevelopment activities	4,679	4,663	4,639	-	2,958
Debt service funds	55,269	56,323	60,928	62,724	60,616
Capital projects funds	19,186	12,851	27,516	47,893	91,638
Committed to:					
Debt service funds	-	-	-	-	-
Impact fee funded projects	-	-	-	-	-
Public safety	-	-	-	-	-
Urban art	-	-	-	-	-
Assigned to:					
Capital projects funds	-	-	-	-	-
Unassigned:	<u>(9,474)</u>	<u>5,851</u>	<u>(31,110)</u>	<u>(12,883)</u>	<u>(46,912)</u>
Total all other governmental funds	<u><u>\$ 126,858</u></u>	<u><u>139,806</u></u>	<u><u>177,182</u></u>	<u><u>202,649</u></u>	<u><u>200,056</u></u>

Notes:

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Source: City Finance Department

Not covered by independent auditor's report

Schedule 4

CITY OF GLENDALE

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2013	2012	2011	2010	2009
Revenues:					
Property taxes	\$ 45,943	59,197	79,714	80,422	77,060
Sales tax	33,789	31,874	30,030	27,594 (2)	-
Utility users tax	26,968	26,632	26,802	27,827 (2)	-
Other taxes	14,594	14,181	13,857	13,891 (2)	73,820
Revenue from other agencies	75,055	62,819	84,204	80,322	56,558
Licenses and permits	10,866	11,409	8,836	5,601	4,911
Fines and forfeitures	1,446	1,683	2,032	3,026	2,667
Charges for services	19,848	25,885	23,174	22,445	21,992
Use of money and property	2,550	5,112	11,084	9,651 (1)	9,483
Intergovernmental revenue		-	-	- (1)	2,040
Interfund revenue	14,921	14,902	14,943	12,012	7,699
Sales of property	49	52	28	10	144
Miscellaneous revenue	6,744	5,211	1,623	3,347	5,621
Total revenues	<u>252,773</u>	<u>258,957</u>	<u>296,327</u>	<u>286,148</u>	<u>261,995</u>
Expenditures:					
General government	22,826	19,535	21,327	20,215	20,465
Community promotion	111	89	106	55	105
Police	68,224	66,848	65,000	61,677	60,726
Fire	47,639	56,957	52,750	51,468	50,190
Public works	30,831	32,911	33,935	34,033	30,520
Housing, health and community development	44,997	44,186	67,044	74,402	45,868
Employment programs	6,028	6,091	5,794	5,060	3,118
Public service	4,656	6,500	7,970	8,053	6,674
Parks, recreation and community services	9,938	11,957	12,856	12,852	13,460
Library	7,923	8,714	8,322	8,343	8,643
Capital outlay	28,320	19,053	31,236	41,043	42,445
Debt service					
Interest	241	5,124	5,920	4,516	4,651
Principal	3,476	9,971	10,908	10,398	8,306
Cost of issuance		-	-	-	80
Total expenditures	<u>275,210</u>	<u>287,936</u>	<u>323,168</u>	<u>332,115</u>	<u>295,251</u>
Excess of revenues over (under) expenditures	<u>(22,437)</u>	<u>(28,979)</u>	<u>(26,841)</u>	<u>(45,967)</u>	<u>(33,256)</u>
Other Financing Sources (Uses):					
Proceeds from borrowing	-	2,002	50,000	31,081	14,000
Original/Issue discount	-	-	(2,032)	-	-
Cost of issuance	-	-	(583)	-	-
Transfers in	29,039	69,415	54,771	67,019	37,479
Transfers out	(3,740)	(44,863)	(27,529)	(54,030)	(14,646)
Total other financing sources (uses)	<u>25,299</u>	<u>26,554</u>	<u>74,627</u>	<u>44,070</u>	<u>36,833</u>
Extraordinary (loss)	<u>(7,504)</u>	<u>(121,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (4,642)</u>	<u>(124,372)</u>	<u>47,786</u>	<u>(1,897)</u>	<u>3,577</u>
Debt service as a percentage of noncapital expenditures	1.5%	5.7%	5.6%	5.1%	5.1%

Notes:

(1) Intergovernmental revenue became part of use of money and property in FY2010.

(2) Beginning in FY2010 and going forward, other taxes are split among sales tax, utility users tax, and other tax.

(3) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Trust Fiduciary Fund.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

Schedule 4

CITY OF GLENDALE

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
Revenues:					
Property taxes	\$ 72,690	67,394	60,961	55,716	39,492
Other taxes	74,020	71,408	69,172	66,178	64,277
Revenue from other agencies	48,552	64,206	49,247	45,579	54,001
Licenses and permits	6,354	8,589	6,247	5,303	4,698
Fines and forfeitures	2,041	1,503	1,671	1,822	1,032
Charges for services	23,348	23,202	21,079	12,036	12,005
Use of money and property	14,676	16,389	8,914	10,821	5,259
Intergovernmental revenue	2,000	2,000	1,500	1,250	1,000
Interfund revenue	7,853	8,262	7,774	7,491	8,446
Sales of property	5,985				
Miscellaneous revenue	5,913	5,168	12,499	4,689	4,728
Total revenues	<u>263,432</u>	<u>268,121</u>	<u>239,064</u>	<u>210,885</u>	<u>194,938</u>
Expenditures:					
General government	20,940	20,285	17,984	16,730	16,431
Community promotion	151	115	245	116	56
Police	57,734	51,482	52,808	48,140	39,971
Fire	52,311	49,481	44,658	34,184	28,482
Public works	30,581	29,714	29,767	25,968	22,829
Housing, health and community development	38,012	32,612	37,747	35,588	45,044
Employment programs	3,545	6,649	6,129	4,968	4,870
Public service	4,492	6,770	3,931	4,860	5,474
Parks, recreation and community services	13,217	12,384	11,966	10,287	9,329
Library	8,930	8,097	7,668	6,815	6,409
Capital outlay	59,489	91,919	59,299	41,255	34,383
Debt service					
Interest	6,025	6,655	6,379	5,707	6,968
Principal	7,624	6,300	5,575	6,482	2,910
Fiscal agent fees	-	-	-	-	2,120
Total expenditures	<u>303,051</u>	<u>322,463</u>	<u>284,156</u>	<u>241,100</u>	<u>225,276</u>
Excess of revenues over (under) expenditures	<u>(39,619)</u>	<u>(54,342)</u>	<u>(45,092)</u>	<u>(30,215)</u>	<u>(30,338)</u>
Other Financing Sources (Uses):					
Proceeds from borrowing	-	8,200	-	-	61,495
Original/Issue discount	-	-	-	-	-
Cost of issuance	-	-	-	-	-
Payments to escrow agent	-	-	-	-	(62,110)
Transfers in	42,052	31,312	33,684	31,424	55,860
Transfers out	(21,595)	(11,019)	(13,407)	(13,242)	(40,404)
Total other financing sources (uses)	<u>20,457</u>	<u>28,493</u>	<u>20,277</u>	<u>18,182</u>	<u>14,841</u>
Extraordinary (loss)	-	-	-	-	-
Net change in fund balances	\$ <u>(19,162)</u>	<u>(25,849)</u>	<u>(24,815)</u>	<u>(12,033)</u>	<u>(15,497)</u>
Debt service as a percentage of noncapital expenditures	5.6%	5.0%	4.9%	6.2%	4.8%

Notes:

(1) Intergovernmental revenue became part of use of money and property in FY2010.

(2) Beginning in FY2010 and going forward, other taxes are split among sales tax, utility users tax, and other tax.

(3) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Trust Fiduciary Fund.

Source: City Finance Department

Not covered by independent auditor's report

Schedule 5

CITY OF GLENDALE

Electric Revenue by Type of Customers

Last Ten Fiscal Years

	Fiscal Year				
	2013	2012	2011	2010	2009
Number of Customers:					
Residential	72,625	72,220	72,030	71,866	71,643
Commercial	12,769	12,898	12,698	12,690	12,664
Industrial	217	222	216	226	229
Other (Government)	18	18	18	18	18
Total	85,629	85,358	84,962	84,800	84,554
Megawatt-Hour Sales:					
Residential	393,136	368,237	357,604	378,460	389,872
Commercial	335,404	319,478	305,908	322,377	341,639
Industrial	389,872	397,144	377,698	392,273	410,663
Public street and highway lighting	9,284	9,335	9,240	9,200	9,216
Total Retail Energy Sales	1,127,696	1,094,194	1,050,450	1,102,310	1,151,390
Sales to other utilities	61,407 (4)	493,511	487,753	108,731	76,272
Wholesale	235,847 (4)	404,319	396,933	76,934	128,556
Total Energy Sales	1,424,950	1,992,024	1,935,136	1,287,975	1,356,218
Revenue from Sale Energy					
Residential	\$ 58,412,020	54,282,734	53,557,580	59,515,595	66,450,032
Commercial	51,393,589	49,217,022	47,557,202	52,574,031	60,278,592
Industrial	49,396,516	50,624,670	49,084,732	54,368,173	61,862,315
Public street and highway lighting	9,553	7,010	4,288	3,022	2,054
Sales to other utilities	1,686,183 (4)	23,049,142	17,437,568	6,942,319	7,695,258
Wholesale	12,802,646	18,826,834	20,159,819	3,500,143	10,888,493
Total Energy Sales	\$ 173,700,508	196,007,412	187,801,189	176,903,283	207,176,744

Notes:

- (1) Sales to other utilities were classified as wholesale prior to FY2005.
- (2) Fluctuations in wholesale sales volume and revenue were due to changing market demand and price volatility.
- (3) Starting in FY2004, 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) Reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.

Source: Glendale Water & Power Department

Not covered by independent auditor's report

(Continued)

Schedule 5

CITY OF GLENDALE

Electric Revenue by Type of Customers

Last Ten Fiscal Years

	Fiscal Year				
	2008	2007	2006	2005	2004
Number of Customers:					
Residential	71,310	70,921	70,810	70,798	70,662
Commercial	12,626	12,481	12,385	12,331	12,329
Industrial	213	224	220	220	223
Other (Government)	18	18	18	18	18
Total	84,167	83,644	83,433	83,367	83,232
Megawatt-Hour Sales:					
Residential	399,644	395,260	381,010	371,057	380,997
Commercial	351,990	345,407	345,315	338,411	341,482
Industrial	399,689	396,997	407,151	389,919	399,081
Public street and highway lighting	9,243	9,164	9,106	9,012	9,074
Total Retail Energy Sales	1,160,566	1,146,828	1,142,582	1,108,399	1,130,634
Sales to other utilities	55,968	114,465	114,247	52,140 (1)	-
Wholesale	194,423 (2)	126,627	147,207	72,615	84,264
Total Energy Sales	1,410,957	1,387,920	1,404,036	1,233,154	1,214,898
Revenue from Sale Energy					
Residential	\$ 63,778,774	58,251,508	50,347,062	48,775,385	49,466,888
Commercial	58,121,923	53,302,463	47,141,992	45,627,641	45,584,694
Industrial	56,307,557	51,908,777	43,976,070	41,457,748	41,611,313
Public street and highway lighting	1,983	1,810	1,487	1,258	1,326 (3)
Adjustable rate revenue	-	-	-	-	-
Sales to other utilities	7,461,421	5,969,693	15,640,657	8,579,688 (1)	-
Wholesale	18,825,241 (2)	9,545,014	13,100,161	4,356,897	15,053,921
Total Energy Sales	\$ 204,496,899	178,979,265	170,207,429	148,798,617	151,718,142

Notes:

(1) Sales to other utilities were classified as wholesale prior to FY2005.

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

(3) Starting in FY2004, 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) Reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.

Source: Glendale Water & Power Department

Not covered by independent auditor's report

Schedule 6
CITY OF GLENDALE
 Electric Rates (Dollars per Kilowatt Hour)
 Last Ten Fiscal Years

	Fiscal Year				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Customer Class					
Residential	\$ 0.1486	0.1474	0.1498	0.1573	0.1704
Commercial	0.1532	0.1541	0.1555	0.1631	0.1764
Industrial	0.1267	0.1275	0.1300	0.1386	0.1506
Lighting	0.0010	0.0008	0.0005	0.0003	0.0002

	Fiscal Year				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Customer Class					
Residential	\$ 0.1596	0.1474	0.1321	0.1314	0.1298
Commercial	0.1651	0.1543	0.1365	0.1348	0.1335
Industrial	0.1409	0.1308	0.1080	0.1063	0.1043
Lighting	0.0002	0.0002	0.0002	0.0001	0.0001

Note:

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 Seven Years Ago

Electric Payer Groups	Fiscal Year 2013			Fiscal Year 2006		
	Electric Charges	Rank	Percentage of Total City Electric Charges	Electric Charges	Rank	Percentage of Total City Electric Charges
Entertainment Industry	\$ 9,805,985	1	5.65%	\$ 7,312,437	1	4.30%
Hospitals/Medical Facilities	9,654,357	2	5.56%	5,409,579	4	3.18%
Government Agencies	7,645,547	3	4.40%	5,766,049	3	3.39%
Retail Stores/Malls	6,495,503	4	3.74%	5,894,901	2	3.46%
Schools/Colleges	3,959,407	5	2.28%	3,672,134	6	2.16%
Manufacturing	3,684,753	6	2.12%	1,904,525	9	1.12%
Grocery Stores	3,517,331	7	2.02%	3,636,487	7	2.14%
High-Rise Buildings	3,368,821	8	1.94%	5,349,323	5	3.14%
Hotels/Motels	1,223,501	9	0.70%	1,172,868	10	0.69%
Utilities	1,211,078	10	0.70%	2,181,564	8	1.28%
Total	\$ 50,566,283		29.11%	\$ 42,299,867		24.86%

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 to FY2006 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 (4)	Commercial Property (4)	Industrial Property (4)	Other Property (4)
2004	\$ 10,833,752	\$ 2,976,622	\$ 635,830	\$ 1,625,490
2005	11,756,804	3,078,785	645,596	1,589,205
2006	12,818,420	3,595,247	631,715	1,559,282
2007	14,021,333	3,972,910	682,581	1,740,934
2008	15,044,118	4,334,682	716,251	1,835,689
2009	15,785,560	4,548,563	771,577	2,233,232
2010	15,588,384	4,649,949	774,196	2,318,317
2011	15,706,014	4,574,190	777,581	2,379,814
2012	16,233,512	4,785,127	761,299	2,047,080
2013	16,484,941	4,914,713	792,069	2,098,219

Fiscal Fiscal Year Ended June 30,	Less: Tax-Exempt Property (5)	Total Taxable Assessed Value	Total Direct Tax Rate (2)(3)
2004	\$ 528,611	\$ 15,543,084	0.25012%
2005	496,524	16,573,866	0.24192%
2006	599,470	18,005,194	0.25043%
2007	516,434	19,901,324	0.25543%
2008	720,421	21,210,321	0.25637%
2009	750,483	22,588,450	0.26764%
2010	741,047	22,589,799	0.26915%
2011	544,780	22,892,818	0.27303%
2012	538,972	23,288,046	0.27112%
2013	788,151	23,501,791	0.27241%

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.

(3) In FY2011, as a result of moving all data to a different database/system, HdL's revenue calculations have been revised and refined, resulting in changes to prior year total direct rates. Nevertheless, HdL encourages users of its data to leave prior year data unchanged on their schedules.

(4) "Assessed" values are reflected.

(5) Both the Homeowners' Exemption + Exempt Use Code categories are reflected.

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
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
2011	0.13573	1.00370	0.27303
2012	0.13573	1.00370	0.27112
2013	0.13573	N/A (6)	0.27241

Direct & Overlapping Rates

Fiscal Year	Basic Levy	County Detention Facilities 1987 Debt	Glendale Community College	Glendale Unified School District	La Canada Unified School District
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
2011	1.00000	0.00000	0.02344	0.03541	0.07329
2012	1.00000	0.00000	0.02452	0.04551	0.07086
2013	1.00000	0.00000	0.02466	0.04395	0.06974

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 generalfund 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.
- (6) Due to the dissolution of the Glendale Redevelopment Agency (GRA) on February 1, 2012, the redevelopment rate is not applicable for FY2013.

Source: HdL Coren & Cone

Not covered by independent auditor's report

(Continued)

CITY OF GLENDALE

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

Last Ten Fiscal Years

Fiscal Year	Direct & Overlapping Rates				Los Angeles
	La Ccd Ds 2008 2012 Series F	La Community College District	L.A. County Flood Control	La Usd Measure K 2010 Series Ky	Unified School District
2004	0.00000	0.01986	0.00046	0.00000	0.07715
2005	0.00000	0.01810	0.00025	0.00000	0.08884
2006	0.00000	0.01429	0.00005	0.00000	0.08435
2007	0.00000	0.02146	0.00005	0.00000	0.10681
2008	0.00000	0.00879	0.00000	0.00000	0.12334
2009	0.00000	0.02212	0.00000	0.00000	0.12478
2010	0.00000	0.02311	0.00000	0.00000	0.15181
2011	0.00000	0.04031	0.00000	0.00000	0.18696
2012	0.00000	0.03530	0.00000	0.00000	0.16819
2013	0.01119	0.03756	0.00000	0.00001	0.17560

Fiscal Year	Direct & Overlapping Rates			
	Metropolitan Water District	Pasadena Ccd Ds 2002, 2006 Ser D	Pasadena Community College District	Total Direct & Overlapping Tax Rates
2004	0.00610	0.00000	0.00681	1.23391
2005	0.00580	0.00000	0.00879	1.27694
2006	0.00520	0.00000	0.00410	1.24665
2007	0.00470	0.00000	0.02080	1.28791
2008	0.00450	0.00000	0.01972	1.28416
2009	0.00430	0.00000	0.01742	1.30015
2010	0.00430	0.00000	0.02300	1.34234
2011	0.00370	0.00000	0.01986	1.38297
2012	0.00370	0.00000	0.01956	1.36763
2013	0.00350	0.00225	0.01830	1.38676

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.
- (6) Due to the dissolution of the Glendale Redevelopment Agency (GRA) on February 1, 2012, the redevelopment rate is not applicable for FY2013.

Source: HdL Coren & Cone

Not covered by independent auditor's report

Schedule 10

CITY OF GLENDALE

Principal Property Tax Payers

Current Year and Nine Years Ago (in thousands)

Taxpayer	Fiscal Year 2013			Fiscal Year 2004		
	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	\$ 457,292	1	1.95%			
Walt Disney World Company	428,678	2	1.82%	\$ 321,963	1	2.07%
Americana at Brand LLC	412,947	3	1.76%			
PR Glendale Plaza Office California LLC	175,326	4	0.75%			
Wells Reit Glendale California LLC	134,000	5	0.57%	157,000	2	1.01%
DWA Glendale Properties LLC	115,509	6	0.49%			
Metropolitan Life Insurance Company	110,334	7	0.47%			
BRE Band Central Holdings LLC	99,474	8	0.42%			
GPI 500 Brand Limited	98,936	9	0.42%			
EHP Glendale LLC	90,520	10	0.39%			
Glendale Plaza Realty Holding Company				133,899	3	0.86%
Glendale II Associates				122,591	4	0.79%
OTR				105,618	5	0.68%
NBB Associates L.P.				105,000	6	0.68%
DW Statutory Trust 2002				96,552	7	0.62%
Maguire Partners- 611 N Brand LLC				93,748	8	0.60%
400/450 North Brand LLC				92,317	9	0.59%
550 North Brand Owners Corp				69,000	10	0.44%
Total	\$ <u>2,123,016</u>		<u>9.03%</u>	\$ <u>1,297,688</u>		<u>8.35%</u>

Source: HdL Coren & Cone

Not covered by independent auditor's report

Schedule 11

CITY OF GLENDALE

Property Tax Levies and Collections
Last Ten Fiscal Years (in thousands)

Fiscal Year Ended June 30,	City						
	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date (1)		
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2004	\$ 17,032	\$ 16,114	95%	\$ 393 (3)	\$ 16,507	97%	
2005	17,640	17,072	97%	492 (3)	17,564	100%	
2006	19,996	19,208	96%	589 (3)	19,797	99%	
2007	22,247	21,228	95%	827 (3)	22,055	99%	
2008	23,853	22,460	94%	1,209 (3)	23,669	99%	
2009	24,731	23,552	95%	1,201 (3)	24,753	100%	
2010	23,814	22,698	95%	902 (3)	23,600	99%	
2011	24,737	23,811	96%	620 (3)	24,431	99%	
2012	25,402	24,726	97%	554 (3)	25,280	100%	
2013	24,839	25,612	103%	-	25,612	103%	
Redevelopment Agency/Successor Agency (5)							
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date (1)		
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2004	\$ 23,474	\$ 21,406	91%	\$ 819 (3)	\$ 22,225	95%	
2005	28,489	26,662	94%	528 (3)	27,190	95%	
2006	26,505	25,798	97%	341 (3)	26,139	99%	
2007	29,118	27,415	94%	472 (3)	27,887	96%	
2008	31,205	30,505	98%	(19) (2)(3)	30,486	98%	
2009	36,408	34,667	95%	283 (3)	34,950	96%	
2010	41,442	39,884	96%	383 (3)	40,267	97%	
2011	39,048	37,801	97%	265 (3)	38,066	97%	
2012	37,958	16,643 (4)	44%	- (3)	16,643 (4)	44%	
2013	-	42,203 (5)	-	-	42,203	-	

Notes:

- (1) 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.
- (2) The negative collection is due to refunds to property owners for overpayment in prior years, which mainly resulted from lower property values.
- (3) Delinquent taxes should be reported by levy year rather than by collection year. [GASB-S44: 21c; 2005 GAAFR, page 307].
- (4) This amount only includes Property Tax Increment collections from July 2011 through January 2012 due to AB 1x 26 - Redevelopment Agencies Dissolution effective February 1, 2012.
- (5) Effective February 1, 2012, the Property Tax receipts from the County of LA to pay the former Redevelopment Agency's obligations are recorded in the Successor Agency Fund.

Sources:

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

Not covered by independent auditor's report

Schedule 12

CITY OF GLENDALERatios of Outstanding Debt by Type,
Last Ten Fiscal Years (in thousands)

Governmental Activities								
Fiscal Year	Police Building Project (COPs)	Capital Leases	Section 108 (Series 2002-A)	Section 108 (Series 2011-A)	Notes Payable	Residential Development Loan Program (RDLP)	Subtotal	
2004	\$ 62,000	1,631	1,700	-	4,615	-	69,946	
2005	60,800	4,989	1,590	-	3,692	-	71,071	
2006	59,600	4,273	1,450	-	2,769	-	68,092	
2007	58,300	11,729	1,280	-	1,846	-	73,155	
2008	56,900	9,935	1,100	-	923	-	68,858	
2009	55,500	10,540	690	-	-	-	66,730	
2010	54,000	8,866	690	-	-	4,643	68,199	
2011	52,400	7,121	470	-	-	4,643	64,634	
2012	50,700	5,302	240	2,000	-	4,643	62,885	
2013	48,900	3,405	-	1,839	-	4,643	58,787	

Business-Type Activities								
Fiscal Year	2000 Electric Revenue Bond	2003 Electric Revenue Bond	2006 Electric Revenue Bond	2008 Electric Revenue Bond	2013 Electric Refunding Bond	2008 Water Revenue Bond	2012 Water Revenue Bond	Subtotal
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
2011	-	25,718	32,481	61,516	-	51,722	-	171,437
2012	-	24,811	31,371	61,459	-	51,657	-	169,298
2013	-	-	30,193	61,403	24,106 (III)	51,593	35,621	202,916

Note:

Due to the dissolution of the Glendale Revelopment Agency (GRA) on February 1, 2012, all of the GRA's debt have been moved to Glendale Successor Agency (Fiduciary Fund).

Sources:

(I) City Finance Department

(II) Population data has been revised based on data obtained from the California State Department of Finance Demographic Research Unit, Population Estimates for California Cities, January 1 of every year (E-1). Accordingly, per capita data has also changed.

(III) 2003 Electric Revenue Bond was refunded by 2013 Electric Refunding Bond in FY2013.

Not covered by independent auditor's report

(Continued)

Schedule 12

CITY OF GLENDALERatios of Outstanding Debt by Type,
Last Ten Fiscal Years (in thousands)

Fiscal Year	Total Primary Government	Total Personal Income	Percentage of Personal Income (II)	Population	per Capita (II)
2004	\$ 138,515	\$ 4,660,757	2.97%	205	0.675
2005	138,816	4,914,184	2.82%	207	0.671
2006	134,669	5,126,858	2.63%	206	0.653
2007	138,350	5,412,526	2.56%	207	0.668
2008	246,008	5,593,038	4.40%	207	1.188
2009	242,043	5,649,852	4.28%	207	1.168
2010	241,607	5,535,874	4.36%	208	1.162
2011	236,071	5,822,711	4.05%	192	1.227
2012	232,183	5,731,457	4.05%	193	1.205
2013	261,703	5,782,449	4.53%	194	1.351

Fiduciary Activities

Fiscal Year	2002 GRA Tax Allocation Bond	2003 GRA Tax Allocation Bond	2010 GRA Tax Allocation Bond	2011 GRA Tax Allocation Bond	Low & Mod Loans payable	Total
2004	\$ 48,053	58,129	-	-	-	106,182
2005	46,083	56,184	-	-	-	102,267
2006	44,057	53,924	-	-	-	97,981
2007	41,971	51,544	-	-	-	93,515
2008	39,832	49,043	-	-	-	88,875
2009	37,626	46,418	-	-	13,352	97,396
2010	35,355	43,658	26,621	-	10,716	116,350
2011	33,008	40,758	26,644	50,000	7,991	158,401
2012	30,583	37,708	26,667	47,967	5,171	148,096
2013	28,078	34,563	26,691	46,528	2,254	138,114

Note:

Due to the dissolution of the Glendale Revelopment Agency (GRA) on February 1, 2012, all of the GRA's debt have been moved to Glendale Successor Agency (Fiduciary Fund).

Sources:

(I) City Finance Department

(II) Population data has been revised based on data obtained from the California State Department of Finance Demographic Research Unit, Population Estimates for California Cities, January 1 of every year (E-1). Accordingly, per capita data has also changed.

(III) 2003 Electric Revenue Bond was refunded by 2013 Electric Refunding Bond in FY2013.

Not covered by independent auditor's report

Schedule 13

CITY OF GLENDALE

Direct & Overlapping Governmental Activities Debt

As of June 30, 2013 (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	\$ 48,900	100%	\$ 48,900
Capital Leases	3,405	100%	3,405
Section 108 (Series 2011-A)	1,839	100%	1,839
Residential Development Loan Program (RDLP)	4,643	100%	<u>4,643</u>
Total Direct Debt			<u><u>58,787</u></u>
Overlapping Debt			
Metropolitan Water District	79,696	2.229%	1,776
Glendale CCD DS 2002 Ser-C	9,528	89.157%	8,495
Glendale CCD DS RF BD 02, 05 S-A	6,966	89.157%	6,211
Glendale CCD DS 2002 Ser 2006	31,255	89.157%	27,866
Glendale CCD DS 2002, 2011 & 2013	18,996	89.157%	16,936
Pasadena CCD DS 2006 Series B	46,100	0.104%	48
Pasadena CCD DS 2006 REF BD Series C	5,315	0.104%	6
Pasadena CCD DS 2002, 2006 Ser D	26,505	0.104%	28
Pasadena CCD DS 2002, 2009 Series E (BABS)	25,295	0.104%	26
Glendale USD DS 1997 Ser F	650	89.157%	580
Glendale USD DS 1997 Ser G	1,010	89.157%	900
Glendale USD DS 2009 Ref Bonds	40,330	89.157%	35,957
Glendale USD DS 2010 Ref Bonds	26,405	89.157%	23,542
Glendale USD DS 2011 Ser A Bonds	21,095	89.157%	18,808
Glendale USD DS 2011 SR A 1 CREB	4,300	89.157%	3,834
Glendale USD DS 2011 Series A 2	48,160	89.157%	42,938
Glendale USD DS 2012 Refund Bonds	22,805	89.157%	20,332
La Canada Unified SD 1995 SD	4,025	1.193%	48
La Canada Unif SD DS 1999 Ser A	1,830	1.193%	22
La Canada USD DS 1999 Ser B	185	1.193%	2
La Canada USD DS 2004 Ser A	2,145	1.193%	26
La Canada Unif Sch DS 2004 Ser B	4,715	1.193%	56
La Canada Unif Sch DS 2004 Ser C	4,175	1.193%	50
La Canada Unif Sch DS 2011 Refund Bond	12,110	1.193%	<u>144</u>
Total Overlapping Debt			<u><u>208,631</u></u>
Total Direct and Overlapping Debt			<u><u>\$ 267,418</u></u>

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Sources:

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

Not covered by independent auditor's report

CITY OF GLENDALE

Legal Debt Margin Information

Last Ten Fiscal Years (in thousands)

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	\$ <u>18,862,951</u> (2)
Debt limit (15% of assessed value)	2,829,443 (1)
Less debt applicable to limit	-
Legal debt margin	\$ <u><u>2,829,443</u></u>

		Fiscal Year				
		2013	2012	2011	2010	2009
Debt limit	\$	2,829,443	2,809,769	3,433,923	3,388,470	3,388,268
Total net debt applicable to limit		<u>-</u>	<u>-</u>	<u>147,872</u>	<u>107,985</u>	<u>88,936</u>
Legal debt margin	\$	<u><u>2,829,443</u></u>	<u><u>2,809,769</u></u>	<u><u>3,286,051</u></u>	<u><u>3,280,485</u></u>	<u><u>3,299,332</u></u>
Total net debt applicable to the limit as a percentage of debt limit		0.00%	0.00%	4.31%	3.19%	2.62%

		Fiscal Year				
		2008	2007	2006	2005	2004
Debt limit	\$	3,181,548	2,985,199	2,700,779	2,486,080	2,331,463
Total net debt applicable to limit		<u>87,980</u>	<u>92,570</u>	<u>96,985</u>	<u>101,220</u>	<u>97,469</u>
Legal debt margin	\$	<u><u>3,093,568</u></u>	<u><u>2,892,629</u></u>	<u><u>2,603,794</u></u>	<u><u>2,384,860</u></u>	<u><u>2,233,994</u></u>
Total net debt applicable to the limit as a percentage of debt limit		2.77%	3.10%	3.59%	4.07%	4.18%

Notes:

(1) 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.

(2) Due to the passage of AB 1x 26 in June 2011, the assessed value of the former Glendale Redevelopment Agency's (GRA) Project Areas are no longer included in this calculation. As a result, the debt associated with the former GRA became obligations of the Glendale Successor Agency. As such, effective FY2012, the debt of the former Agency is excluded from the Legal Debt Margin calculation.

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 Ten Fiscal Years (in thousands)

Fiscal Year	Electric Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
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	
2011	187,801	179,768	8,033	1,905	5,576	1.07	
2012	196,007	196,226	(219)	1,965	5,488	(0.03)	
2013	173,701	170,916	2,785	2,020	5,372	0.38	

Fiscal Year	Water Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
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	
2011	36,637	32,623	4,014	-	2,310	1.74	
2012	41,359	39,351	2,008	-	2,310	0.87	
2013	44,605	40,197	4,408	1,175	2,970	1.06	

Fiscal Year	Tax Allocation Bonds recorded as Fiduciary Activities (1)						Coverage
	Property Tax Increment	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
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 (2)	15,661	4,780	3,808	1.82	
2010	25,254	17,166 (2)	8,088	4,980	3,599	0.94	
2011	22,693 (3)	8,296 (3)	14,397	4,995	5,201	1.41	
2012	10,031 (4)	4,454 (4)	5,577	5,425	4,282	0.57	
2013	42,203	1,006	41,197	7,330	8,091	2.67	

Notes:

- (1) Due to the dissolution of the Glendale Revelopment Agency (GRA) on February 1, 2012, all of the GRA's debt have been moved to Glendale Successor Agency (Fiduciary Fund).
- (2) The Operating Expenses increase between FY2009 & FY2010 was due to the GRA's transfer to "SERAF" in the amount of \$11.2 million in FY2010.
- (3) FY2011 Property Tax Increment and Operating Expenses have been restated and reflect the "SERAF" transfer of \$2.3 million.
- (4) These Revenue and Operating Expenses only represent the first seven months of FY2012.

Source: City Finance Department

Not covered by independent auditor's report

Schedule 16

CITY OF GLENDALE

Demographic and Economic Statistics

Last Ten Fiscal Years

<u>Year</u>	<u>Population</u> (I)	<u>Per Capita Personal Income</u> (II)	<u>Total Personal Income</u>	<u>Median Age</u> (II)
2004	205,341	\$ 23,034	\$ 4,729,824,594	37.5
2005	207,007	24,005	4,969,203,035	37.5
2006	206,308	24,942	5,145,734,136	37.5
2007	207,157	26,334	5,455,272,438	37.5
2008	207,157	27,259	5,646,892,663	39.0
2009	207,303	27,473	5,695,235,319	41.2
2010	207,902	26,803	5,572,397,306	39.0
2011	192,473	28,007	5,390,591,311	40.0
2012	192,654	29,750	5,731,456,500	40.6
2013	193,652	29,860	5,782,448,720	41.0

<u>Year</u>	<u>Percent High School Graduate or Higher</u> (II)	<u>Percent Bachelor's Degree or Higher</u> (II)	<u>School Enrollment</u> (III)	<u>Unemployment Rate</u> (I)
2004	79.0%	32.0%	44,000	6.1%
2005	79.0%	32.0%	43,000	5.6%
2006	79.0%	32.0%	42,144	4.6%
2007	81.0%	33.3%	42,223	4.1%
2008	82.9%	34.8%	45,116	4.4%
2009	83.3%	35.8%	50,606	6.5%
2010	83.2%	36.0%	51,139	10.1%
2011	84.4%	37.2%	48,582	11.1%
2012	85.2%	38.8%	48,146	10.7%
2013	85.1%	39.0%	47,892	8.1%

Sources:

(I) Population data has been revised based on data obtained from the California State Department of Finance Demographic Research Unit, Population Estimates for California Cities, January 1 of every year (E-1).

(II) Data is based on information provided by HdL Coren & Cone.

(III) Glendale Unified School District and Glendale Community College District school attendance reports.

Not covered by independent auditor's report

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

Employer	2013			2006		
	Employees (1) (II)	Rank	Percentage of Total City Employment (3)	Employees (1) (I)	Rank	Percentage of Total City Employment (3)
Glendale Adventist Medical Center	2,424	1	2.33%	1,999	3	2.62%
City of Glendale	2,021	2	1.95%	2,706	1	3.55%
Glendale Unified School District	1,830	3	1.76%	2,681	2	3.51%
Dream Works Animation	1,531	4	1.47%			
Diagnostic Laboratories	1,370	5	1.32%			
Glendale Memorial Medical Center	1,196	6	1.15%	1,248	5	1.64%
Glenair Inc	1,180	7	1.14%			
Nestle Company	1,100	8	1.06%	1,735 (2)	4	2.27%
Glendale Community College	897	9	0.86%	1,141	6	1.50%
Verdugo Hills Hospital	727	10	0.70%			
Public Storage Inc				967	7	1.27%
Bank America North America				834	8	1.09%
Walt Disney Imagineering				765	9	1.00%
Acco Engineered Systems				711	10	0.93%

Notes:

- (1) Both actual full-time and hourly employees are included.
- (2) It includes the three subsidiaries of Nestle in Glendale.
- (3) In FY2013, % of total employment is calculated using a baseline of 103,900 workers. In 2006, the % of total employment was calculated using a baseline of 76,276 workers employed in Glendale.
- (4) Data prior to FY2006 are not available.
- (5) Starting in FY2012, companies that have requested a confidentiality waiver from the state to block the release of employment data are not included.

Sources:

- (I) FY2006 data is from the Labor Market Information Division, California Employment Development Department.
- (II) FY2013 data, with the exception of the City of Glendale data, is from MuniServices LLC.
FY2013 City of Glendale data is from the City Finance Department.

Not covered by independent auditor's report

Schedule 18

CITY OF GLENDALE

Authorized Salaried Positions by Department

Last Seven Fiscal Years

Department	Fiscal Year			
	2013	2012	2011	2010
Administrative Services - Finance	31.05	34.05	35.05	31.90
City Attorney	18.16	20.16	20.16	12.30
City Clerk	7.00	10.00	10.00	10.00
City Treasurer	5.00	5.00	5.00	5.00
Community Development	98.24	135.99	-	-
Community Development & Housing	-	-	-	102.47
Community Planning	-	-	85.01	-
Community Redevelopment & Housing	-	-	50.48	-
Community Services & Parks	107.70	158.38	165.05	-
Development Services	-	-	-	18.23
Fire				
Sworn	168.00	177.00	179.00	185.00
Civilians	43.25	47.00	46.00	45.00
Glendale Water & Power	330.00	415.50	408.00	416.15
Human Resources	20.85	27.85	28.00	31.00
Information Services	47.75	52.00	50.00	42.00
Library, Arts & Culture	50.00	59.00	61.00	64.00
Management Services	27.00	32.82	30.00	31.00
Parks, Recreation and Community Services	-	-	-	128.00
Planning	-	-	-	26.95
Police				
Sworn	252.60	253.60	255.10	255.10
Civilians	99.00	105.00	107.00	108.00
Public Works	298.40	340.65	354.15	391.90
Total	1,604.00	1,874.00	1,889.00	1,904.00

Notes:

- (1) Administrative Services Department includes data for Purchasing.
- (2) Prior to FY2009, Human Resources was part of Administrative Services.
- (3) Prior to FY2010, Graphics was part of the Administrative Services Department. As of July 1, 2009 Graphics is part of Management Services.
- (4) As of FY2011, central support staff (e.g. Administrative Services, City Attorney, Human Resources) that were charged to other funds, were shifted back to their home departments and included in the citywide cost allocation plan.
- (5) The data in FY2011 reflects realignment and renaming of Planning, Development Services, Parks, Recreation & Community Services, and Community Development & Housing.
- (6) The data in FY2012 reflects the renaming of Community Planning and Community Redevelopment & Housing into Community Development.
- (7) Effective FY2012, the position count in Management Services includes the five (5) Councilmembers.
- (8) Effective FY2013, the position count in Community Services & Parks includes three (3) unclassified budgeted positions.
- (9) FY2013 position count was adjusted per balancing strategies.
- (10) Data prior to FY2007 are not available.

Source: City's Budget book.

Not covered by independent auditor's report

(Continued)

Schedule 18

CITY OF GLENDALE

Authorized Salaried Positions by Department

Last Seven Fiscal Years

<u>Department</u>	<u>Fiscal Year</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Administrative Services - Finance	43.40	73.90	72.90
City Attorney	10.80	14.30	12.50
City Clerk	10.00	11.00	11.00
City Treasurer	5.00	5.00	5.00
Community Development	-	-	-
Community Development & Housing	103.63	107.63	115.11
Community Planning	-	-	-
Community Redevelopment & Housing	-	-	-
Community Services & Parks	-	-	-
Development Services	18.23	18.23	17.25
Fire			
Sworn	187.00	192.00	192.00
Civilians	49.00	51.00	52.00
Glendale Water & Power	426.15	426.15	425.50
Human Resources	31.00	-	-
Information Services	45.00	47.00	50.00
Library, Arts & Culture	65.00	65.00	66.00
Management Services	26.00	26.00	26.00
Parks, Recreation and Community Services	134.00	140.00	130.00
Planning	27.95	28.95	28.00
Police			
Sworn	258.10	269.70	267.70
Civilians	120.00	120.00	125.00
Public Works	381.74	390.14	378.04
Total	<u>1,942.00</u>	<u>1,986.00</u>	<u>1,974.00</u>

Notes:

- (1) Administrative Services Department includes data for Purchasing.
- (2) Prior to FY2009, Human Resources was part of Administrative Services.
- (3) Prior to FY2010, Graphics was part of the Administrative Services Department. As of July 1, 2009 Graphics is part of Management Services.
- (4) As of FY2011, central support staff (e.g. Administrative Services, City Attorney, Human Resources) that were charged to other funds, were shifted back to their home departments and included in the citywide cost allocation plan.
- (5) The data in FY2011 reflects realignment and renaming of Planning, Development Services, Parks, Recreation & Community Services, and Community Development & Housing.
- (6) The data in FY2012 reflects the renaming of Community Planning and Community Redevelopment & Housing into Community Development.
- (7) Effective FY2012, the position count in Management Services includes the five (5) Councilmembers.
- (8) Effective FY2013, the position count in Community Services & Parks includes three (3) unclassified budgeted positions.
- (9) FY2013 position count was adjusted per balancing strategies.
- (10) Data prior to FY2007 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 Eight Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Police				
Physical arrests	5,886	5,829	5,652	5,857
Parking violations	72,879	74,572	81,843	87,621
Traffic violations	17,197	18,566	25,667	23,990
Fire				
Emergency responses	17,253	16,591	15,447	15,424
Fires extinguished	382	372	349	333
Refuse collection				
Refuse collected (tons per day)	185	184 (6)	195	197
Recyclables collected (tons per day)	29	29	31	32
Inert waste recycling - Brand Park landfill (tons per year)	3,607 (2)	3,545 (2)	2,500 (2)	3,000 (2)
Other public works				
Street resurfacing (miles)	6.6	5.85 (3)	5.56 (3)	5.30 (3)
Street reconstructing (miles)	- (9)	0.68	0.70	0.50
Potholes repaired (square feet per year)	16,592	21,962	21,012	16,449
Parks and recreation				
Athletic field permits issued	614 (5)	682 (5)	917	930
Community center admissions	3,425	3,194	2,360	1,114
Library				
Volumes in collections	619,871	643,598	688,818	701,928
Total volumes borrowed	1,114,987	1,179,964	1,290,945	1,312,743

Notes:

- (1) Beginning January 2007, Parks department started using Safari system to issue permits, which issues one permit for one participant for multiple events. The old system issues one permit for one participant for one event, so the number of permits issued is more in FY2006.
- (2) Some inert wastes were diverted to an outside recycling company rather than using Brand Landfill.
- (3) More street resurfacing was done from FY2010 to FY2012 than in prior years in an effort to take advantage of the low street resurfacing costs resulting from the economic downturn.
- (4) The increases in the purchases and sales of MWHs correlates to the increase in wholesale revenue and sales to other utility revenue of approximately \$27.5 million.
- (5) In prior years, separate permits were issued for practices vs. games. This year, practices and games were covered under the same permit for effective staff management. One permit covered multiple facilities and multiple days/weeks/months of use.
- (6) Decrease in number of tons disposed due to regional economic slow down and free recycling offered to residential and commercial accounts.
- (7) Reduction in service has contributed to the decrease in total route miles from the previous years.
- (8) A fare increase, service reductions, and reduced student enrollment have contributed to the decrease in number of passengers from the previous year.
- (9) The Public Works Department focused its efforts on street resurfacing in lieu of street reconstruction.
- (10) Reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.
- (11) Data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditor's report

(Continued)

Schedule 19

CITY OF GLENDALE

Operations Indicators by Function/Program

Last Eight Fiscal Years

Function/Program	Fiscal Year			
	2013	2012	2011	2010
Electric				
Average daily consumption (MWH)	3,090	2,998	2,878	3,020
Electricity generated (MWH)	794,248	846,637	928,682	960,061
Electricity purchased (MWH)	769,224 (10)	1,289,843	1,195,972 (4)	451,545
Electricity sold - Retail (MWH)	1,127,696	1,094,194	1,050,450	1,102,310
Electricity sold - Wholesale (MWH)	297,254 (10)	897,830	884,686 (4)	185,665
Peak demand (MW)	311	316	336	300
Water				
Average daily consumption (millions of gallons)	25	23	21	22
Water mains breaks	10	14	10	8
Water purchased (AF)	18,761	17,319	16,959	16,535
Water sold (AF)	29,003	26,809	24,796	25,489
Wastewater				
Average daily sewage treatment (millions of gallons)	15	15	20	20
Transit				
Total route miles	731,036	(7) 822,432	(7) 880,655	866,901
Passengers	1,888,016	(8) 2,543,532	(8) 2,724,121	2,574,396

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- (11) Data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditor's report

(Continued)

Schedule 19

CITY OF GLENDALE

Operations Indicators by Function/Program

Last Eight Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police				
Physical arrests	6,405	6,254	6,717	7,087
Parking violations	83,706	89,700	87,971	80,374
Traffic violations	26,149	22,059	20,199	22,253
Fire				
Emergency responses	14,923	15,253	14,906	14,759
Fires extinguished	420	442	456	465
Refuse collection				
Refuse collected (tons per day)	279	283	289	299
Recyclables collected (tons per day)	48	51	140	135
Inert waste recycling - Brand Park landfill (tons per year)	3,000 (2)	3,000 (2)	6,500	10,500
Other public works				
Street resurfacing (miles)	1.62	0.42	1.36	3.47
Street reconstructing (miles)	0.13	0.91	0.82	2.97
Potholes repaired (square feet per year)	11,800	16,683	9,886	10,057
Parks and recreation				
Athletic field permits issued	1,054	873	648	7,114 (1)
Community center admissions	1,229	1,192	1,797	1,236
Library				
Volumes in collections	718,879	722,790	761,314	770,784
Total volumes borrowed	1,236,950	1,185,385	1,088,286	1,075,073

Notes:

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- (11) Data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditor's report

(Continued)

Schedule 19

CITY OF GLENDALE

Operations Indicators by Function/Program

Last Eight Fiscal Years

Function/Program	Fiscal Year			
	2009	2008	2007	2006
Electric				
Average daily consumption (MWH)	3,154	3,180	3,142	3,130
Electricity generated (MWH)	940,051	1,007,011	1,025,235	887,263
Electricity purchased (MWH)	533,258	583,906	490,592	626,304
Electricity sold - Retail (MWH)	1,151,391	1,160,566	1,146,828	1,142,582
Electricity sold - Wholesale (MWH)	204,828	250,391	241,092	261,454
Peak demand (MW)	299	333	336	313
Water				
Average daily consumption (millions of gallons)	25	26	28	27
Water mains breaks	12	18	12	11
Water purchased (AF)	20,873	21,705	23,643	22,239
Water sold (AF)	29,465	30,691	31,889	29,907
Wastewater				
Average daily sewage treatment (millions of gallons)	17	17	17	17
Transit				
Total route miles	889,819	880,991	871,430	816,240
Passengers	2,260,263	2,152,200	2,271,548	2,273,843

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Sources: Various city departments

Not covered by independent auditor's report

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Eight Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Police				
Stations	2 (1)	2 (1)	2 (1)	2 (1)
Patrol units	62	74	70	70
Helicopters	1.5 (2)	1.5 (2)	1.5 (2)	1.5 (2)
Motorcycles	27	23	25	25
Fire				
Stations	9	9	9	9
Refuse collection				
Collection trucks	50 (3)	48 (3)	50 (3)	50 (3)
Other public works				
Streets (miles)	350	350	350	350
Traffic signals	234	234	233	233
Parks and recreation				
Open space acres	5,034	5,034	5,034	5,029
Developed parkland acres	286 (6)	282	281	281
Parks and other facilities	42 (4)(6)	41 (4)	39	39
Community centers	4 (4)	4 (4)	8	8
Baseball/softball diamonds	16	16	16	16
Soccer/football fields	3	3	3	3
Golf course	1	1	1	1
Community pool	1	1	1	-

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) Beginning in FY2012, community buildings are not accounted for as community centers separately. They are included in the parks and facilities count as part of the park in which they reside.
- (5) This includes Los Angeles County and Caltrans stormdrains within the city boundaries.
- (6) The Glendale Narrows Riverwalk park project was completed in FY2013, which increased the park count to 42 and park acreage by 3.94 acres.
- (7) Data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditor's report

(Continued)

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Eight Fiscal Years

Function/Program	Fiscal Year			
	2013	2012	2011	2010
Library				
Branches	8	8	8	8
Electric				
Number of electric meters	85,629	85,358	84,962	84,800
Number of streetlights	10,740	10,735	10,725	10,714
Grayson power plant capacity (MW)	260	260	260	260
Water				
Number of water meters	33,801	33,744	33,374	33,509
Water mains (miles)	397	397	397	397
Fire hydrants	3,146	3,134	3,134	3,133
Storage capacity (millions of gallons)	184	184	184	185
Wastewater				
Storm catch basin	3,686 (5)	3,686 (5)	3,686 (5)	3,679
Sanitary sewers (miles)	360	360	360	360
LAGWRP Treatment capacity (millions of gallons)	20	20	20	20
Transit				
Buses	34	34	34	34

Notes:

- (1) One main facility and one substation at the Galleria.
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Sources: Various city departments

Not covered by independent auditor's report

(Continued)

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Eight Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police				
Stations	2 (1)	2 (1)	2 (1)	2 (1)
Patrol units	64	68	69	71
Helicopters	1.5 (2)	1.5 (2)	2	2
Motorcycles	26	24	26	24
Fire				
Stations	9	9	9	9
Refuse collection				
Collection trucks	46 (3)	46 (3)	45 (3)	44 (3)
Other public works				
Streets (miles)	350	350	350	350
Traffic signals	226	232	229	225
Parks and recreation				
Open space acres	5,020	5,020	5,020	5,020
Developed parkland acres	280	275	274	274
Parks and other facilities	39	39	37	37
Community centers	8	8	8	8
Baseball/softball diamonds	16	16	16	16
Soccer/football fields	3	3	3	3
Golf course	1	1	1	1

Notes:

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Sources: Various city departments

Not covered by independent auditor's report

(Continued)

Schedule 20

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Eight Fiscal Years

Function/Program	Fiscal Year			
	2009	2008	2007	2006
Library				
Branches	8	8	7	7
Electric				
Number of electric meters	84,554	84,167	83,644	83,433
Number of streetlights	10,692	10,622	11,117	10,210
Grayson power plant capacity (MW)	260	249	249	249
Water				
Number of water meters	33,407	33,173	33,120	32,995
Water mains (miles)	397	397	397	397
Fire hydrants	3,072	2,970	2,950	2,950
Storage capacity (millions of gallons)	185	185	185	185
Wastewater				
Storm catch basin	3,679	3,679	3,679	3,679
Sanitary sewers (miles)	360	360	360	360
LAGWRP Treatment capacity (millions of gallons)	20	20	20	20
Transit				
Buses	34	34	34	34

Notes:

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Sources: Various city departments

Not covered by independent auditor's report

Schedule 21
CITY OF GLENDALE
Schedule of Credits

Robert Elliot, CPA
Director of Finance

General Overview
Letter of Transmittal

Lily Fang, Finance Administrator

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

Artak Khachatryan, Accounting Supervisor
Tim Hsu, Administrative Analyst
Alwin De Leon, Accountant II

PeopleSoft Nvision Report Writing
Glendale Water & Power
Cash Reporting

Shu-Jun Li, Accounting Supervisor
Vanik Darabedian, Accountant II
Liza Jue, Accountant I

Grant Reporting
Internal Service Funds / Single Audit
Statistical Section

Zinda Jimenez, Accounting Supervisor
Theresa Clark, Accountant II
Rima Dagbashyan, Accountant I

Glendale Successor Agency/Debt Reporting
Fixed Asset Accounting
Glendale Successor Agency/Debt Reporting

David Davis, Executive Analyst

Review of Glendale Water & Power Notes

Eileen Donahue, Internal Auditor

Review of CAFR

Graphics Section

Reprographic Services

Douglas Alvarez, Graphics Illustrator
Mark Berry, Principal Development Officer
Vanik Darabedian, Accountant II

Cover Design