

*The City of Glendale, California*

# Comprehensive Annual Financial Report



Year Ended, June 30, 2007

**CITY OF GLENDALE  
CALIFORNIA**

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2007

ADMINISTRATIVE SERVICES DIVISION  
FINANCE SECTION

Ron Ahlers, Acting Director of Administrative Services-Finance

Lily Fang, Accounting Services Administrator



# CITY OF GLENDALE, CALIFORNIA

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*The City of Glendale, California*

# Comprehensive Annual Financial Report



Introductory Section

Year Ended, June 30, 2007

November 21, 2007

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, 2007.

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). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. City of Glendale's MD&A can be found immediately following the report of the independent auditors.

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

### **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, parks and recreation, public improvements, planning and zoning, housing and community development and general administrative and support services.

Noted for its high quality of life and fiscal stability, Glendale is the third largest city in Los Angeles County, encompassing 30.6 square miles and serving over 206,000 residents. The City operates under a council-manager form of government, with five-member council elected at large for 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. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

## **FINANCIAL CONDITION**

### **Local economy**

The City's economy is dominated primarily by auto and retail sales as well as service industries. The retail business consists primarily of the Glendale Galleria which is the third largest mall in the state. In spring of 2008, the retail industry will be expanded by the opening of Americana at Brand. This new 475,000 square feet of retail, restaurants and entertainment will compliment the Glendale Galleria. In addition, a 272 room Embassy Suites is scheduled to be completed in early 2008.

Stability and growth continue to be characteristics of the City's economic environment as evidenced by a 7.5% increase in tax revenues composed primarily of property taxes, sales taxes, utility users taxes for the fiscal year ended June 30, 2007. The utility users tax revenues are subject to some uncertainties with recent attempts to reduce or eliminate the telecommunications portion of our local utility user tax. The loss of this tax on telecommunications could result in lower ongoing revenues for the City of up to \$5 million per fiscal year. The price fluctuations in commodities have had a negative impact upon the City. Natural gas prices have dramatically increased expenses for the Electric Fund. Additionally, gasoline prices have increased operating costs for the major departments within the City, from Fire & Police to Public Works and Glendale Water & Power.

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

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

### **Current capital projects**

Major capital projects include various earthquake and flood repairs to the infrastructure such as retrofit of the MSB Building and slope repairs. Other projects include the underground storage tank upgrade in the public works yard, the purchase of the Murchison property for open space as well as the Cerritos park development.

### **Cash Management**

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

The following table presents a comparison of the results of the City's investment of pooled cash for fiscal years 2003, 2004, 2005, 2006 and 2007:

	Fiscal years ended June 30,				
	2007	2006	2005	2004	2003
Average portfolio balance	\$482,547,426	\$498,928,098	\$552,861,088	\$539,711,451	\$508,436,941
Total portfolio's interest income	\$18,842,117	\$15,679,864	\$16,156,516	\$15,819,828	\$19,166,686
Average return on invested cash	3.90%	3.14%	2.92%	2.92%	3.77%

The average return on invested cash increased by 76 basis points from 3.14% in fiscal year 2006 to 3.90% in fiscal year 2007. The City Treasurer is looking forward to next year's average return at around 5% or an increase of about \$5 million in the average return on invested cash. The City Treasurer follows the general investment strategies set forth in a formal Statement of Investment Policy and presents monthly reports to the City Manager and the City Council

### **Risk Management**

The City is self-insured for unemployment, uninsurable litigation, general liability, auto liability, workers' compensation, medical, vision and dental insurance. The City has purchased excess insurance for general liability and workers' compensation. As of June 30, 2007, future losses in excess of claims payable of \$29.8 million were estimated, with cash available of \$20.6 million. This means that as a whole the City's self insurance funds do not have funds available to fully meet losses in excess of claims payable as of June 30, 2007. Since these losses are normally paid out over a period of years the City will have time to make adjustments to ensure adequate funding. The City also employs various risk control techniques, including safety training for all employees and the inclusion of appropriate legal provisions in third party contracts, in order to minimize losses.

### **Independent Audit**

The firm of Vavrinek, Trine, & Day, LLP has audited the financial statements of the City and its affiliated agencies. Their unqualified opinion on the City's basic financial statements is included within this report.

### **Award**

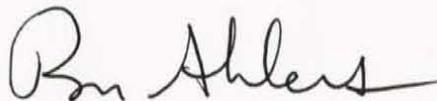
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the past twelve fiscal years ended June 30, 1995 through June 30, 2006. The Certificate of Achievement is a prestigious 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 Division. Each member of the division has my sincere appreciation for their contribution in the preparation of this report. A special commendation should be attributed to Ms. Lily Fang, Accounting Services Administrator, for the compilation of this CAFR. She has my utmost respect as a financial professional.

RESPECTFULLY SUBMITTED,



**RON AHLERS**  
ACTING DIRECTOR OF ADMINISTRATIVE SERVICES-FINANCE

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**CITY OF GLENDALE**  
Officials of the City of Glendale  
June 30, 2007

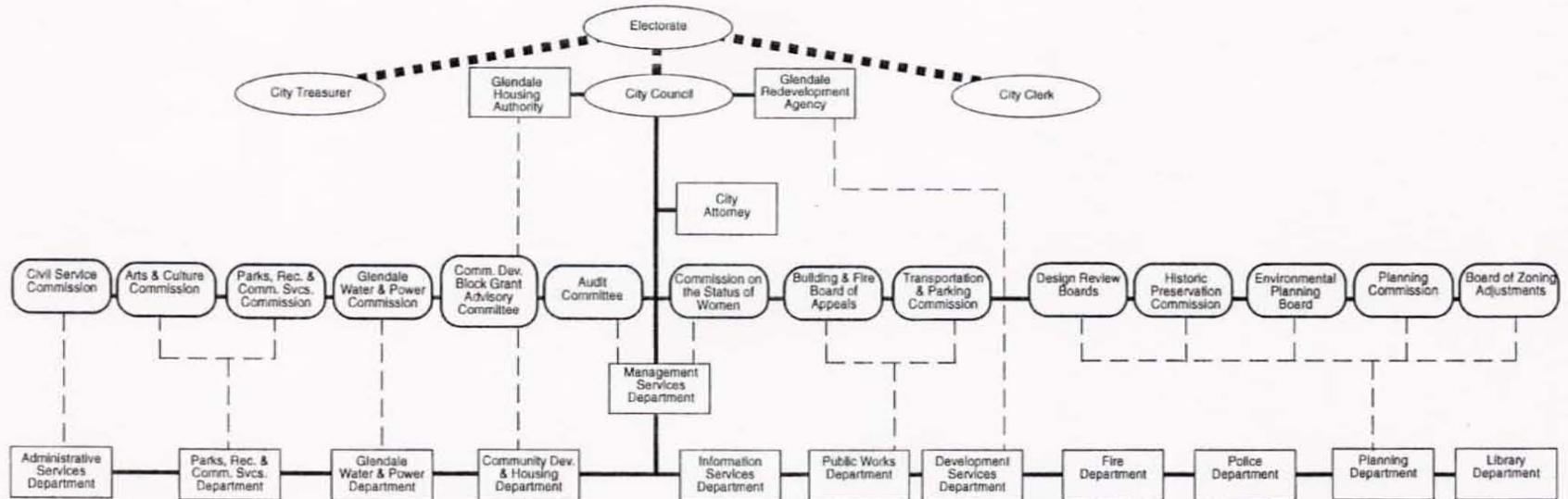
City Council

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

Administration and Department Heads

City Manager	James E. Starbird
Assistant City Manager	Robert K. McFall
Deputy City Manager	Yasmin Beers
Director of Glendale Water & Power	Ignacio Troncoso
City Attorney	Scott H. Howard
Police Chief	Randy Adams
Fire Chief	Christopher Gray
Director of Public Works	Steve Zurn
Acting Director of Finance & Administrative Services	Ron Ahlers
Acting Director of Human Resources	Matthew Doyle
Director of Development Services	Philip Lanzafame
Director of Planning	Hassan Haghani
Director of Community Development and Housing	Madalyn A. Blake
Director of Information Services	Imelda G. Bickham
Director of Parks, Recreation and Community Services	George Chapjian
Director of Library Services	Nancy Hunt-Coffey
City Auditor	William Fox
City Treasurer	Ronald T. Borucki
City Clerk	Ardashes Kassakhian

## CITY OF GLENDALE TABLE OF ORGANIZATION



- Administrative Control
- Electoral Control
- Advisory Control

○ Boards & Commissions

# 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, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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*The City of Glendale, California*

# Comprehensive Annual Financial Report



Financial Section

Year Ended, June 30, 2007



**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, business-types activities, each major fund, and the aggregate remaining fund information of the City of Glendale, California (the City), as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-types activities, each major fund, and the aggregate remaining fund information of the City of Glendale, California, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2007, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 15 and the required supplemental information on page 57 are not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Vavreck, Tuma, Day & Co., LLP*

Rancho Cucamonga, California  
November 21, 2007

*The City of Glendale, California*

# Comprehensive Annual Financial Report



Management's  
Discussion  
and Analysis

Year Ended, June 30, 2007



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, 2007. 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 - iii of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$1.6 billion (*net assets*). Of this amount, \$426.5 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. Of the \$426.5 million, \$190.4 million is in business type activities such as our electric, water, and sewer utilities.
- The City's total net assets increased by \$18.8 million. Most of this increase is attributable to an increase in capital assets.
- As of the close of the current fiscal year, the City governmental funds reported combined ending fund balances of \$267.5 million, a decrease of \$25.8 million in comparison with the prior year. About 50 percent of this total amount, \$133.6 million, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance (\$41.8 million) and the charter required reserve (\$17.8) million for the general fund total \$59.6 million, or 41.7 percent of total general fund expenditures. City financial policy requires general fund reserve (including the Charter required reserve) equal to not less than 35% of the operating budget.
- The City's total debt increased by \$7.6 million (2.6 percent) during the current fiscal year. The factors in this increase were the combination of numerous increases such as capital lease, claims payable, postclosure liability of Scholl Canyon, post employment benefits and decreases such as bond retirements through regular annual payments.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, housing, health, and community development, employment programs, public service, parks, recreation, and community services, library, and interest and fiscal charges on bonds. The business-type activities of the City include recreation, hazardous disposal, parking, sewer, refuse disposal, electric, and water operations.

## City of Glendale

Management's Discussion and Analysis, continued

June 30, 2007

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate redevelopment agency, housing authority and financing authority for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The redevelopment agency, the housing authority and the financing authority, although legally separate, function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 17-18 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and Glendale redevelopment agency fund, and the capital improvement fund, all of which are considered to be major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19-28 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its recreation, hazardous disposal, parking, sewer, refuse disposal, and electric and water utility operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles (general fund only), helicopter depreciation, uninsurable litigation, employee benefits, and various other insurance.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer, electric, and water operations, all of which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise and internal service funds is provided in the form of *combining statements* elsewhere in this report.

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

## City of Glendale

Management's Discussion and Analysis, continued

June 30, 2007

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-60 of this report.

The combining statements referred to earlier in connection with nonmajor governmental 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 61-115 of this report.

### Government-wide Financial Analysis

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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$1.6 billion at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (68.6 %) reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Glendale's Net Assets

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	372.6	391.6	223.4	251.7	596.0	643.3
Capital Assets	797.7	754.4	538.1	502.2	1,335.8	1,256.6
Total assets	1,170.3	1,146.0	761.5	753.9	1,931.8	1,899.9
Long-term liabilities	210.1	212.3	68.3	68.0	278.4	280.3
Other liabilities	55.9	38.4	21.5	24.0	77.4	62.4
Total liabilities	266.0	250.7	89.8	92.0	355.8	342.7
Net assets:						
Investment in capital assets, net of related debt	608.4	684.7	472.9	435.8	1,081.3	1,120.5
Restricted	59.8	58.6	8.4	8.7	68.2	67.3
Unrestricted	236.1	152.0	190.4	217.4	426.5	369.4
Total net assets	904.3	895.3	671.7	661.9	1,576.0	1,557.2

- 4.3% of the City's net assets represent resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$426.5 million) may be used to meet the government's ongoing obligations to citizens and creditors. Of the total, \$190.4 million is in business type activities such as our electric, water, and sewer utilities.

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

## City of Glendale

Management's Discussion and Analysis, continued

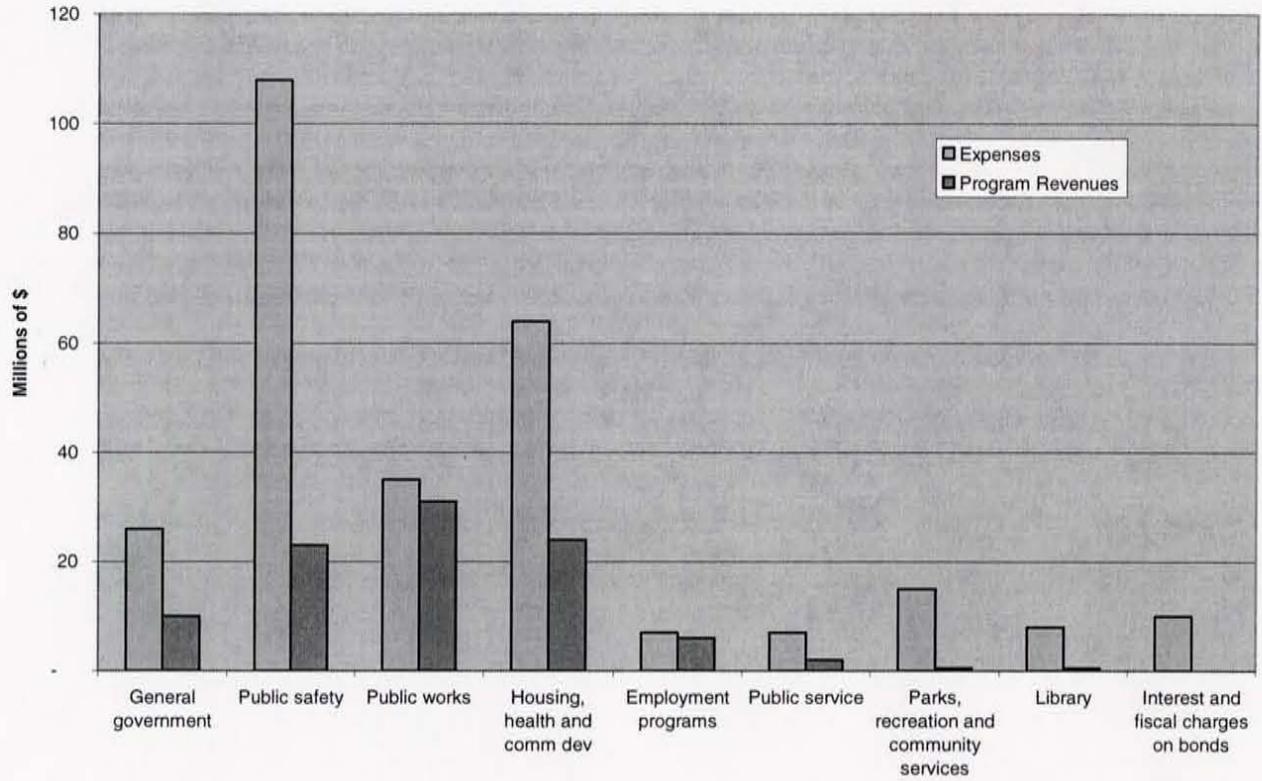
June 30, 2007

There was an increase of \$1.2 million in restricted net assets reported in connection with the City's governmental activities. Most of the increase resulted from the increased reserve for the City's Charter.

**Governmental activities.** Governmental activities increased the City's net assets by \$8.9 million. Key elements of this increase are as follows:

- Charges for services increased by \$5 million (14.25 percent) during the year mainly due to increased revenues in building permits and emergency medical response.
- Operating grants and contribution increased by \$2.6 million (6.4 percent) during the year due to increased in grant funding for Section 8 Voucher Program and FEMA Disaster Relief Reimbursement.
- Capital Grants and contribution decreased by \$5.3 million (30.29 percent) during the year due to receiving less reimbursement of state grants compared to prior year.
- Property tax increased by \$6.4 million (10.49 percent) during the year driven by real estate market activities with increased sales and high prices.
- Investment Income increased by \$9 million (132.4 percent) during the year due to higher interest rate & higher cash balance.
- Miscellaneous revenue decreased by \$7.7 million (35.98 percent) during the year due to decrease in sales of property.
- Public Safety expenses increased by \$13 million (13.73 percent) during the year due to increases in operating expenses and capital outlay.
- Housing, health and community development expenses increased by \$10.3 million (19.36 percent) during the year mostly due to land held for resale was conveyed to the Developer (Caruso Affiliates, LLC).
- Glendale Water & Power public benefits fund expenses increased by \$3 million (76.92 percent) during the year due to the purchasing of additional electric capitalized public assets.

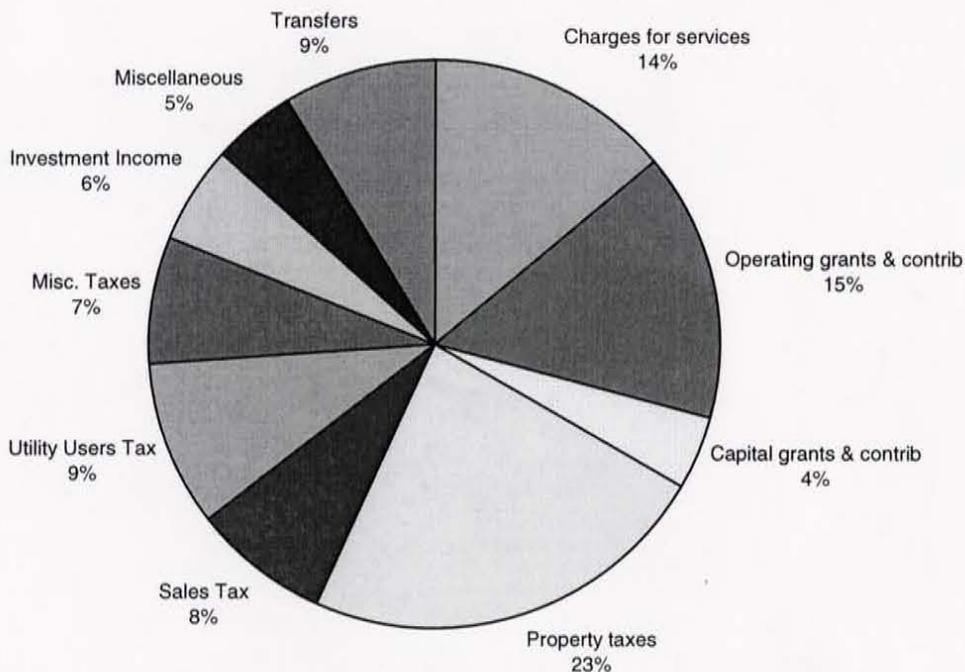
Expenses and Program Revenues – Governmental Activities



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

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Revenue:						
Program revenues:						
Charges for services	\$ 40.1	35.1	258.7	244.5	298.8	279.6
Operating grants & contrib	43.2	40.6	1.4	0.5	44.6	41.1
Capital grants & contrib	12.2	17.5	5.2	2.7	17.4	20.2
General revenues:						
Taxes:						
Property taxes	67.4	61.0	-	-	67.4	61.0
Sales Tax	23.9	23.9	-	-	23.9	23.9
Utility Users Tax	26.2	24.4	-	-	26.2	24.4
Misc. Taxes	21.3	19.2	-	-	21.3	19.2
Investment Income	15.8	6.8	11.6	6.5	27.4	13.3
Miscellaneous	13.7	21.4	3.3	3.9	17.0	25.3
Total revenues	263.8	249.9	280.2	258.1	544.0	508.0
Expenses:						
General Government	25.8	20.3	-	-	25.8	20.3
Public Safety	107.7	94.7	-	-	107.7	94.7
Public Works	35.4	37.1	-	-	35.4	37.1
Housing, health & community devel.	63.5	53.2	-	-	63.5	53.2
Employment Programs	6.8	6.1	-	-	6.8	6.1
Glendale Water & Power-public benefit	6.9	3.9	-	-	6.9	3.9
Parks, recreation & comm. Services	15.0	15.6	-	-	15.0	15.6
Library	8.5	7.9	-	-	8.5	7.9
Interest & fiscal charges on bonds	10.1	8.4	-	-	10.1	8.4
Recreation	-	-	2.1	1.9	2.1	1.9
Hazardous disposal	-	-	1.5	1.4	1.5	1.4
Fire Paramedic	-	-	-	-	-	-
Parking	-	-	6.6	5.5	6.6	5.5
Sewer	-	-	12.0	6.9	12.0	6.9
Refuse Disposal	-	-	15.1	14.4	15.1	14.4
Electric	-	-	178.2	184.9	178.2	184.9
Water	-	-	30.0	26.2	30.0	26.2
Total expenses	279.7	247.2	245.5	241.2	525.2	488.4
Excess (deficiency) before transfers	(15.9)	2.7	34.7	16.9	18.8	19.6
Transfers	24.8	24.4	(24.8)	(24.4)	-	-
Increase (Decrease) in net assets	8.9	27.1	9.9	(7.5)	18.8	19.6
Reclassification of Fire Paramedic Fund from Enterprise to Special Revenue Fund	-	(2.3)	-	2.3	-	-
Net assets - Beg. of the year	895.4	870.5	661.8	667.1	1,557.2	1,537.6
Net assets - End of the year	\$ 904.3	895.3	671.7	661.9	1,576.0	1,557.2

**Revenues By Source – Governmental Activities**



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**Business-type activities.** Business-type activities increased the City of Glendale's net assets by \$9.9 million. Key elements of this increase are as follows.

- Charges for services increased by \$14.2 million (5.81%) during the year. This increase can be attributed to \$0.8 million increase in Sewer Fees, \$2.1 million in Refuse Collection Fees, \$0.5 million in Parking and Hazardous Materials Fees, \$8.8 million in Electric sales (due to rate and usage increase) and \$2 million increase in Water Metered Sales (due to fuel adjustment rate increase and usage increase because of the drought in California).
- Operating grants & contribution increased by \$0.9 million (180%) during the year mostly because of the receipt of January 2005 Rainstorm FEMA Reimbursement Grant.
- Capital grants and contributions increased by \$2.5 million (92.59%) during the year due to \$2.8M contribution from Public Benefit Fund to purchase or construct a solar panel above the Glendale City College's new parking structure.
- Invest income increased by \$5.1 million (79.46%) during the year due to increase in return on investment, overall increase in interest rates in the market and most of the City's portfolio maturing in the year.
- Parking expense increased by \$1.1 million (20%) during the year due to increases in contractual services which can be offset against increases in parking garage revenue.

**City of Glendale**

Management's Discussion and Analysis, continued

June 30, 2007

- Sewer expense increased by \$5.1 million (73.91%) during the year due to payments to the City of Los Angeles for prior years for the Amalgamated Sewage System.
- Electric expense decreased by \$6.7 million (3.62 percent) during the year due to decrease in fuel, natural gas prices.
- Water expense increased by \$3.8 million (14.5 percent) during the year. This increase can be attributed to \$1.1 million increase in Water purchases, \$1.6 million increase in capital expenditures and \$1.1 million increase in Administrative & General Overhead and Depreciation Expense.

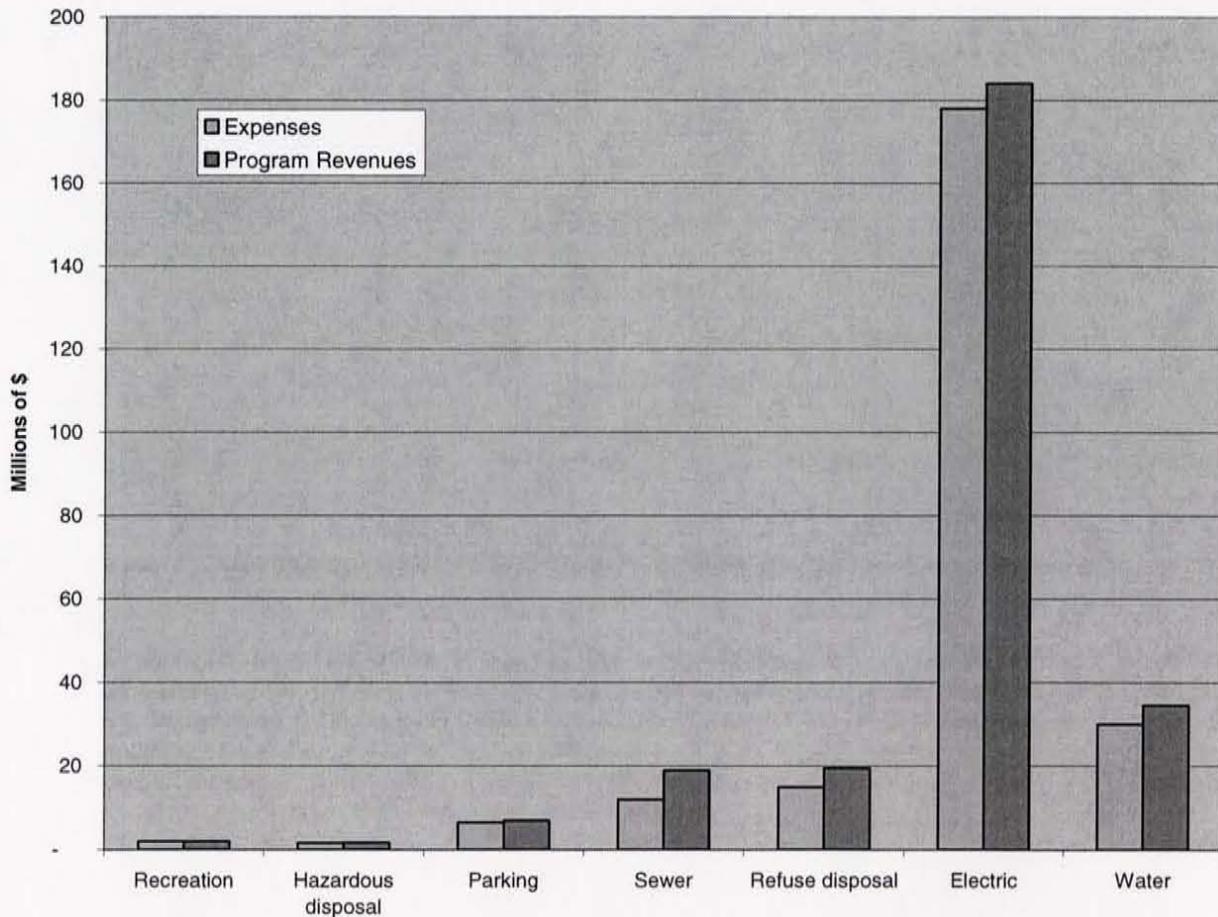
**Financial Analysis of the Government's Funds**

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

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

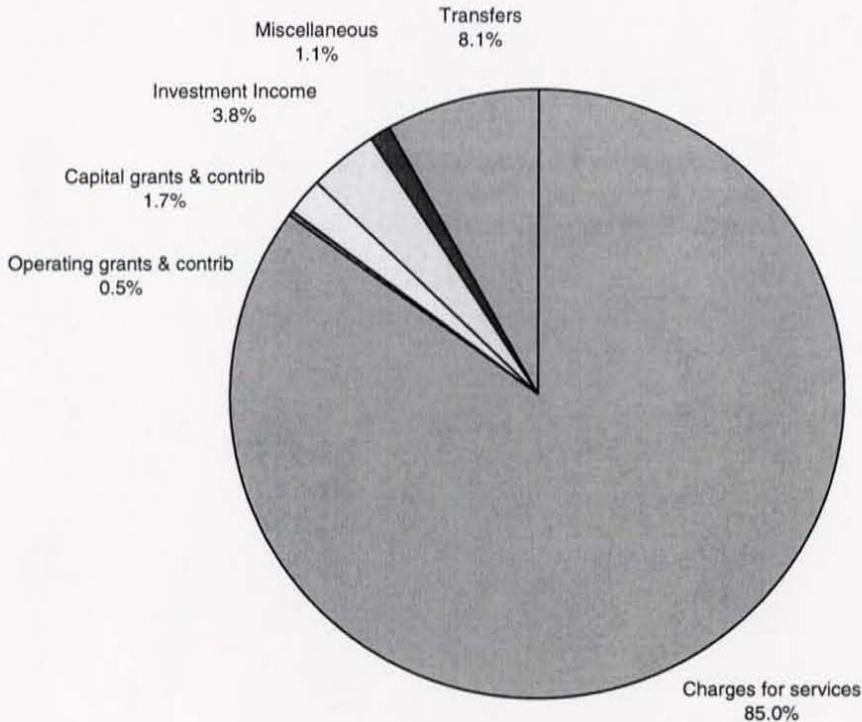
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**Expenses and Program Revenues –Business-type Activities**



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**Revenues By Source –Business-type Activities**



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As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$267.5 million, a decrease of \$25.8 million in comparison with the prior year. About 50 percent of this total amount (\$133.6 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$22.9 million), 2) to meet the charter reserve requirement (\$17.8 million), 3) to hold property for future development (8.7 million), 4) to pay debt service (\$12.2 million), 5) advance of City funds to the Glendale Redevelopment Agency (\$67.1 million), 6) for prepaid items (\$1.8 million), 7) for the return of deposits (\$0.007 million) or 8) for the loans receivable (\$3.4 million).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance and the charter-required reserve of the general fund were \$41.8 million and \$17.8 million, respectively, while total fund balance was \$127.7 million. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance and the charter-required reserve, totaling \$59.6 million, represent 41.7 percent of total general fund expenditures.

The fund balance of the City's general fund increased by \$11.5 million during the current fiscal year. Key factors in this increase are as follows:

## City of Glendale

Management's Discussion and Analysis, continued

June 30, 2007

- Transfers to General Fund increased by \$1.5 million this year.
- Transfers from General Fund to Capital Improvement Fund decreased by \$5.1 million this year.
- Excess of revenues over (under) expenditures increased by \$8 million this year compared to previous year.

The Glendale Redevelopment Agency Fund has a negative total fund balance of \$8.6 million. The Agency has a deficit in unreserved fund balance of \$25.4 million due to the fact that the Redevelopment agencies typically leverage current tax increment revenues by issuing long-term debt (including loans from the City) in order to raise capital to promote economic development within the project area. The new projects constructed, in turn, generate additional tax increment revenues, which again, may only be captured to the extent that the Agency incurs indebtedness. Indebtedness includes bonded indebtedness, notes, loans, advances, payments due under development agreements, and City loans. The Agency incurs debt based on future tax increments to fund infrastructure projects. Once the infrastructure projects are completed, the asset is transferred to the City, however, the debt remains with the Agency resulting in deficit net assets. Total fund balance in this fund decreased by \$45.8 million during the current year mainly due to expenses of City contribution toward the Town Center Project per the Developer Disposition Agreement with Caruso Affiliates, LLC for the Americana at Brand Project.

The Capital Improvement Fund has a total fund balance of \$36.3 million. \$11.3 million of the total fund balance is reserved for liquidation of contracts and purchase orders of the prior period.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the year, unrestricted net assets composed of \$62.6 million for the Sewer Fund, \$123.4 million for the Electric Fund, \$5.1 million for the Water Fund, and \$17.3 million for the other proprietary funds. The total growth in net assets for the Sewer Fund was \$8.6 million, for the Electric Fund was a \$0.6 million increase, for the Water Fund was a \$2.5 million increase, and was a \$3.8 million increase for the other proprietary funds. Other factors concerning the finance of these funds have been addressed in the discussion of the City's business-type activities.

### General Fund Budgetary Highlights

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

- \$0.5 million in increases allocated to general government activities.
- \$1.5 million in increases allocated to public safety.
- \$1.6 million in increases allocated to the public works department.
- \$0.6 million in increased allocated to parks, recreation & community services.

The majority of the increases was budgeted from available fund balance.

### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business type activities as of June 30, 2007, amounts to \$1.1 billion (net of accumulated depreciation and related debt). This investment in capital assets includes land, natural gas reserve, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. The total decrease in the City's investment in capital assets for the current fiscal year was 3.5 % (an 11.1 % decrease for governmental activities and a 8.51 % increase for business-type activities).

**City of Glendale**

Management's Discussion and Analysis, continued  
June 30, 2007

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

- Due to the redevelopment project at Americana at Brand, \$27 million of properties were transferred from Property Held for Resale to Glendale Redevelopment Agency Fixed Assets for park use. 328 Metro Loma (\$3.3 million) was purchased this year for future affordable housing development. 711-717 Kenwood (\$1.5 million) and 624-630 Geneva (\$2.5 million) were transferred from Property Held for Resale to Community Development & Housing Fixed Assets due to the agreements with the developers.
- At the close of the fiscal year, the Sewer fund had a \$ 20 million increase in buildings and improvements compared to the prior year.
- At the close of the fiscal year, the Electric fund had a \$12.1 million increase in machinery and equipment, a \$0.4 million in natural gas reserve compared to the prior year.
- At the close of the fiscal year, the Water fund reflected a \$2.8 million increase in buildings and improvements, and a \$0.8 million increase in machinery and equipment compared to the prior year.

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

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
	Land	\$ 398.0	361.7	15.0	15.0	413.1
Natural Gas Reserve	-	-	14.7	14.2	14.7	14.2
Buildings and improvements	225.6	221.3	358.3	335.2	583.9	556.5
Machinery & equipment	79.9	76.1	412.9	398.9	492.8	475.0
Infrastructure	218.0	216.3	-	-	218.0	216.3
Drilling In Progress	-	-	.8	-	.8	-
Construction in progress	66.0	62.6	60.6	46.1	126.7	108.7
Total capital assets	987.5	938.0	862.3	809.4	1,849.8	1,747.4
<b>Less: Accumulated depreciation</b>	(189.8)	(183.6)	(323.1)	(306.5)	(512.9)	(490.1)
<b>Less: Gas depletion</b>	-	-	(1.1)	(.7)	(1.1)	(.7)
Net of depreciation	\$ 797.7	754.4	538.1	502.2	1,335.8	1,256.6

Additional information on the City's capital assets can be found in note III D on pages 44-45 as well as pages 117-118 of this report.

**Long-term debt.** At the end of the current fiscal year, the City has total debt outstanding of \$303.9 million. Of this amount, \$58.3 million is certificates of participation to fund the new police facility, \$92.5 million is tax allocation bonds backed by the property tax increment collected from the Central redevelopment project area, \$66.6 million is the revenue bonds secured solely by Electric Utility revenue, \$4.3 million is for bond premiums, a negative \$2.7 million is for a deferred amount on the refunding of the 2003 Tax Allocation Bonds, a negative \$2.2 million is for a deferred amount on the refunding of the 2006 Electric revenue bond, \$21.7 million is owed for the postclosure and postclosure care of Scholl Canyon landfill, \$11.7 million is for capital lease, \$0.2 million is for arbitrage rebate liability, \$12.4 million is for compensated absences, \$1.3 million is for section 108, \$1.8 million is for notes payable, \$0.1 million is for accrued interest, \$29.8 million is for claims payable, and \$8.1 million is for post employment benefits.

City of Glendale's Outstanding Debt

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Bonds payable:</b>						
Police Facility Certificate of Participation	\$ 58.3	59.6	-	-	58.3	59.6
2002 Tax allocation bonds	40.4	42.4	-	-	40.4	42.4
2003 Tax allocation bonds	52.1	54.6	-	-	52.1	54.6
Electric Revenue Bonds, 2003 Series	-	-	28.5	29.3	28.5	29.3
Electric Revenue Bonds, 2006 Series	-	-	38.1	38.8	38.1	38.8
Bond premium	3.6	3.9	.7	.7	4.3	4.6
Deferred Amount on Refunding - 2003 TAB	(2.7)	(2.9)	-	-	(2.7)	(2.9)
Deferred Amount on Refunding - 2006 Electric Bond	-	-	(2.2)	(2.4)	(2.2)	(2.4)
<b>Total Bonds Payable</b>	<b>151.7</b>	<b>157.6</b>	<b>65.1</b>	<b>66.4</b>	<b>216.8</b>	<b>224.0</b>
Landfill postclosure and postclosure care liability	21.7	20.1	-	-	21.7	20.1
Capital lease	11.7	4.3	-	-	11.7	4.3
Arbitrage rebate liability	.2	.1	-	-	.2	.1
Compensated absences	9.2	8.8	3.2	2.9	12.4	11.8
Section 108	1.3	1.5	-	-	1.3	1.5
Notes payable	1.8	2.8	-	-	1.8	2.8
Accrued interest	-	-	.1	.1	.1	.1
Claims payable	29.8	25.9	-	-	29.8	25.9
Post employment benefits	6.2	5.4	1.9	.4	8.1	5.8
<b>Total general long term debt</b>	<b>\$ 233.6</b>	<b>226.5</b>	<b>70.3</b>	<b>69.8</b>	<b>303.9</b>	<b>296.3</b>

The City's total debt increased by \$7.5 million (2.5 percent) during the current fiscal year. The factors in this net increase were the retirement of \$1.3 million of the Police Facility COPs, the retirement of \$4.24 million in GRA tax allocation bonds, an increase of \$1.5 million in Electric revenue bonds, and a net decrease in bond premiums of \$0.28 million, an increase in the net deferred amount of \$0.2 million on the refunding of the 2003 tax allocation bonds, an increase of a negative net deferred amount of \$0.2 million on the refunding of the 2006 Electric revenue bond, a \$1.6 million increase in the postclosure and postclosure care liability for the Scholl Canyon landfill, a \$7.4 million increase in the capital lease (financing the seismic upgrade of the Municipal Services Building Project), an increase of \$0.1 million in arbitrage rebate liability, an addition of compensated absences of \$0.4 million, a \$0.2 million decrease for Section 108, a net decrease of \$1 million decrease for notes payable, a \$3.9 million increase of claims payable and a \$2.3 million increase in post employment benefit.

The 2006 Electric revenue bond issue received a "Aaa" rating from Moody's, "AAA" rating from Standard & Poor's (S&P), and a "AAA" rating from Fitch based on insurance purchased related to the issues. The 2003 Electric revenue bond issue received a "Aaa" rating from Moody's, "AAA" rating from Standard & Poor's (S&P), and a "AAA" rating from Fitch

## **City of Glendale**

Management's Discussion and Analysis, continued

June 30, 2007

based on insurance purchased related to the issues. The Agency's 2003 tax allocation bond issue received a "AAA" rating from Standard & Poor's and a "Aaa" rating from Moody's based on insurance purchased related to the issues. The Agency's 2002 tax allocation bond issue received a "Aaa" rating from Moody's and a S&P rating of "AAA" based on insurance purchased related to the issues. Also, the City of Glendale Financing Authority's certificates of participation received a "AA-" rating from Fitch and Standard & Poor's, and Moody's.

Additional information on the City's long-term debt can be found in note III C on pages 46-51 of this report.

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

- Property tax revenue continues to show a steady increase due to the growth in real estate market values and sales.
- High natural gas prices are continuing into next year fueling higher landfill gas royalties. Although volatility of natural gas and fuel prices are still a concern, GWP management hopes to mitigate this problem by engaging in future SWAP management agreements when it comes to hedging energy contracts.
- Utility users tax is also showing significant growth into next year, but the telecommunication portion of the revenues are subject to some uncertainties due to recent legal attempts by the telecommunication companies to exempt themselves from this particular tax.

All of these factors were considered in preparing the City's budget for the 2007-2008 fiscal year.

### State Budget

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

### **Requests for Information**

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

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*The City of Glendale, California*

# Comprehensive Annual Financial Report



Government-Wide  
Financial Statements

Year Ended, June 30, 2007



Exhibit A-1  
**CITY OF GLENDALE**  
Statement of Net Assets  
June 30, 2007

	Governmental Activities	Business Type Activities	Total
<b>Assets</b>			
<b>Current assets:</b>			
Cash and invested cash	\$ 268,220,480	146,615,927	414,836,407
Imprest cash	54,380	4,200	58,580
Cash with fiscal agent	13,948,052	2,468,059	16,416,111
Investment-gas/elec commodity	-	1,975,332	1,975,332
Interest receivable	3,733,661	2,335,044	6,068,705
Accounts receivable, net	10,359,017	13,961,395	24,320,412
Unbilled receivable	1,171,801	20,144,821	21,316,622
Due from other agencies	18,586,547	1,036,156	19,622,703
Internal balances	16,663,072	(16,663,072)	-
Deposits	7,000	9,717	16,717
Inventories	295,649	7,377,814	7,673,463
Prepaid items	2,189,015	353,958	2,542,973
<b>Total current assets</b>	<b>335,228,674</b>	<b>179,619,351</b>	<b>514,848,025</b>
<b>Noncurrent assets:</b>			
Capital assets net of accumulated depreciation:			
Land	397,978,319	14,985,968	412,964,287
Natural Gas Reserve	-	13,558,185	13,558,185
Buildings and improvements	166,626,443	248,677,168	415,303,611
Machinery and equipment	29,710,702	199,364,584	229,075,286
Infrastructure	137,293,778	-	137,293,778
Construction in progress	66,090,451	61,501,820	127,592,271
<b>Total capital assets</b>	<b>797,699,693</b>	<b>538,087,725</b>	<b>1,335,787,418</b>
Designated & invested cash	22,200,000	43,019,823	65,219,823
Deferred charges	3,040,472	849,409	3,889,881
Loans receivable	3,399,165	-	3,399,165
Property held for resale	8,679,489	-	8,679,489
<b>Total non current assets</b>	<b>835,018,819</b>	<b>581,956,957</b>	<b>1,416,975,776</b>
<b>Total assets</b>	<b>1,170,247,493</b>	<b>761,576,308</b>	<b>1,931,823,801</b>
<b>Liabilities and Net Assets</b>			
<b>Current liabilities:</b>			
Accounts payable	14,155,084	13,539,504	27,694,588
Contracts-retained amount due	3,326,048	713,718	4,039,766
Accrued wages and withholding	5,702,594	678,798	6,381,392
Due to other agencies	1,919,672	2,011	1,921,683
Accrued interest	392,504	-	392,504
Interest payable	458,430	1,014,579	1,473,009
Claims Payable	13,797,209	-	13,797,209
Compensated absences	1,029,347	345,302	1,374,649
Bonds payable, due in one year	8,938,059	1,647,224	10,585,283
Deferred revenues	803,559	304,304	1,107,863
Deposits	5,397,212	3,282,963	8,680,175
<b>Total current liabilities</b>	<b>55,919,718</b>	<b>21,528,403</b>	<b>77,448,121</b>
<b>Noncurrent liabilities:</b>			
Claims payable	16,040,598	-	16,040,598
Post employment benefits	6,217,452	1,918,643	8,136,095
Compensated absences	8,175,242	2,834,513	11,009,755
Bonds payable due beyond one year	179,626,569	63,547,629	243,174,198
<b>Total noncurrent liabilities</b>	<b>210,059,861</b>	<b>68,300,785</b>	<b>278,360,646</b>
<b>Total liabilities</b>	<b>265,979,579</b>	<b>89,829,188</b>	<b>355,808,767</b>
<b>Net assets:</b>			
Investment in capital assets, net of related debt	608,369,206	472,892,872	1,081,262,078
Restricted			
Charter	17,804,661	-	17,804,661
Low and moderate housing	17,104,357	-	17,104,357
Debt service	24,872,775	2,397,824	27,270,599
SCAQMD emission controls	-	5,994,778	5,994,778
Unrestricted	236,116,915	190,461,646	426,578,561
<b>Total net assets</b>	<b>\$ 904,267,914</b>	<b>671,747,120</b>	<b>1,576,015,034</b>

Exhibit A-2  
**CITY OF GLENDALE**  
 Statement of Activities  
 For Fiscal Year Ended June 30, 2007

	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 25,841,852	9,533,390	45,540	-	(16,262,922)	-	(16,262,922)
Public safety	107,660,027	13,738,609	4,918,062	3,636,963	(85,366,393)	-	(85,366,393)
Public works	35,442,170	15,013,920	7,187,866	8,590,735	(4,649,649)	-	(4,649,649)
Housing, health and comm dev	63,525,888	86,217	23,506,656	-	(39,933,015)	-	(39,933,015)
Employment programs	6,807,872	1,422,638	4,617,771	-	(767,463)	-	(767,463)
Public service	6,931,844	-	2,356,975	-	(4,574,869)	-	(4,574,869)
Parks, recreation and community services	14,954,785	46,852	278,147	-	(14,629,786)	-	(14,629,786)
Library	8,463,518	211,542	287,996	-	(7,963,980)	-	(7,963,980)
Interest and fiscal charges on bonds	10,097,510	-	-	-	(10,097,510)	-	(10,097,510)
<b>Total governmental activities</b>	<b>279,725,466</b>	<b>40,053,168</b>	<b>43,199,013</b>	<b>12,227,698</b>	<b>(184,245,587)</b>	<b>-</b>	<b>(184,245,587)</b>
<b>Business-type activities:</b>							
Recreation	2,071,874	1,841,718	264,000	1,310	-	35,154	35,154
Hazardous disposal	1,538,703	1,585,736	6,603	-	-	53,636	53,636
Parking	6,617,879	7,329,493	-	-	-	711,614	711,614
Sewer	11,993,350	17,447,578	-	-	-	5,454,228	5,454,228
Refuse disposal	15,073,905	18,204,596	108,452	-	-	3,239,143	3,239,143
Electric	178,219,698	178,979,264	509,490	4,485,432	-	5,754,488	5,754,488
Water	29,927,301	33,276,765	526,806	735,068	-	4,611,338	4,611,338
<b>Total business-type activities</b>	<b>245,442,710</b>	<b>258,665,150</b>	<b>1,415,351</b>	<b>5,221,810</b>	<b>-</b>	<b>19,859,601</b>	<b>19,859,601</b>
<b>Total primary government</b>	<b>\$ 525,168,176</b>	<b>298,718,318</b>	<b>44,614,364</b>	<b>17,449,508</b>	<b>(184,245,587)</b>	<b>19,859,601</b>	<b>(164,385,986)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes	\$ 67,393,977	-	-	-	-	-	67,393,977
Sales taxes	23,944,140	-	-	-	-	-	23,944,140
Utility users tax	26,201,816	-	-	-	-	-	26,201,816
Other taxes	21,261,764	-	-	-	-	-	21,261,764
Investment income	15,825,779	-	-	-	11,568,504	-	27,394,283
Other	13,715,236	-	-	-	3,289,489	-	17,004,725
Transfers	24,811,192	(24,811,192)	-	-	-	-	-
<b>Total general revenues and transfers</b>	<b>193,153,904</b>	<b>(9,953,199)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>183,200,705</b>
Change in net assets	8,908,317	-	-	-	9,906,402	-	18,814,719
Net assets, July 1	895,359,597	-	-	-	661,840,718	-	1,557,200,315
<b>Net assets, June 30</b>	<b>\$ 904,267,914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>671,747,120</b>	<b>-</b>	<b>1,576,015,034</b>

*The City of Glendale, California*

# Comprehensive Annual Financial Report



Major Funds

Year Ended, June 30, 2007



Exhibit B-1  
**CITY OF GLENDALE**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2007

<b>Major Funds</b>					
	<b>General Fund</b>	<b>Glendale Redevelopment Agency Fund</b>	<b>Capital Improvement Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash and invested cash	\$ 58,535,635	46,295,289	15,725,596	101,858,748	222,415,268
Imprest cash	53,880	500	-	-	54,380
Cash with fiscal agent	-	-	-	13,948,052	13,948,052
Designated & invested cash	4,000,000	-	18,200,000	-	22,200,000
Interest receivable	1,295,461	644,100	-	1,200,400	3,139,961
Accounts receivable, net	1,831,197	44,000	5,031,132	3,426,485	10,332,814
Intergovernmental receivable	67,666,656	-	-	-	67,666,656
Unbilled receivable	805,628	-	-	366,173	1,171,801
Due from other agencies	7,627,978	1,913,100	5,021,107	3,852,081	18,414,266
Due from other funds	8,308,800	-	-	-	8,308,800
Deposits	-	7,000	-	-	7,000
Inventories	295,649	-	-	-	295,649
Prepaid items	-	-	-	1,758,181	1,758,181
Loans receivable	-	3,399,165	-	-	3,399,165
Property held for resale	-	8,679,489	-	-	8,679,489
<b>Total assets</b>	<b>150,420,884</b>	<b>60,982,643</b>	<b>43,977,835</b>	<b>126,410,120</b>	<b>381,791,482</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	4,549,048	981,873	4,096,731	3,611,916	13,239,568
Contracts-retained amount due	3,302,684	-	-	23,364	3,326,048
Due to other funds	-	-	1,331,140	7,704,604	9,035,744
Due to other agencies	-	849,491	1,999	1,068,181	1,919,671
Interest payable	-	-	-	458,430	458,430
Accrued wages and withholding	5,346,222	22,506	13,114	259,805	5,641,647
Deferred revenues	4,350,271	-	2,192,755	1,046,349	7,589,375
Deposits	5,161,309	67,783	-	168,281	5,397,373
Intergovernmental payable	-	67,666,656	-	-	67,666,656
<b>Total liabilities</b>	<b>22,709,534</b>	<b>69,588,309</b>	<b>7,635,739</b>	<b>14,340,930</b>	<b>114,274,512</b>
<b>Fund Balances:</b>					
<b>Reserved:</b>					
Deposit	-	7,000	-	-	7,000
Prepaid	-	-	-	1,758,181	1,758,181
Charter	17,804,661	-	-	-	17,804,661
Debt service	-	-	-	12,232,723	12,232,723
Encumbrances	1,017,027	4,663,141	11,338,844	5,953,852	22,972,864
Loans Receivable	-	3,399,165	-	-	3,399,165
City/Agency advances	67,051,639	-	-	-	67,051,639
Property Resale	-	8,679,489	-	-	8,679,489
<b>Unreserved, reported in:</b>					
General funds	41,838,023	-	-	-	41,838,023
Special revenue funds	-	(25,354,461)	-	35,966,800	10,612,339
Capital project funds	-	-	25,003,252	12,066,872	37,070,124
Debt service	-	-	-	44,090,763	44,090,763
<b>Total fund balances</b>	<b>127,711,350</b>	<b>(8,605,666)</b>	<b>36,342,096</b>	<b>112,069,190</b>	<b>267,516,970</b>
<b>Total liabilities and fund balances</b>	<b>\$ 150,420,884</b>	<b>60,982,643</b>	<b>43,977,835</b>	<b>126,410,120</b>	<b>381,791,482</b>

## CITY OF GLENDALE

Reconciliation of Balance Sheet of

Governmental Funds to the Statement of Net Assets

June 30, 2007

Fund balances of governmental funds	\$	267,516,970
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets are not included as financial resources in governmental fund activity		
Land	\$	397,978,319
Buildings and improvements		166,626,443
Equipment		29,710,702
Infrastructure		137,293,778
Construction in progress		66,090,451
		<u>797,699,693</u>
Costs of issuance of bonds were fully expended in the governmental funds. This is the amount to establish the unamortized deferred charges.		
Police building bonds		529,000
2002 Tax allocation bonds		836,157
2003 Tax allocation bonds		1,675,315
		<u>3,040,472</u>
Long-term debt not included in the governmental fund activity:		
Due within one year:		
Police building bonds	(1,400,000)	
2002 Tax allocation bonds	(2,035,000)	
2003 Tax allocation bonds	(2,354,865)	
Capital lease	(1,794,324)	
2002 Tax allocation bond premium-current	(105,619)	
2003 Tax allocation bond premium-current	(145,251)	
Section 108	(180,000)	
Notes payable	(923,000)	(8,938,059)
Due more than one year:		
Police building bonds	(56,900,000)	
2002 Tax allocation bonds	(38,405,000)	
2003 Tax allocation bonds	(47,106,687)	
Post closure and post closure care	(21,706,300)	
2002 Tax allocation bond premium-long term	(1,425,852)	
2003 Tax allocation bond premium-long term	(1,936,677)	
Capital lease	(9,934,928)	
Arbitrage liability	(188,125)	
Section 108	(1,100,000)	
Notes payable	(923,000)	(179,626,569)
Accrued interest payable for the current portion of interest due are not included in the governmental fund activity:		
2002 Tax allocation bonds	(150,836)	
2003 Tax allocation bonds	(190,698)	
Section 108	(19,289)	
Capital lease	(31,681)	(392,504)
Deferred revenue in the governmental funds is revenue in the statement of activities:		
		6,785,816
Internal service funds are used to charge the cost of certain activities to individual funds, such as self insurance, and post employment benefits. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		
		18,182,095
Net assets of governmental activities	<u>\$</u>	<u>904,267,914</u>

Exhibit C-1  
**CITY OF GLENDALE**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Fund  
Year Ended June 30, 2007

	<b>Major Funds</b>				
	<b>General Fund</b>	<b>Glendale Redevelopment Agency Fund</b>	<b>Capital Improvement Fund</b>	<b>Non Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Property taxes	\$ 37,976,893	14,926,690	-	14,490,394	67,393,977
Other taxes	60,369,535	-	7,068,090	3,970,096	71,407,721
Revenue from other agencies	2,692,907	1,249,433	15,552,410	44,711,683	64,206,433
Licenses and permits	8,588,818	-	-	-	8,588,818
Fines and forfeitures	1,055,068	-	-	448,162	1,503,230
Charges for services	4,374,526	18,094	4,832,345	13,977,004	23,201,969
Use of money and property	7,523,950	2,764,167	-	6,100,621	16,388,738
Intergovernmental revenue	2,000,000	-	-	-	2,000,000
Interfund revenue	8,262,381	-	-	-	8,262,381
Miscellaneous revenue	516,791	580,647	-	4,070,647	5,168,085
<b>Total Revenues</b>	<b>133,360,869</b>	<b>19,539,031</b>	<b>27,452,845</b>	<b>87,768,607</b>	<b>268,121,352</b>
<b>Expenditures:</b>					
<b>Operating expenditures</b>					
General government	19,109,877	-	58,839	1,115,905	20,284,621
Community promotion	115,197	-	-	-	115,197
Public safety	82,607,312	-	7,110	18,348,570	100,962,992
Public works	19,540,439	-	1,362,553	8,810,809	29,713,801
Housing, health and community development	2,224,080	9,863,413	-	20,524,075	32,611,568
Employment programs	-	-	-	6,649,365	6,649,365
Public service	-	-	-	6,770,450	6,770,450
Parks, recreation and community services	11,205,401	-	705,967	472,459	12,383,827
Library	7,690,853	-	68,445	338,256	8,097,554
Capital	621,236	55,511,979	19,594,517	16,191,115	91,918,847
Debt service	-	-	-	12,954,829	12,954,829
<b>Total expenditures</b>	<b>143,114,395</b>	<b>65,375,392</b>	<b>21,797,431</b>	<b>92,175,833</b>	<b>322,463,051</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(9,753,526)</b>	<b>(45,836,361)</b>	<b>5,655,414</b>	<b>(4,407,226)</b>	<b>(54,341,699)</b>
<b>Other financing sources (use):</b>					
Capital lease	-	-	8,200,000	-	8,200,000
<b>Transfer from</b>					
Transfer-General Fund	-	-	773,700	2,452,911	3,226,611
Transfer-Special Revenue	-	-	-	100,000	100,000
Transfer-Capital Funds	2,800,000	-	-	-	2,800,000
Transfer-GRA	-	359,000	-	-	359,000
Transfer-Sewer Fund	1,020,000	-	-	-	1,020,000
Transfer-Electric	17,782,008	-	-	-	17,782,008
Transfer-Water	4,109,184	-	-	-	4,109,184
Transfer-Parking	1,900,000	-	-	-	1,900,000
Transfer-Internal Service Fund	-	-	15,000	-	15,000
<b>Transfer to</b>					
Transfer-General Fund	-	-	(2,800,000)	-	(2,800,000)
Transfer-Special Revenue	(2,290,911)	(359,000)	-	(100,000)	(2,749,911)
Transfer-Capital Funds	(935,700)	-	-	-	(935,700)
Transfer-Int Service	(3,103,000)	-	(1,430,000)	-	(4,533,000)
<b>Total financing sources (use)</b>	<b>21,281,581</b>	<b>-</b>	<b>4,758,700</b>	<b>2,452,911</b>	<b>28,493,192</b>
<b>Net change in fund balances</b>	<b>11,528,055</b>	<b>(45,836,361)</b>	<b>10,414,114</b>	<b>(1,954,315)</b>	<b>(25,848,507)</b>
<b>Fund Balance, July 1</b>	<b>116,183,295</b>	<b>37,230,695</b>	<b>25,927,982</b>	<b>114,023,505</b>	<b>293,365,477</b>
<b>Fund Balance, June 30</b>	<b>\$ 127,711,350</b>	<b>(8,605,666)</b>	<b>36,342,096</b>	<b>112,069,190</b>	<b>267,516,970</b>

**CITY OF GLENDALE**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in the Fund balances of  
Governmental Funds to the Statement of Net Assets  
For Fiscal Year Ended June 30, 2007

Net change in fund balances - total governmental funds		\$ (25,848,507)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital assets as expenditures		62,632,106
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		(19,378,587)
In the statement of activities, bond issuance costs are deferred and allocated to expense over the life of bonds:		
Police building bonds	\$ (23,000)	
2002 Tax allocation bonds	(57,666)	
2003 Tax allocation bonds	<u>(117,763)</u>	(198,429)
In the statement of activities, the deferred amounts on refunding are allocated over the life of the bonds as a component of expense:		-
In the statement of activities, bond premium is allocated over the life of bonds as revenue		
2002 Tax allocation bonds	105,619	
2003 Tax allocation bonds	<u>145,251</u>	250,870
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Police building bonds	1,300,000	
2002 Tax allocation bonds	1,980,000	
2003 Tax allocation bonds	2,234,866	
Capital lease	415,233	
Section 108	170,000	
Notes payable	<u>923,000</u>	7,023,099
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:		
Interest Expense FY 2007		
2002 Tax allocation bonds	4,950	
2003 Tax allocation bonds	10,146	
Section 108	1,955	
Capital lease - Fire Equipment	<u>12,348</u>	29,399
Landfill postclosure care liability increased from prior year		(1,632,605)
Arbitrage liability		(63,875)
Deferred revenue in the governmental funds is a revenue in the statement of activities		(14,983,773)
Change in net assets of Internal Service funds allocated to governmental activities		1,078,619
Change in net assets for governmental activities		<u>\$ 8,908,317</u>

Exhibit D-1  
**CITY OF GLENDALE**  
Statement of Revenues - Budget to Actual  
General Fund  
Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property taxes	\$ 34,050,000	36,500,000	37,976,893	1,476,893
Other Taxes				
Sales Tax	21,000,000	20,425,000	19,427,833	(997,167)
ERAF in Lieu of Sales Tax	7,000,000	7,000,000	6,971,484	(28,516)
State 1/2% Sales Tax	1,500,000	1,600,000	1,427,890	(172,110)
Utility Users Tax	24,800,000	25,000,000	26,201,816	1,201,816
Franchise Tax	2,550,000	2,975,000	2,665,483	(309,517)
Occupancy Tax	2,500,000	2,600,000	2,571,265	(28,735)
Property Transfer Tax	1,100,000	1,100,000	1,103,764	3,764
Total	<u>60,450,000</u>	<u>60,700,000</u>	<u>60,369,535</u>	<u>(330,465)</u>
Licenses and permits:				
Dog Licenses	160,000	150,000	126,660	(23,340)
Cat Licenses	-	-	40	40
Building Permits	3,964,663	5,450,000	5,984,828	534,828
Plan Check Fees	190,000	350,000	368,550	18,550
Variance Permits	1,200,000	1,100,000	1,175,820	75,820
Grading Permits	47,000	40,000	15,054	(24,946)
Street Permits	190,000	387,000	480,960	93,960
Business License Permits	425,000	425,000	436,906	11,906
Total	<u>6,176,663</u>	<u>7,902,000</u>	<u>8,588,818</u>	<u>686,818</u>
Fines and forfeitures - Traffic safety fines	1,400,000	1,400,000	1,055,068	(344,932)
Use of money and property:				
Interest & Inv. Revenue	3,250,000	3,250,000	3,758,134	508,134
Interest & Inv GASB 31	-	-	1,039,145	1,039,145
Landfill Gas Royalties	2,000,000	2,000,000	2,625,763	625,763
Rental Income	100,000	100,000	100,908	908
Total	<u>5,350,000</u>	<u>5,350,000</u>	<u>7,523,950</u>	<u>2,173,950</u>
Revenue from other agencies:				
Disaster Relief Reimb	-	-	62,168	62,168
Mutual Aid Reimbursement	-	300,000	235,886	(64,114)
Historic Preserve Grant	-	25,000	-	(25,000)
Disaster Relief Reimb - State	-	-	20,995	20,995
State AB 1662 Booking Fee	25,000	45,000	43,248	(1,752)
State S/B 90	100,000	100,000	825,534	725,534
Motor Vehicle in Lieu	1,150,000	1,150,000	1,185,766	35,766
State Library Grant	100,000	100,000	89,945	(10,055)
State H/O Exemptions	225,000	225,000	219,307	(5,693)
County Grants	10,000	10,000	10,058	58
Total	<u>1,610,000</u>	<u>1,955,000</u>	<u>2,692,907</u>	<u>737,907</u>
Miscellaneous revenue:				
Donations & Contribution	75,000	75,000	60,765	(14,235)
Rose Float Donations	45,000	45,000	45,540	540
Sponsorships	200,000	100,000	-	(100,000)
Miscellaneous Revenue	400,000	426,000	410,486	(15,514)
Total	<u>\$ 720,000</u>	<u>646,000</u>	<u>516,791</u>	<u>(129,209)</u>

Exhibit D-1  
**CITY OF GLENDALE**  
 Statement of Revenues - Budget to Actual  
 General Fund  
 Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Charges for services:				
	\$			
Zoning-Subdivision Fees	50,000	50,000	13,281	(36,719)
Map and Publication Fees	30,000	30,000	34,331	4,331
Filing-Certification Fee	10,000	10,000	3,447	(6,553)
Passports	388,000	388,000	41,340	(346,660)
Passport Photos	15,600	15,600	15,140	(460)
Notary Fees	3,000	3,000	3,430	430
Subrogation Recoveries	100,000	100,000	-	(100,000)
Sparta/Special Event Ins Fees	25,000	25,000	-	(25,000)
Shipping Fees	-	-	13,214	13,214
Child Identification Kits	-	-	344	344
Passport pass-through fee	-	-	154,241	154,241
Film Rentals of City Property	-	-	60,500	60,500
Finger Print Fees	634,400	634,400	197,437	(436,963)
Special Police Fees	962,000	900,000	852,542	(47,458)
Vehicle Tow Admin Fee (VTACR)	200,000	200,000	180,442	(19,558)
Fire Inspection Fees	335,000	400,000	476,349	76,349
Fire Mechanical Maint Fees	15,000	15,000	15,183	183
Fire Communication Fees	230,000	275,000	249,869	(25,131)
Hydrant Flow Test Fees	5,000	5,000	6,430	1,430
Hazardous Vegetation Fee	5,000	5,000	230	(4,770)
Code Enforcement Fees	100,000	100,000	86,217	(13,783)
Youth Employment Fees	1,413,206	1,413,206	1,422,638	9,432
Express Plan Check Fees	100,000	-	4,613	4,613
Excavation Fees	35,000	125,000	154,994	29,994
Resurfacing Fees	5,000	5,000	-	(5,000)
Collectible Jobs Vehicle	100,000	-	-	-
Collectible Jobs - A & G	105,000	125,000	132,929	7,929
Library Fines and Fees	150,000	150,000	119,144	(30,856)
Rental Civic Auditorium	250,000	-	-	-
Registrations Fees	-	-	2,605	2,605
Parks Program Revenue	-	-	120	120
Aquatics	25,000	25,000	44,127	19,127
Local Assessment Fees	100,000	100,000	89,389	(10,611)
<b>Total</b>	<b>5,391,206</b>	<b>5,099,206</b>	<b>4,374,526</b>	<b>(724,680)</b>
Interfund revenue				
Charges to enterprise funds for:				
Charges to Ent-Council	195,000	195,000	226,383	31,383
Charges to Ent-Manager	795,000	795,000	825,850	30,850
Charges to Ent-Auditor	300,000	300,000	348,883	48,883
Charges to Ent-Clerk	420,000	420,000	460,486	40,486
Charges to Ent-Finance	1,200,000	1,200,000	1,357,583	157,583
Charges to Ent-EDP	2,000,000	2,000,000	2,457,513	457,513
Charges to Ent-Treasurer	210,000	210,000	240,712	30,712
Charges to Ent-Purchasing	180,000	180,000	173,445	(6,555)
Charges to Ent-Legal	840,000	840,000	817,679	(22,321)
Charges to Ent-Personnel	490,000	490,000	537,919	47,919
Charges to Ent-Training	23,000	23,000	40,557	17,557
Charges to Ent-Parks-Rec	51,000	51,000	48,606	(2,394)
Charges to Ent-G.G. Bldg	46,000	46,000	44,664	(1,336)
Charges to Ent-Mem & Due	20,000	20,000	24,375	4,375
Charges to Ent-PW Admin	310,000	310,000	257,349	(52,651)
Salary O/H Budget Job	220,000	220,000	400,377	180,377
<b>Total</b>	<b>7,300,000</b>	<b>7,300,000</b>	<b>8,262,381</b>	<b>962,381</b>
Intergovernmental revenue	2,000,000	2,000,000	2,000,000	-
<b>Total revenues</b>	<b>\$ 124,447,869</b>	<b>128,852,206</b>	<b>133,360,869</b>	<b>4,508,663</b>

**CITY OF GLENDALE**

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2007

	Salaries and Benefits				Maintenance and Operation			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
General government:	\$							
City council	376,859	404,859	395,184	9,675	82,375	83,627	89,155	(5,528)
City clerk	902,993	902,993	839,014	63,979	164,923	165,757	146,487	19,270
Elections	37,738	53,338	51,506	1,832	292,374	276,850	311,586	(34,736)
City treasurer	454,302	454,302	456,299	(1,997)	63,454	64,038	58,383	5,655
City manager	1,455,172	1,455,172	1,415,291	39,881	521,640	650,392	341,589	308,803
City auditor	705,858	682,858	683,432	(574)	56,565	81,565	62,536	19,029
Legal	1,743,692	1,693,692	1,590,280	103,412	137,891	191,051	158,051	33,000
Finance	2,192,100	2,192,100	1,661,488	530,612	817,506	1,088,957	1,241,824	(152,867)
Purchasing	386,780	386,780	346,934	39,846	24,624	25,959	23,919	2,040
Information services	3,611,654	3,411,654	3,526,619	(114,965)	445,447	651,707	770,054	(118,347)
Planning	2,937,012	2,912,012	2,773,591	138,421	132,993	200,557	202,965	(2,408)
Personnel	1,136,469	1,136,469	1,117,301	19,168	404,921	407,842	366,738	41,104
Fingerprinting & Passports	162,102	162,102	172,498	(10,396)	610,592	610,592	194,068	416,524
Training	-	-	-	-	182,640	182,640	113,085	69,555
<b>Total</b>	<b>16,102,731</b>	<b>15,848,331</b>	<b>15,029,437</b>	<b>818,894</b>	<b>3,937,945</b>	<b>4,681,534</b>	<b>4,080,440</b>	<b>601,094</b>
Community promotion:								
Special Events	5,000	5,000	-	5,000	30,000	113,100	47,234	65,866
Membership and dues	-	-	-	-	56,239	56,239	67,963	(11,724)
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>86,239</b>	<b>169,339</b>	<b>115,197</b>	<b>54,142</b>
Public safety:								
Police	44,146,545	44,138,822	41,429,590	2,709,232	5,016,107	5,699,742	6,073,641	(373,899)
Fire	29,042,073	29,901,555	30,116,145	(214,590)	2,196,433	2,316,978	2,383,602	(66,624)
Fire prevention	1,436,393	1,370,197	1,359,333	10,864	263,069	231,852	186,145	45,707
Fire communications	-	-	-	-	805,660	805,660	805,660	-
Emergency services	211,953	179,209	172,799	6,410	67,389	72,604	80,397	(7,793)
<b>Total</b>	<b>\$ 74,836,964</b>	<b>75,589,783</b>	<b>73,077,867</b>	<b>2,511,916</b>	<b>8,348,658</b>	<b>9,126,836</b>	<b>9,529,445</b>	<b>(402,609)</b>

Exhibit D-2  
**CITY OF GLENDALE**  
 Statement of Expenditures - Budget to Actual  
 General Fund  
 Year Ended June 30, 2007

	Capital Outlay				Total			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
General government:	\$							
City council	5,000	5,000	-	5,000	464,234	493,486	484,339	9,147
City clerk	-	-	-	-	1,067,916	1,068,750	985,501	83,249
Elections	-	-	-	-	330,112	330,188	363,092	(32,904)
City treasurer	-	-	-	-	517,756	518,340	514,682	3,658
City manager	10,800	10,800	9,784	1,016	1,987,612	2,116,364	1,766,664	349,700
City auditor	2,000	-	-	-	764,423	764,423	745,968	18,455
Legal	-	-	-	-	1,881,583	1,884,743	1,748,331	136,412
Finance	-	-	-	-	3,009,606	3,281,057	2,903,312	377,745
Purchasing	-	-	-	-	411,404	412,739	370,853	41,886
Information services	-	-	-	-	4,057,101	4,063,361	4,296,673	(233,312)
Planning	-	-	-	-	3,070,005	3,112,569	2,976,556	136,013
Personnel	-	16,000	15,836	164	1,541,390	1,560,311	1,499,875	60,436
Fingerprinting & Passports	-	-	-	-	772,694	772,694	366,566	406,128
Training	-	-	-	-	182,640	182,640	113,085	69,555
<b>Total</b>	<b>17,800</b>	<b>31,800</b>	<b>25,620</b>	<b>6,180</b>	<b>20,058,476</b>	<b>20,561,665</b>	<b>19,135,497</b>	<b>1,426,168</b>
Community promotion:								
Special Events	-	-	-	-	35,000	118,100	47,234	70,866
Membership and dues	-	-	-	-	56,239	56,239	67,963	(11,724)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91,239</b>	<b>174,339</b>	<b>115,197</b>	<b>59,142</b>
Public safety:								
Police	136,600	136,600	129,951	6,649	49,299,252	49,975,164	47,633,182	2,341,982
Fire	136,400	136,400	130,389	6,011	31,374,906	32,354,933	32,630,136	(275,203)
Fire prevention	-	-	-	-	1,699,462	1,602,049	1,545,478	56,571
Fire communications	-	-	-	-	805,660	805,660	805,660	-
Emergency services	-	-	-	-	279,342	251,813	253,196	(1,383)
<b>Total</b>	<b>\$ 273,000</b>	<b>273,000</b>	<b>260,340</b>	<b>12,660</b>	<b>83,458,622</b>	<b>84,989,619</b>	<b>82,867,652</b>	<b>2,121,967</b>

## CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2007

	Salaries and Benefits				Maintenance and Operation			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
Public works:	\$							
Public works	387,635	387,635	504,549	(116,914)	56,242	83,204	52,450	30,754
Project management	211,145	211,145	319,420	(108,275)	21,134	21,968	22,091	(123)
Engineering	3,182,732	3,094,732	2,298,976	795,756	182,727	213,452	189,103	24,349
Building inspection	2,959,396	2,959,396	2,674,677	284,719	303,538	508,211	409,183	99,028
Corporation yard	-	-	-	-	104,326	109,413	118,197	(8,784)
Custodial services	840,980	840,980	700,711	140,269	99,760	101,451	88,615	12,836
Building services	1,212,735	1,212,735	1,169,025	43,710	1,002,089	1,648,815	1,239,366	409,449
Street administration	313,818	313,818	324,321	(10,503)	78,602	80,396	87,340	(6,944)
Street maintenance	1,267,199	1,267,199	1,029,830	237,369	276,955	286,711	293,073	(6,362)
Sidewalk maintenance	1,260,913	1,260,913	961,370	299,543	1,664,596	1,727,596	1,667,620	59,976
Street trees maintenance	1,130,316	928,446	872,127	56,319	321,587	525,626	477,748	47,878
Mechanical maintenance	588,179	588,179	356,028	232,151	651,959	1,265,018	1,149,104	115,914
Warehouse	128,220	128,220	78,800	49,420	6,407	7,754	4,968	2,786
Traffic engineering	603,269	603,269	748,218	(144,949)	455,492	588,686	405,699	182,987
Traffic signals	86,652	86,652	86,440	212	1,032,935	987,316	886,784	100,532
Traffic safety controls	353,270	353,270	235,966	117,304	106,419	106,419	88,640	17,779
Total	14,526,459	14,236,589	12,360,458	1,876,131	6,364,768	8,262,036	7,179,981	1,082,055
Housing, health and community development:								
Economic development	-	-	-	-	25,206	25,206	-	25,206
Neighborhood services	2,141,729	2,302,441	1,866,440	436,001	448,013	456,030	357,640	98,390
Total	2,141,729	2,302,441	1,866,440	436,001	473,219	481,236	357,640	123,596
Parks, recreation and community services:								
Parks administration	1,059,398	1,059,398	1,074,244	(14,846)	83,744	253,359	158,560	94,799
Parks	4,761,202	4,439,396	4,436,688	2,708	1,753,705	2,145,374	2,309,011	(163,637)
Facility & events services	1,180,854	1,159,854	985,584	174,270	126,805	181,537	151,889	29,648
Recreation & community services	1,785,003	1,785,003	1,563,681	221,322	550,915	539,249	525,744	13,505
Total	8,786,457	8,443,651	8,060,197	383,454	2,515,169	3,119,519	3,145,204	(25,685)
Library	6,125,859	5,905,859	5,828,905	76,954	1,671,857	1,981,006	1,861,948	119,058
Total expenditures	\$ 122,525,199	122,331,654	116,223,304	6,108,350	23,397,855	27,821,506	26,269,855	1,551,651

## CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2007

	Capital Outlay				Total			
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
Public works:	\$							
Public works	-	-	-	-	443,877	470,839	556,999	(86,160)
Project management	-	-	-	-	232,279	233,113	341,511	(108,398)
Engineering	-	9,100	8,119	981	3,365,459	3,317,284	2,496,198	821,086
Building inspection	-	-	-	-	3,262,934	3,467,607	3,083,860	383,747
Corporation yard	-	-	-	-	104,326	109,413	118,197	(8,784)
Custodial services	-	-	-	-	940,740	942,431	789,326	153,105
Building services	-	-	-	-	2,214,824	2,861,550	2,408,391	453,159
Street administration	-	-	-	-	392,420	394,214	411,661	(17,447)
Street maintenance	-	-	-	-	1,544,154	1,553,910	1,322,903	231,007
Sidewalk maintenance	-	-	-	-	2,925,509	2,988,509	2,628,990	359,519
Street trees maintenance	-	-	-	-	1,451,903	1,454,072	1,349,875	104,197
Mechanical maintenance	-	-	-	-	1,240,138	1,853,197	1,505,132	348,065
Warehouse	10,000	10,000	3,502	6,498	144,627	145,974	87,270	58,704
Traffic engineering	-	24,950	25,327	(377)	1,058,761	1,216,905	1,179,244	37,661
Traffic signals	-	-	-	-	1,119,587	1,073,968	973,224	100,744
Traffic safety controls	-	-	-	-	459,689	459,689	324,606	135,083
Total	10,000	44,050	36,948	7,102	20,901,227	22,542,675	19,577,387	2,965,288
Housing, health and community development:								
Economic development	-	-	-	-	25,206	25,206	-	25,206
Neighborhood services	-	49,481	49,475	6	2,589,742	2,807,952	2,273,555	534,397
Total	-	49,481	49,475	6	2,614,948	2,833,158	2,273,555	559,603
Parks, recreation and community services:								
Parks administration	-	20,000	21,718	(1,718)	1,143,142	1,332,757	1,254,522	78,235
Parks	94,200	408,025	189,294	218,731	6,609,107	6,992,795	6,934,993	57,802
Facility & events services	-	21,000	19,525	1,475	1,307,659	1,362,391	1,156,998	205,393
Recreation & community services	-	17,300	18,316	(1,016)	2,335,918	2,341,552	2,107,741	233,811
Total	94,200	466,325	248,853	217,472	11,395,826	12,029,495	11,454,254	575,241
Library	-	-	-	-	7,797,716	7,886,865	7,690,853	196,012
Total expenditures	\$ 395,000	864,656	621,236	243,420	146,318,054	151,017,817	143,114,395	7,903,422

**Business-type Activities - Enterprise Funds**

	Sewer Fund	Electric Fund	Water Fund	Total Major Enterprise Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>							
<b>Current assets:</b>							
Cash and invested cash	\$ 60,835,956	66,209,001	2,381,584	129,426,541	17,189,386	146,615,927	45,805,212
Imprest cash	-	3,200	1,000	4,200	-	4,200	-
Cash with fiscal agent	-	2,468,059	-	2,468,059	-	2,468,059	-
Interest receivable	772,600	1,329,844	42,000	2,144,444	190,600	2,335,044	593,700
Investment-gas/elec commodity	-	1,975,332	-	1,975,332	-	1,975,332	-
Accounts receivable, net	973,581	9,197,295	2,455,395	12,626,271	1,335,125	13,961,396	26,203
Unbilled receivable	1,467,057	14,257,476	3,125,881	18,850,414	1,294,408	20,144,822	-
Due from other agencies	-	633,950	56,356	690,306	345,850	1,036,156	172,281
Due from other funds	-	1,331,140	-	1,331,140	-	1,331,140	-
Deposits	-	9,717	-	9,717	-	9,717	-
Inventories	-	7,377,813	-	7,377,813	-	7,377,813	-
Prepaid items	-	353,957	-	353,957	-	353,957	430,834
<b>Total current assets</b>	<b>64,049,194</b>	<b>105,146,784</b>	<b>8,062,216</b>	<b>177,258,194</b>	<b>20,355,369</b>	<b>197,613,563</b>	<b>47,028,230</b>
<b>Noncurrent assets:</b>							
Designated & invested cash	-	42,229,244	790,579	43,019,823	-	43,019,823	-
Deferred charges	-	849,409	-	849,409	-	849,409	-
	-	43,078,653	790,579	43,869,232	-	43,869,232	-
<b>Capital assets:</b>							
Land	578,447	6,083,674	1,033,999	7,696,120	7,289,848	14,985,968	-
Natural Gas Reserve	-	14,686,211	-	14,686,211	-	14,686,211	-
Buildings and improvements	173,787,860	56,521,876	79,171,329	309,481,065	48,831,181	358,312,246	-
Machinery and equipment	1,734,466	355,452,866	41,410,732	398,598,064	14,259,385	412,857,449	212,916
Bldg & impro acem depreciation	(26,301,416)	(218,617,875)	(48,867,320)	(293,786,611)	(29,341,331)	(323,127,942)	(89,138)
Gas Depletion	-	(1,128,027)	-	(1,128,027)	-	(1,128,027)	-
Construction in progress	-	47,924,379	12,732,074	60,656,453	-	60,656,453	-
Drilling in Progress	-	845,367	-	845,367	-	845,367	-
<b>Total capital assets</b>	<b>149,799,357</b>	<b>261,768,471</b>	<b>85,480,814</b>	<b>497,048,642</b>	<b>41,039,083</b>	<b>538,087,725</b>	<b>123,778</b>
<b>Total non-current assets</b>	<b>149,799,357</b>	<b>304,847,124</b>	<b>86,271,393</b>	<b>540,917,874</b>	<b>41,039,083</b>	<b>581,956,957</b>	<b>123,778</b>
<b>Total assets</b>	<b>213,848,551</b>	<b>409,993,908</b>	<b>94,333,609</b>	<b>718,176,068</b>	<b>61,394,452</b>	<b>779,570,520</b>	<b>47,152,008</b>
<b>Liabilities and Net Assets</b>							
<b>Current liabilities:</b>							
Accounts payable	958,428	9,061,764	2,166,990	12,187,182	1,352,322	13,539,504	915,749
Contracts-retained amount due	-	567,188	146,530	713,718	-	713,718	-
Accrued wages and withholding	26,074	500,252	25,539	551,865	126,933	678,798	60,554
Due to other agencies	-	-	-	-	2,011	2,011	-
Due to other funds	-	-	-	-	-	-	604,196
Accrued interest	-	-	-	-	-	-	18,843
Interest payable	-	1,014,579	-	1,014,579	-	1,014,579	-
Claims Payable	-	-	-	-	-	-	13,797,209
Compensated absences	14,084	210,559	56,994	281,637	63,665	345,302	1,029,347
Bonds payable, due in one year	-	1,647,224	-	1,647,224	-	1,647,224	340,387
Deferred revenues	-	304,304	-	304,304	-	304,304	-
Deposits	232,031	1,951,158	558,561	2,741,750	541,213	3,282,963	-
<b>Total current liabilities</b>	<b>1,230,617</b>	<b>15,257,028</b>	<b>2,954,614</b>	<b>19,442,259</b>	<b>2,086,144</b>	<b>21,528,403</b>	<b>16,766,285</b>
<b>Noncurrent liabilities:</b>							
Claims payable	-	-	-	-	-	-	16,040,598
Compensated absences	115,010	1,720,230	471,531	2,306,771	527,743	2,834,514	8,175,242
Post employment benefits	79,951	1,113,857	271,301	1,465,109	453,533	1,918,642	6,217,451
Long term debt	-	63,547,629	-	63,547,629	-	63,547,629	2,757,170
<b>Total noncurrent liabilities</b>	<b>194,961</b>	<b>66,381,716</b>	<b>742,832</b>	<b>67,319,509</b>	<b>981,276</b>	<b>68,300,785</b>	<b>33,190,461</b>
<b>Total liabilities</b>	<b>1,425,578</b>	<b>81,638,744</b>	<b>3,697,446</b>	<b>86,761,768</b>	<b>3,067,420</b>	<b>89,829,188</b>	<b>49,956,746</b>
<b>Net assets:</b>							
Investment in capital assets, net of related debt	149,799,357	196,573,618	85,480,814	431,853,789	41,039,083	472,892,872	93,179
Restricted							
Debt service	-	2,397,824	-	2,397,824	-	2,397,824	-
SCAQMD emission controls	-	5,994,778	-	5,994,778	-	5,994,778	-
Restricted	-	8,392,602	-	8,392,602	-	8,392,602	-
Unrestricted	62,623,616	123,388,944	5,155,349	191,167,909	17,287,949	208,455,858	(2,897,917)
<b>Total net assets</b>	<b>\$ 212,422,973</b>	<b>328,355,164</b>	<b>90,636,163</b>	<b>631,414,300</b>	<b>58,327,032</b>	<b>689,741,332</b>	<b>(2,804,738)</b>

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

Total net assets of business-type activities \$ 671,747,120

Exhibit E-2  
**CITY OF GLENDALE**  
Statement of Revenues, Expenses and  
Changes in Net Assets  
Proprietary Funds  
Year Ended June 30, 2007

**Business-type Activities - Enterprise Funds**

	Sewer Fund	Electric Fund	Water Fund	Total Major Enterprise Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Operating revenues:</b>							
Charges for services	\$ 17,447,578	178,979,264	33,276,765	229,703,607	28,961,542	258,665,149	32,340,296
Miscellaneous revenue	28,757	1,503,324	994,252	2,526,333	352,779	2,879,112	194,071
<b>Total operating revenue</b>	<b>17,476,335</b>	<b>180,482,588</b>	<b>34,271,017</b>	<b>232,229,940</b>	<b>29,314,321</b>	<b>261,544,261</b>	<b>32,534,367</b>
<b>Operating expenses:</b>							
Operating expenses	9,635,720	154,546,410	26,426,806	190,608,936	22,751,598	213,360,534	11,128,660
Claims and settlement	-	-	-	-	-	-	25,967,155
Vehicle purchased	-	-	-	-	-	-	6,986,943
Depreciation	2,078,390	15,980,236	2,803,701	20,862,327	1,961,652	22,823,979	16,646
Gas depletion	-	440,335	-	440,335	-	440,335	-
<b>Total operating expenses</b>	<b>11,714,110</b>	<b>170,966,981</b>	<b>29,230,507</b>	<b>211,911,598</b>	<b>24,713,250</b>	<b>236,624,848</b>	<b>44,099,404</b>
<b>Operating income (loss)</b>	<b>5,762,225</b>	<b>9,515,607</b>	<b>5,040,510</b>	<b>20,318,342</b>	<b>4,601,071</b>	<b>24,919,413</b>	<b>(11,565,037)</b>
<b>Non operating revenues (expenses):</b>							
Use of money and property	3,884,716	7,024,922	324,930	11,234,568	744,312	11,978,880	2,608,064
Disaster Relief Reimb	-	509,490	192,196	701,686	-	701,686	-
Recyclables - State grant	-	-	-	-	108,452	108,452	-
Disaster Relief Reimb - State	-	190,730	64,066	254,796	-	254,796	-
County Grants	-	-	-	-	4,000	4,000	-
Proprietary Grants	-	-	334,610	334,610	266,603	601,213	-
Interest on Loan	-	-	-	-	-	-	(123,050)
Interest on Bonds	-	(3,177,219)	-	(3,177,219)	-	(3,177,219)	-
Donations & Contribution	-	4,294,702	671,001	4,965,703	1,310	4,967,013	-
<b>Total non operating revenues, net</b>	<b>3,884,716</b>	<b>8,842,625</b>	<b>1,586,803</b>	<b>14,314,144</b>	<b>1,124,677</b>	<b>15,438,821</b>	<b>2,485,014</b>
<b>Income before transfers</b>	<b>9,646,941</b>	<b>18,358,232</b>	<b>6,627,313</b>	<b>34,632,486</b>	<b>5,725,748</b>	<b>40,358,234</b>	<b>(9,080,023)</b>
<b>Transfer in</b>							
Transfer-General Fund	-	-	-	-	-	-	3,103,000
Transfer-Capital Funds	-	-	-	-	-	-	1,430,000
Transfer-Internal Service Fund	-	-	-	-	-	-	12,362,225
<b>Transfer out</b>							
Transfer-General Fund	-	(17,782,008)	(4,109,184)	(21,891,192)	(1,900,000)	(23,791,192)	-
Transfer-Special Revenue	(1,020,000)	-	-	(1,020,000)	-	(1,020,000)	-
Transfer-Capital Funds	-	-	-	-	-	-	(15,000)
Transfer-Int Service	-	-	-	-	-	-	(12,362,225)
<b>Total transfers</b>	<b>(1,020,000)</b>	<b>(17,782,008)</b>	<b>(4,109,184)</b>	<b>(22,911,192)</b>	<b>(1,900,000)</b>	<b>(24,811,192)</b>	<b>4,518,000</b>
<b>Change in net assets</b>	<b>8,626,941</b>	<b>576,224</b>	<b>2,518,129</b>	<b>11,721,294</b>	<b>3,825,748</b>	<b>15,547,042</b>	<b>(4,562,023)</b>
<b>Total net assets, July 1</b>	<b>203,796,032</b>	<b>327,778,940</b>	<b>88,118,034</b>	<b>619,693,006</b>	<b>54,501,284</b>	<b>1,757,285</b>	
<b>Total net assets, June 30</b>	<b>\$ 212,422,973</b>	<b>328,355,164</b>	<b>90,636,163</b>	<b>631,414,300</b>	<b>58,327,032</b>	<b>(2,804,738)</b>	

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. 5,640,640

Change in net assets of business-type activities \$ 9,906,402

Exhibit E-3  
**CITY OF GLENDALE**  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2007

Business-type Activities - Enterprise Funds							
	Sewer Fund	Electric Fund	Water Fund	Total Major Enterprise Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:							
Cash from customers	\$ 17,156,352	180,356,538	33,327,626	230,840,516	28,694,969	259,535,485	32,600,279
Cash paid to employees	(2,317,316)	(36,173,866)	(3,667,968)	(42,159,150)	(10,551,347)	(52,710,497)	(7,109,887)
Cash paid to suppliers	(8,122,023)	(121,162,762)	(22,453,232)	(151,738,017)	(11,082,796)	(162,820,813)	(32,174,188)
Net cash provided (used) by operating activities	6,717,013	23,019,910	7,206,426	36,943,349	7,060,826	44,004,175	(6,683,796)
Cash flows from noncapital financing activities:							
Transfers out	(1,020,000)	(17,782,008)	(4,109,184)	(22,911,192)	(1,900,000)	(24,811,192)	(12,377,225)
Transfers in	-	-	-	-	-	-	16,895,225
Grant received	-	700,220	590,872	1,291,092	379,055	1,670,147	-
Net cash provided (used) by noncapital financing activities	(1,020,000)	(17,081,788)	(3,518,312)	(21,620,100)	(1,520,945)	(23,141,045)	4,518,000
Cash flows from capital and related financing activities:							
Interest on long term debt	-	(2,969,702)	-	(2,969,702)	-	(2,969,702)	(123,050)
Bond, premium and interest accrued	-	(1,383,610)	-	(1,383,610)	-	(1,383,610)	(330,398)
Contribution in aid	-	4,294,702	671,001	4,965,703	1,310	4,967,013	-
Acquisition of property, plant, gas and equipment	(20,229,578)	(29,329,296)	(8,255,451)	(57,814,325)	(1,291,064)	(59,105,389)	(25,002)
Investment - gas/electric commodity	-	838,915	-	838,915	-	838,915	-
Net cash provided (used) in capital and related financing activities	(20,229,578)	(28,548,991)	(7,584,450)	(56,363,019)	(1,289,754)	(57,652,773)	(478,450)
Cash provided by investing activities - interest received	3,739,442	6,752,638	337,853	10,829,933	650,016	11,479,949	2,391,352
Net increase (decrease) in cash and cash equivalents	(10,793,122)	(15,858,231)	(3,558,483)	(30,209,836)	4,900,143	(25,309,693)	(252,894)
Cash and cash equivalents at beginning of year	71,629,078	126,767,735	6,731,646	205,128,459	12,289,243	217,417,702	46,058,106
Cash and cash equivalents at end of year	60,835,956	110,909,504	3,173,163	174,918,623	17,189,386	192,108,009	45,805,212
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	5,762,225	9,515,607	5,040,510	20,318,342	4,601,071	24,919,413	(11,565,037)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	2,078,390	15,980,236	2,803,701	20,862,327	1,961,652	22,823,979	16,646
Gas Depletion	-	440,335	-	440,335	-	440,335	-
(Increase)Decrease Accounts receivable net	(154,727)	(541,343)	(865,611)	(1,561,681)	(65,231)	(1,626,912)	237,642
(Increase)Decrease Unbilled receivable	(165,256)	1,002,334	(67,865)	769,213	(232,322)	536,891	-
(Increase)Decrease Due from other agencies	-	(587,041)	(9,915)	(596,956)	(321,800)	(918,756)	(171,730)
(Increase)Decrease Inventories	-	(1,867,176)	-	(1,867,176)	-	(1,867,176)	-
(Increase)Decrease Prepaid expenses	-	623,360	-	623,360	28,050	651,410	(160,684)
(Increase)Decrease Deferred charges	-	49,226	-	49,226	-	49,226	-
Increase(Decrease) Accrued salaries and withholding	(40,796)	(627,330)	(120,041)	(788,167)	(209,689)	(997,856)	(210,714)
Increase(Decrease) Compensated absences	33,123	201,267	(47,983)	186,407	59,953	246,360	367,531
Increase(Decrease) Post employment benefit	69,021	915,339	205,129	1,189,489	368,827	1,558,316	774,546
Increase(Decrease) Accounts payable	(822,213)	(773,942)	255,118	(1,341,037)	664,349	(676,688)	107,351
Increase(Decrease) Deferred revenues	-	146,204	-	146,204	-	146,204	-
Increase(Decrease) Contracts - retention	-	(1,322,651)	(17,175)	(1,339,826)	-	(1,339,826)	-
Increase(Decrease) Due to other agencies	-	-	-	-	(56,073)	(56,073)	-
Increase(Decrease) Due to other funds	-	-	-	-	-	-	30,337
Increase(Decrease) Deposits	(42,754)	(134,515)	30,558	(146,711)	262,038	115,327	-
Increase(Decrease) Claims payable	-	-	-	-	-	-	3,890,316
Total adjustments	954,788	13,504,303	2,165,916	16,625,007	2,459,755	19,084,762	4,881,241
Net cash provided (used) by operating activities	\$ 6,717,013	23,019,910	7,206,426	36,943,349	7,060,826	44,004,175	(6,683,796)
Noncash investing, capital, and financing activities:							
Increase in fair value of investments	(414,269)	(707,103)	(22,453)	(1,143,825)	(102,144)	(1,245,969)	(296,628)

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*The City of Glendale, California*

# Comprehensive Annual Financial Report



Notes to the  
Financial Statements

Year Ended, June 30, 2007



## CITY OF GLENDALE

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2007

### I. Summary of Significant Accounting Policies

#### A. Reporting Entity

These financial statements present the financial results of the City of Glendale, California (the City) and its component units as required by accounting principles generally accepted in the United States of America. Component units are legally separate entities for which the primary government is financially accountable. The City has three component units, the Glendale Redevelopment Agency (the Agency), the Glendale Housing Authority (the Authority) and the City of Glendale Financing Authority (the Financing Authority). The City Council serves as the Board of the Agency, the Authority as well as the Financing Authority. Therefore, all of these entities are reported as blended component units within the City's comprehensive annual financial report (CAFR). Both the City and its blended component units have a June 30 year-end.

##### *Component Units*

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

The Authority was established by the Glendale City Council in 1975. The Authority is responsible for the administration of Department of Housing and Urban Development (HUD) funded housing assistance payments projects undertaken by the City. HUD provides an annual contribution of funds, in accordance with Section 8 of the United States Housing Act of 1937, in order to provide decent, safe and sanitary dwellings for low to moderate income families, and to increase the supply and quality of affordable housing. The Authority's financial data and transactions are included within the Special Revenue Fund; no separate financial report is issued for the Authority.

The Financing Authority was established on December 7, 1999 by a joint powers authority between the City of Glendale and the Glendale Redevelopment Agency. The stated purpose is to provide financial assistance to the City of Glendale in connection with the construction and improvement of a Police Services Building to be located generally at west side of Isabel Street between Wilson and Broadway in the City of Glendale. On July 11, 2000, the Financing Authority issued \$64.2 million in variable rate demand certificates of participation for the construction of the Police Services Building. The Financing Authority's financial data and transactions are included within the Debt Service Funds; no separate financial report is issued for the Financing Authority.

#### B. Government-wide and Fund Financial Statements

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

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

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

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues, and expenditures or expenses, as appropriate. The City reports a total of 57 funds comprising of 1 General Fund, 23 Special Revenue Funds, 4 Debt Service Funds, 3 Capital Project Funds, 7 Enterprise Funds and 19 Internal Service Funds.

### 1) Governmental Fund Types

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

The following comprise the City's major governmental funds:

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

**Glendale Redevelopment Agency Special Revenue Funds –** Used to account for activities by the Agency in accordance with the Redevelopment Plan of the Agency made pursuant to redevelopment laws of the State of California. The Agency currently has two project areas as follows:

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

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

Other governmental funds consist of debt service funds which are used to account for the accumulation and disbursement of financial resources that will be used to make principal and interest payments on long-term debt of the City of Glendale, special revenue funds which account for revenue derived from specific sources, which are usually required by law or regulation and capital projects funds are used to account for financial resources used for the acquisition of major capital facilities other than those financed by Special Revenue and Proprietary Funds.

### 2) Proprietary Fund Types

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

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

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

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

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

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

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

### C. Measurement Focus and Basis of Accounting

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The current tax receivable represents the 2006-07 property tax levy that was based on the assessed value of secured and unsecured property as of the lien date of January 1, 2006. Property taxes are levied on July 1. Unsecured taxes are delinquent if not paid by August 31. Secured taxes are payable in two installments that are deemed delinquent after December 10 and April 10. The County Treasurer/Tax Collector bills and collects property taxes for the City and the County Auditor-Controller then allocates these taxes to the City. Property taxes are considered available if received within 60 days of year-end.

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

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

**D. Encumbrances**

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

**E. Assets, Liabilities and Net Assets or Equity**

**1. Cash and Investments**

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

The City manages its pooled idle cash and investments under a formal investment policy that is reviewed by the Investment Committee and adopted by the City Council and that follow the guidelines of the State of California Government Code. Individual investments cannot be identified with any single fund because the City may be required to liquidate its investments at any time to cover large outlays required in excess of normal operating needs. Funds must request large outlays in advance in order that the City Treasurer will have the funding available.

Interest income from the investment of pooled cash is allocated to all funds, except Capital Improvement Funds on a monthly basis based upon the prior month end cash balance of the fund as a percent of the month end total pooled cash balance. The City normally holds the investment to term; therefore no realized gain/loss is recorded.

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

**2. Designated Cash and Investments**

Cash Reserve Policy for Electric Fund was first established in 2003. Its provision calls for annual review of the reserves to determine if the recommended levels are sufficient. The annual review of the Cash Reserve Policy for fiscal year ending June 30, 2007, established a target of \$66,400,000 of designated cash in the following categories: \$40,400,000 for contingency reserve; \$10,000,000 for rate stabilization reserve; and \$16,000,000 for Reserve for Gas Reserve Project. As of June 30, 2007, \$42,229,244 is designated with the goal of meeting the remaining balance of \$24,170,756 with future available cash.

The Water Fund established a cash reserve policy in 2003 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, 2007, established a target of \$7,500,000 of designated cash in the following categories: \$6,500,000 for contingency reserve; and \$1,000,000 for rate stabilization reserve. As of June 30, 2007, \$790,579 is designated with the goal of meeting the remaining \$5,709,421 with future available cash.

The designated cash of \$18,200,000 in Capital Improvement Fund is for Scholl Canyon Landfill Reserve, and \$4,000,000 in General Fund is for Utility User Tax contingency.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

### **3. *Derivative Products***

The City has entered into the following agreement, which represents a derivative product:

The City has purchased and sold options {calls and puts} in natural gas futures contracts at strike prices in upcoming months. These transactions allow the City to stabilize the ultimate purchase price of natural gas for the City's power plant. They, and other transactions, also give the City the ability to manage its overall exposure to fluctuations in the purchase price of natural gas. The options are carried at the lower of cost or market in the accompanying financial statements. At June 30, 2007, carrying value and market value of the options are \$8,800 and \$18,400, respectively.

### **4. *Receivables and Payables***

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

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

Unbilled receivable - The City records utility and other services delivered to customers but not billed as of June 30, 2007.

As of June 30, 2007, the Glendale Redevelopment Agency's outstanding loans total is \$3,399,165. It consists of \$1,799,165, agency's loan to Glendale Unified School District (GUSD) to fund for the Moyse Field improvement project of the school district and \$1,600,000, agency's loan to Embassy Suites.

### **5. *Inter-fund Transactions***

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

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

### **6. *Inventories and Prepaid Items***

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

**CITY OF GLENDALE**

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2007

**7. Capital Assets**

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

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

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

<b>Assets</b>	<b>Years</b>
Building and improvements	10-75
Machinery and equipment	4-10
Sewer improvements (infrastructure)	100
Infrastructure (non-sewer)	20-60

In June 2005, the City elected to participate in the Natural Gas Reserve Project through SCPPA for up to 2,000 mmBtu per day. The project calls for the acquisitions and development of gas resources, reserves, fields, wells, and related facilities to provide a long-term supply of natural gas for its participants. The first acquisition was completed on July 1, 2005 with the total cost to the participants at \$306.1 million. The City's share in the project is \$13.1 million or 4.2553%, with estimated peak daily volume between 1,600 to 1,800 mmBtu. As of June 30, 2007, balance for Natural Gas Reserve Project including drilling program capitalization and drilling in progress of \$845,367 was \$14,686,211.

GWP has reserved \$15.7 million for future additional gas field acquisitions and drilling programs to achieve the estimated peak daily volume of 2,000 mmBtu per day. Costs of the drilling program that result in producing wells are capitalized as a component of Natural Gas Reserve. Costs of the drilling program that resulted in non-producing wells are expensed.

**8. Compensated Absences**

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

**9. Post Employment Benefit**

All City Employees that are eligible for retirement with accumulated sick leave are entitled to convert their sick leave hours valued at the rate stated in their respective MOU or Ordinance, into a Retiree Health Savings Plan (RHSP) This RHSP account is controlled by the retiree and money deposited into the account is non-taxable. Money withdrawn from this account, when used for eligible medical expenses as specified in IRS Publication 502, is non-taxable to the retiree. As of June 30, 2007, \$6,217,451 had been set-aside in the Internal Service Fund-Post Employment Benefits Fund related to such benefits.

For Glendale City Employees Association (GCEA) and Management employees that retired prior to July 2001, Glendale Police Officers Association (GPOA) employees that retired prior to December 2001 and Glendale Fire Fighters Association (GFFA) employees that retired prior to September 2002, the number of sick leave days, accumulated over the number of sick leave days specified in their respective MOU or Ordinance, are multiplied by the value of those days based on the benefit of their respective bargaining units. There are 70 retirees currently receiving this old City paid benefit.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

### **10. *Deferred Revenue***

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

### **11. *Real Property Held for Resale***

Land and buildings acquired for future sale to developers have been capitalized and are shown as real property held for resale in the accompanying combined financial statements. Real property held for resale is carried at lower of cost or appraised value.

### **12. *City/Agency Debt***

The City and the Agency entered into cooperation agreements through which the City agreed to advance funds to the Central and the San Fernando project areas to begin redevelopment before tax increment build up. The advances are interest bearing at the average annual City investment portfolio rate but there is no repayment schedule. Repayment of the advances will be made as funds become available.

### **13. *Fund Equity***

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

### **14. *Net Assets***

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

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

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

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

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

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

The City utilizes an "encumbrance system". Under this procedure, encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

outstanding at year-end do not constitute expenditures or liabilities. Operational appropriations expire at year-end except for management approved items determined on a case by case basis. Therefore, outstanding encumbrances at year-end are recorded as restricted fund balances. Open capital project appropriations carry over to the next year.

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

- During May, the City Manager submits the proposed budget to the City Council for the subsequent fiscal year. The operating budget includes both the sources and types of funds for the proposed expenditures.
- In June, public hearings are conducted to obtain citizen input, with the final budget being adopted no later than July 1.
- The level of appropriated budgetary control is in the following categories for items in excess of \$25,000: salary and fringe benefits; maintenance and operation; and capital outlay per departmental account.
- The budget is amended during the fiscal year to reflect all transfers and amendments.

The following operating units over expended their appropriations by \$25,000 or more as of June 30, 2007:

General Fund:	Amount Over Expended
Elections	\$ 32,905
Information services	233,312
Fire	275,203
Public works	86,161
Project management	108,398
	<u>\$ 735,979</u>

**III. Detailed Notes on All Funds**

**A. Cash and Investments**

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

Investments	\$ 484,933,416
Cash with fiscal agents	<u>16,416,111</u>
	501,349,527
Cash on hand	<u>(2,843,274)</u>
Total	<u>\$ 498,506,253</u>

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

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

Cash and invested cash	\$	414,836,407
Imprest cash		58,580
Cash with fiscal agents		16,416,111
Investment-gas/electric commodity		1,975,332
Designated cash and investments		65,219,823
Total	\$	<u>498,506,253</u>

Authorized Investments

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

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

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

Investments Authorized by Debt Agreements

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

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

Disclosure Relating to Interest Rate Risk

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

**CITY OF GLENDALE**  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2007

		Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Commercial Paper	\$ 4,966,714	4,966,714	-	-	-
Federal Agency Term Notes	72,224,929	57,780,359	14,444,570	-	-
U.S. Government Agency Callable Bonds	346,654,776	155,772,677	113,016,341	77,865,758	-
Corporate Notes	9,465,707	2,996,186	6,469,521	-	-
State Investment Pool	43,979,981	43,979,981	-	-	-
Money Market	7,641,309	7,641,309	-	-	-
Held by Fiscal Agents					
Federal Agency Term Notes	5,189,516	5,189,516	-	-	-
Guaranteed Investment Contracts	11,156,360	-	-	-	11,156,360
Money Market	70,235	70,235	-	-	-
	\$ 501,349,527	278,396,977	133,930,432	77,865,758	11,156,360

The City assumes that callable investments will not be called.

Disclosures Relating to Credit Risks

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

		Rating as of Year End				
		AAA	AA	Aa2	A1,P1	Unrated
Commercial Paper	\$ 4,966,714	-	-	-	4,966,714	-
Federal Agency Term Notes	72,224,929	72,224,929	-	-	-	-
U.S. Government Agency Callable Bonds	346,654,776	346,654,776	-	-	-	-
Corporate Notes	9,465,707	1,960,392	7,505,315	-	-	-
State Investment Pool	43,979,981	-	-	-	-	43,979,981
Money Market	7,641,309	7,641,309	-	-	-	-
Held by Fiscal Agents						
Federal Agency Term Notes	5,189,516	5,189,516	-	-	-	-
Guaranteed Investment Contracts	11,156,360	-	-	11,156,360	-	-
Money Market	70,235	70,235	-	-	-	-
	\$ 501,349,527	433,741,157	7,505,315	11,156,360	4,966,714	43,979,981

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

Concentration on Credit Risk

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

Issuer	Investment Type	Reported Amount
LAIF	State Investment Pool	\$ 43,979,981
FHLB	Federal Agency Term Notes	43,824,687
FHLB	Federal Agency Callable Bonds	245,097,976
	Total	288,922,663
FHLMC	Federal Agency Term Notes	19,421,492
FHLMC	Federal Agency Callable Bonds	30,767,430
	Total	50,188,922
FNMA	Federal Agency Term Notes	2,990,625
FNMA	Federal Agency Callable Bonds	65,721,250
	Total	\$ 68,711,875

Custodial Credit Risk

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

At June 30, 2007, the carrying amount of the City's deposits was (\$2,843,274) and the corresponding bank balance was \$4,245,702. The difference of \$7,088,976 was principally due to outstanding warrants, wires and deposits in transit. Of the Bank balance, \$100,000 was insured by the FDIC depository insurance and \$4,145,702 was uncollateralized and not insured by FDIC depository insurance.

Investment in State Investment Pool

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

**CITY OF GLENDALE**  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2007

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2007 was as follows:

	Beginning Balance	Increases	Decreases (Reclass & Retirements)	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 361,753,091	34,594,924	1,630,304	397,978,319
Construction in progress	62,631,422	18,690,575	(15,231,547)	66,090,450
Total assets not being depreciated	<u>424,384,513</u>	<u>53,285,499</u>	<u>(13,601,243)</u>	<u>464,068,769</u>
Depreciable capital assets				
Building and improvements	221,287,069	485,944	3,777,803	225,550,816
Machinery and equipment	76,099,514	6,238,099	(2,430,679)	79,906,934
Infrastructure	216,288,982	2,669,807	(978,923)	217,979,866
Total other capital assets at cost	<u>513,675,565</u>	<u>9,393,850</u>	<u>368,201</u>	<u>523,437,616</u>
Less accumulated depreciation:				
Building and improvements	52,902,272	6,022,101	-	58,924,373
Machinery and equipment	45,084,628	7,817,633	(2,706,029)	50,196,232
Infrastructure	85,654,741	5,555,498	(10,524,152)	80,686,087
Total accumulated depreciation	<u>183,641,641</u>	<u>19,395,232</u>	<u>(13,230,181)</u>	<u>189,806,692</u>
Total assets being depreciated	<u>330,033,924</u>	<u>(10,001,382)</u>	<u>13,598,382</u>	<u>333,630,924</u>
Governmental activities capital assets, net	<u>754,418,437</u>	<u>43,284,117</u>	<u>(2,861)</u>	<u>797,699,693</u>
<b>Business-type activities</b>				
Capital assets not being depreciated/depleted				
Land	14,985,968	-	-	14,985,968
Construction in progress	46,060,763	14,595,690	-	60,656,453
Drilling in progress	-	845,367	-	845,367
Total assets not being depreciated/depleted	<u>61,046,731</u>	<u>15,441,057</u>	<u>-</u>	<u>76,487,788</u>
Depreciable capital assets				
Building and improvements	335,171,131	23,141,113	-	358,312,244
Machinery and equipment	398,923,095	20,082,871	(6,148,516)	412,857,450
Total other capital assets at cost	<u>734,094,226</u>	<u>43,223,984</u>	<u>(6,148,516)</u>	<u>771,169,694</u>
Depletable capital assets				
Natural Gas Reserve	14,245,862	440,349	-	14,686,211
Less accumulated depreciation:				
Building and improvements	88,298,773	6,110,400	-	94,409,173
Machinery and equipment	218,153,704	16,713,580	(6,148,516)	228,718,768
Total accumulated depreciation	<u>306,452,477</u>	<u>22,823,980</u>	<u>(6,148,516)</u>	<u>323,127,941</u>
Less allowance for gas depletion				
Natural Gas Reserve	687,692	440,335	-	1,128,027
Total assets being depreciated	<u>441,199,919</u>	<u>20,400,018</u>	<u>-</u>	<u>461,599,937</u>
Business-type activities capital assets, net	<u>\$ 502,246,650</u>	<u>35,841,075</u>	<u>-</u>	<u>538,087,725</u>

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

\*\*\$89,138 of Accumulated Depreciation from Internal Service Funds is included in the Governmental Activities.

**CITY OF GLENDALE**  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2007

Depreciation and depletion expense was charged to functions of the City for the year ended June 30, 2007 as follows:

Governmental activities:		
General Government	\$	4,658,138
Public Safety		4,794,060
Public Works		7,045,691
Parks		2,040,405
Library		234,506
Housing and Community Development		<u>622,432</u>
Total governmental activities depreciation expense		<u><u>19,395,232</u></u>
Business-type activities		
Sewer		2,078,390
Electric		15,980,236
Water		2,803,701
Recreation		3,122
Hazardous Disposal		40,539
Parking		1,122,075
Refuse		<u>795,917</u>
Total business-type depreciation expense		<u><u>22,823,980</u></u>
Business-type activities		
Electric		<u>440,335</u>
Total business-type depletion expense	\$	<u><u>440,335</u></u>

**CITY OF GLENDALE**  
Notes to the Financial Statements  
Fiscal Year Ended June 30, 2007

**E. Long-Term Debt**

The City's long-term debt as of June 30, 2007 consists of the following:

	Outstanding at June 30, 2006	Additions	Retirements	Amount outstanding at June 30, 2007	Due within one year
<b>Governmental Activities</b>					
<b>Bonds Payable</b>					
Police Facility Certificates of Participation	\$ 59,600,000	-	1,300,000	58,300,000	1,400,000
2002 Tax Allocation Bond	42,420,000	-	1,980,000	40,440,000	2,035,000
2003 Tax Allocation Bond	54,565,000	-	2,435,000	52,130,000	2,555,000
Bond Premium	3,864,268	-	250,870	3,613,398	250,870
Deferred amount on refunding - 2003 Tax Allocation Bond	(2,868,580)	-	(200,134)	(2,668,446)	(200,134)
<b>Total bonds payable</b>	<b>157,580,688</b>	<b>-</b>	<b>5,765,736</b>	<b>151,814,952</b>	<b>6,040,736</b>
<b>Other Long-Term Liabilities</b>					
Landfill closure and post closure care liability	20,073,695	1,632,605	-	21,706,300	-
Capital lease	4,272,885	8,200,000	743,633	11,729,252	1,794,324
Arbitrage rebate liability	124,250	63,875	-	188,125	-
Section 108	1,450,000	-	170,000	1,280,000	180,000
Notes payable	2,769,000	-	923,000	1,846,000	923,000
Compensated absences	8,837,059	739,556	372,026	9,204,589	1,029,347
Claims payable	25,947,491	29,856,862	25,966,546	29,837,807	13,797,209
Post employment benefits	5,442,905	1,092,730	318,184	6,217,451	-
<b>Total governmental long term liabilities</b>	<b>226,497,973</b>	<b>41,585,628</b>	<b>34,259,125</b>	<b>233,824,476</b>	<b>23,764,616</b>
<b>Business Type Activities</b>					
<b>Bonds Payable:</b>					
Electric Revenue Bonds, 2003 Series	29,255,000	-	795,000	28,460,000	795,000
Electric Revenue Bonds, 2006 Refunding Series	38,830,000	-	725,000	38,105,000	960,000
Accrued interest	125,762	-	4,900	120,862	4,900
Bond Premium	717,853	-	31,214	686,639	46,528
Deferred Amount on 2006 Refunding Series	(2,350,152)	-	(172,504)	(2,177,648)	(159,203)
<b>Total bonds payable</b>	<b>66,578,463</b>	<b>-</b>	<b>1,383,610</b>	<b>65,194,853</b>	<b>1,647,224</b>
Compensated absences	2,933,454	265,857	19,496	3,179,815	345,301
Post Employment Benefits	360,326	1,558,317	-	1,918,643	-
<b>Total business type long term liabilities</b>	<b>\$ 69,872,243</b>	<b>1,824,174</b>	<b>1,403,106</b>	<b>70,293,311</b>	<b>1,992,525</b>

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

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

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

The bonds issued on July 11, 2000 mature in increasing amounts ranging from \$1,400,000 to \$4,200,000 annually from 2008-2030. The Certificates are subject to purchase on the demand of the holder while they are outstanding at a variable rate. Payment of these demand certificates shall be made from the proceeds of the resale of such certificates by the City's remarketing agent. Should there be insufficient funds from this source; funds will be made available from a liquidity facility. The bond indebtedness is secured by a lease to the City and is payable from rentals received under terms of the lease agreement dated July 1, 2000. As of June 30, 2007 the interest rate was 3.75%.

The Financing Authority has leased certain real property (the "Police Building Site") from the City of Glendale pursuant to a Site Lease, dated as of July 1, 2000. The Financing Authority has leased the Police Building Site and the police building to be constructed there, back to the City of Glendale pursuant to a lease agreement, dated as of July 1, 2000. Annual lease payments from the City of Glendale are to be at a rate sufficient to meet debt service requirements of the outstanding bond indebtedness on the leased premises.

### **GLENDALE REDEVELOPMENT AGENCY BONDS**

#### 2002 Tax Allocation Bonds

The Agency issued \$48,015,000 in tax allocation bonds with an average rate of 4.5% to fund economic development activities of the Agency primarily relating to the Town Center development, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The 2002 Bonds mature in regularly increasing principal amounts ranging from \$2,035,000 to \$3,655,000 from 2008 to 2022. The bond indebtedness is secured by a pledge of 80% of all incremental property taxes allocated to and received by the Agency for the Central Project Area. The bonds maturing on or before December 1, 2012, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2013, are subject to redemption at the option of the Agency on any interest payment date at a price ranging from 101% to 100% of the principal value. The City Treasurer shall invest the bond proceeds in government securities.

#### 2003 Tax Allocation Refunding Bonds

The Agency issued \$58,880,000 in 2003 tax allocation refunding bonds with an average rate of 4.18% to pay Agency's outstanding Central Glendale Redevelopment Project 1993 Tax Allocation Bonds (the "Prior Bonds") with an average interest rate of 5.5%, and to pay the cost of issuance of the 2003 Bonds. The 2003 Bonds mature in regularly increasing principal amounts ranging from \$2,555,000 to \$4,520,000 from 2008 to 2022. The bond indebtedness is secured by a pledge of 80% of all incremental property taxes allocated to and received by the Agency for the Central Project Area on a parity with the Agency's previously issued 2002 Tax Allocation Bonds. The bonds maturing on or before December 1, 2013, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2014 are subject to redemption prior to maturity at the option of the Agency and by lot within a maturity, from any source of available funds at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

### **CAPITAL IMPROVEMENT PROJECTS**

#### Landfill Closure and Postclosure Care Costs

Pursuant to Assembly Bill 2448 and the regulations established by the California Integrated Waste Management Board (Board), landfill operators are required to submit an initial cost estimate of closure and postclosure maintenance and to establish a financial mechanism to demonstrate the availability of funding to conduct closure and postclosure maintenance activities. The City selected a trust fund as the financial mechanism and the Board approved this. The City Treasurer was designated as the trustee to ensure that the City set aside annual required deposits. The City subcontracts with Los Angeles County Sanitation District to operate Scholl Canyon and as part of this contract, the County is responsible for the closure cost of Scholl Canyon. The City is responsible for the postclosure maintenance cost of Scholl Canyon. According to Los

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

Angeles County Sanitation District's records, the permitted capacity filled between August 18, 1989 and July 11, 2007 was 8.60 million tons. The total permitted capacity remains 14.75 million tons. Therefore, the City has 6.15 million tons unfilled capacity remaining. Based on an estimated average annual filled capacity of 460,000 tons the Scholl Canyon Landfill has a remaining life of approximately 14 years. Using an inflation factor from the U.S. Department of Commerce, Bureau of Economic Analysis of 1.029, the revised postclosure cost was \$37,246,152. Using the data above, the amount of \$21,706,300, is recognized as a long-term liability on the Statement of Net Assets. Accordingly, the portion of the estimated total obligation for landfill closure and post closure costs that has not been recognized in the financial statements is \$15,539,852. The City records the annual provision for the required landfill deposits as designated cash in the Capital Project Fund-Capital Improvement Fund. At the end of June 30, 2007 the City has set aside \$18,200,000 of this in the Capital Projects Fund. The total current cost of landfill closure and postclosure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

### Capital Lease Obligations

Motorola will provide a state-of-the-art Analog Conventional simulcast communication system to satisfy Verdugo Fire's communication needs. The lease agreement by Motorola includes a six position Elite Console. The 5-channel Simulcast system is composed of six Transmitter/Receiver sites, one Receive only site, one Prime/Voting site, and a dispatch center. The simulcast cell will provide Portable on the street coverage for the Verdugo fire system's member cities: Burbank, Glendale, Pasadena, San Marino, Arcadia, Monrovia, Sierra Madre and San Gabriel. Also included in the lease agreement is a new six-position Elite console Dispatch center. The total principal of the lease is \$2,000,000 payable in five years from September 1, 2002 to September 1, 2007. The annual payment of \$448,813, due on September 1 of each year, will include an additional 3.965% of interest for the duration of the lease agreement.

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

In August 2006, the City approved the Master Lease Agreement with SunTrust Leasing Corporation for the purpose of financing the seismic upgrade of the Municipal Services Building project. The lease amount is \$8,200,000 with an annual interest of 4.51%. The City will make lease payments each consisting of principal and interest for a term of seven years. The annual lease payment is \$1,392,061 and the first payment is due on September 28, 2007. Subsequent payments are due on September 28 annually.

### Section 108 Loan

Section 108 Loan of \$1,280,000 is used as part of the City's overall Edison School/Pacific Park Revitalization Project funding plan. HUD administers the Section 108 Loan Guarantee program and the program's purpose is to fill funding gaps on major community / economic development projects throughout the country. The Section 108 Loan Guarantee program was created as part of the original Housing and Community Development Act of 1974. Section 108 obligations are permanently financed through underwritten public offerings. This is the City's first time receiving a Section 108 loan. City received \$1,791,360 in August 2002, after HUD's deduction of loan and underwriter fees of \$8,640. The term of the loan is ten years, and the total interest is \$493,143. City has pledged current and future CDBG funds as principal security for the loan. From fiscal year 2007 to 2012, Section 108 loan payment is budgeted as a CDBG project each year based on the payment schedule.

### Notes Payable

The City of Glendale, as a public agency acquired the "Murchison Property" for open space preservation and recreation and to serve as a buffer between the Scholl Canyon Landfill and nearby residential uses through the exercise of eminent domain. The Property consists of approximately 148.59 acres of vacant land. The full purchase price for the Property is \$7,100,000. The City of Glendale paid a down payment of \$2,485,000 representing thirty five percent (35%) of the purchase price. After

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

the close of escrow, the City of Glendale will make four equal annual payments of \$923,000 commencing on May 1, 2005 and continuing on the same date each year through and including May 1, 2008 with a final, 5<sup>th</sup> payment of \$923,000 on November 1, 2008. There shall be no interest on any of the payments to be made.

### **ENTERPRISE FUND**

#### Electric Revenue Bonds, 2006 Refunding Series

The Electric utility of Glendale Water and Power issued \$38,830,000 in revenue bonds in April 2006 to provide monies 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, 2007 for \$2,177,648 is recognized and reported in the financial statements as a contra account to bonds payable and is being amortized through the year 2030.

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

The bonds mature in regularly increasing amounts ranging from \$960,000 to \$2,570,000 annually from 2008 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, 2003 Series

The Electric utility of Glendale Water and Power issued \$31,640,000 in revenue bonds in February 2003 to finance the costs of acquisition, construction and installation of a nominally rated 49 MW gas-fired simple cycle combustion turbine for the Electric System of the City.

The terms of the 2003 Electric Revenue Bonds' (2003 Bonds) indenture require the trustee to establish and maintain a reserve equal to the Reserve Fund Requirement. The Reserve Fund Requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. Up to 50% of the Reserve Fund Requirement amount may be held in an unrestricted fund or account. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$1,070,000.

The bonds mature in regularly increasing amounts ranging from \$795,000 to \$1,865,000 annually from 2008 to 2032. The 2003 Bonds maturing on or prior to February 1, 2013 are not subject to redemption prior to maturity. The 2003 bonds maturing on and after February 1, 2014 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2013, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2003 Bonds to be redeemed, together with accrued interest to the redemption date.

**CITY OF GLENDALE**  
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Fiscal Year Ended June 30, 2007

The annual debt service requirements to amortize long-term bonded debt at June 30, 2007 are as follows:

Fiscal Year	Certificates of Participation		Tax Allocation Bonds		Revenue Bonds	
	Governmental		Governmental		Business-type	
	Interest	Principal	Interest	Principal	Interest	Principal
2008	2,186,250	1,400,000	4,004,003	4,590,000	3,043,738	1,755,000
2009	2,133,750	1,400,000	3,808,478	4,780,000	2,969,900	1,805,000
2010	2,081,250	1,500,000	3,599,090	4,980,000	2,891,575	1,855,000
2011	2,025,000	1,600,000	3,377,753	5,195,000	2,808,763	1,905,000
2012	1,965,000	1,700,000	3,177,503	5,425,000	2,721,463	1,965,000
2013-2017	8,797,500	9,900,000	12,201,738	30,230,000	12,207,228	10,975,000
2018-2022	6,750,000	12,600,000	4,620,554	37,370,000	9,615,740	13,550,000
2023-2027	4,136,250	16,200,000	-	-	6,257,650	16,900,000
2028-2032	915,000	12,000,000	-	-	2,002,388	15,855,000
	<u>\$ 30,990,000</u>	<u>58,300,000</u>	<u>34,789,116</u>	<u>92,570,000</u>	<u>44,518,443</u>	<u>66,565,000</u>

Fiscal Year	Capital Lease		Section 108		Notes Payable	
	Governmental		Governmental		Governmental	
	Interest	Principal	Interest	Principal	Interest	Principal
2008	499,998	1,794,324	54,448	180,000	-	923,000
2009	424,354	1,421,155	46,868	200,000	-	923,000
2010	363,294	1,482,215	38,057	210,000	-	-
2011	299,591	1,545,918	28,268	220,000	-	-
2012	233,130	1,612,379	17,554	230,000	-	-
2013-2017	271,204	3,873,261	5,988	240,000	-	-
	<u>\$ 2,091,569</u>	<u>11,729,252</u>	<u>191,182</u>	<u>1,280,000</u>	<u>-</u>	<u>1,846,000</u>

Fiscal Year	Total		Total
	Interest	Principal	Debt Service
2008	9,788,436	10,642,324	20,430,759
2009	9,383,349	10,529,155	19,912,504
2010	8,973,265	10,027,215	19,000,480
2011	8,539,374	10,465,918	19,005,292
2012	8,114,648	10,932,379	19,047,027
2013-2017	33,483,657	55,218,261	88,701,918
2018-2022	20,986,294	63,520,000	84,506,294
2023-2027	10,393,000	33,100,000	43,493,900
2028-2032	2,917,388	27,855,000	30,772,388
	<u>\$ 112,580,310</u>	<u>232,290,252</u>	<u>344,870,562</u>

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

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

**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, 2007
City of Glendale Insured Hospital Refunding Bonds, Series 1991A (Adventist Health System/West)	6.00% - 6.75%	\$50,000,000	\$23,115,000
City of Glendale Insured Hospital Revenue Bonds Verdugo Hills Hospital, 1994 Series	6.375% - 8%	27,140,000	11,295,463
City of Glendale Mountain Road Assessment District Limited Obligation Refunding Bonds, Series 2003	2% - 4.5%	8,850,000	6,695,000

**F. Restricted Net Assets**

The City has restricted its ordinarily available net assets for such purposes as required future debt service and bond indenture requirements and for certain commitments and contingencies. \$27,270,599 is restricted for debt service and bond indenture requirements. The City Charter requires \$17,804,661 in restricted net assets for contingencies, wherein 24% of the projected General Fund's current revenue estimate must be restricted to maintain liquidity. Pursuant to redevelopment laws of the State of California, \$17,104,357 is restricted for low and moderate housing.

The Electric Fund's restricted net assets totaled \$8,392,602 as of June 30, 2007. \$2,397,824 was for the Reserve Fund Requirement according to the terms of the debt indenture. \$5,994,778 was for excess capital surcharge revenue to retrofit the City's Grayson Power Plant as mandated by the Air Quality Management District.

**G. Net Deficits of Individual Funds**

As of June 30, 2007, the following funds have negative fund balances or net assets:

Glendale Redevelopment Agency Fund	\$ 8,605,666
PW Special Grants Fund	710
Fire Grant Fund	1,714,004
Fire Paramedic Fund	3,421,550
Liability Insurance Fund	2,874,765
Compensation Insurance Fund	7,603,862
Employee Benefit Fund	5,561,190
Post Employment Benefits Fund	3,587,285
Graphics Operation Fund	157,599
Wireless Communications System Fund	388,649

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

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

Fire Paramedic Fund – The City is considering General Fund support to reduce the net deficit in the Fire Paramedic Fund in fiscal year 2007/08.

**CITY OF GLENDALE**

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2007

Liability Insurance Fund & Compensation Insurance Fund – The City will increase the premiums charged to the funds in fiscal year 2007/08.

Employee Benefit Fund – The City is considering General Fund support to reduce the net deficit in the Employee Benefit Fund in fiscal year 2007/08.

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

**IV. Other Information**

**A. Risk Management**

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

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

Claims payable liability has been established in these funds based on estimates of incurred but not reported and litigated claims. Management believes that provisions for claims at June 30, 2007 are adequate to cover the cost of claims incurred to date. However, such liabilities are, by necessity, based upon estimates and there can be no assurance that the ultimate cost will not exceed such estimates. A reconciliation of the changes in the aggregate liabilities for claims for the current fiscal and the prior fiscal year are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims and Changes</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2005-06	\$42,920,000	\$(1,579,000)	\$15,394,000	\$25,947,000
2006-07	25,947,000	29,856,000	25,966,000	29,837,000

**B. Contingent Liabilities and Commitments**

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

The City is a subscribing agency in the City of Los Angeles' sewage treatment facilities. During the year ended June 30, 2007, the City of Los Angeles advised the City that its allocation of capital improvements to the facility over the next ten years is estimated at \$72,000,000. The City anticipates funding these improvements through cash accumulated in the Sewer Enterprise Fund. The City Engineer is preparing a proposal for a sewer master plan to review the City's existing contract with City of Los Angeles and to evaluate the City's wastewater direction in the future.

The City has entered into a sixteen year agreement with the Pasadena Humane Society to provide animal control services. The term of the agreement is from April 1, 2006 through June 30, 2022. The City paid \$2 million initially for this

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

agreement. An annual fee of \$745,000 will be paid by the City of Glendale to Pasadena Humane Society for fiscal year 2006/07 through fiscal year 2012/13. The annual fee will increase after FY 2012/13 by the greater of 3% or a formula based on the Consumer Price Index. The total cash outlay for this agreement is projected to be \$14,516,656.

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

Before the expiration of the contract, Hoover Powerplant Act of 1984 authorized the uprating of the 17 main generating units and provided long-term contingent capacity and firm energy to the participants in a renewal contract. The uprating program replaced all 17 original turbines in the Hoover Dam Power Plant began in 1986. When the program was finished in 1993, it increased the capacity of the plant from 1,344 MW to 2,079 MW.

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

The City's electric operation is committed to purchase all available landfill gas generated by Scholl Canyon LFG Limited Partnership at a price based on various natural gas indices. The term of this commitment is for a period of twenty years from July 1994 to July 2014. The landfill gas purchase for fiscal year 2006-07 was approximately 1,189,080 mmBtu and the average purchase price was \$10.65 per mmBtu.

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

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

In June 2005, the City entered into a power sales agreement with Southern California Public Power Authority (SCPPA) for the Ormat Geothermal Energy Project for purchase of up to 3 megawatts or 15% of the total project electric energy at \$57.50 per MWh with escalating factor of 1.5% per annum. The project began commercial operation in January 2006.

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 for approximately 28,360 MWh annually at \$63 per megawatt hour with no cost escalation through the contract term.

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

### C. Jointly Governed Organizations

#### Joint Power Agreement between the City and the Glendale Community College

The City and the Glendale Community College (College) have agreed to establish a multi-faceted parking program to facilitate on street parking for the City residents living near the College campus and to meet the parking needs of the College. In order to implement the parking program, the City and the College have entered into a Joint Power Agreement (JPA) and issued \$4,000,000 in bonds - Glendale Parking Facilities Joint Powers Authority Parking Revenue Bonds, 2003 Refunding Series A (Bonds). The Bonds do not constitute a debt or liability of the JPA nor is the JPA liable for the payment of the principal or interest on the Bonds. The College will provide fiscal management for this JPA. The amount of revenues available to pay debt service on the Bonds will be derived from two sources. The first source is the student-parking permit. The second source is the metered revenue from the City owned parking lots. In return for the loss of the metered revenue, the City shall receive reimbursement annually of \$100,000. In addition, the City shall receive annual reimbursement of at least \$25,000 for lot and meter maintenance. Furthermore, any remaining balance of the revenue, after debt service and JPA operational costs, shall be divided equally between the City and the College.

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

#### "Take or Pay" Contracts

The City has entered into seven "Take or Pay" contracts, which require payments to be made whether or not projects are completed or operable, or whether output from such projects is suspended, interrupted or terminated. Such payments represent the City's share of current and long-term obligations. Payment for these obligations is expected to be made from operating revenues received during the year that payment is due. These contracts provide for current and future electric generating capacity and transmission of energy for City residents. Through these contracts, the City purchased approximately 59% of its total energy requirements during fiscal year 2006-2007. This energy will displace some of the energy that was to have been supplied by the local generating plant. The City is obligated to pay the amortized cost of indebtedness regardless of the ability of the contracting agency to provide electricity. The original indebtedness will be amortized by adding the financing costs to purchase energy over the life of the contract. All of these agreements contain "step-up" provisions obligating the City to pay a share of the obligations of any defaulting participant.

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

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

The City through contract is obligated for 30 megawatts or 1.704% of the generation. In addition, the City entered into an "Excess Power Sales Agreement" with the ICPA, agent for the Utah Municipal Purchasers and the Cooperative Purchasers, which entitles the City to an additional share of 8 megawatts or 0.501% beginning March 24, 2004. The total City's obligation from Intermountain Power Project (IPP) is 38 megawatts.

The City joined the Southern California Public Power Authority (SCPPA) on November 1, 1980. This authority, consisting of the California cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, Vernon, and the Imperial Irrigation District, was formed for the purpose of financing future power resources. The City has entered into six projects with SCPPA.

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

The first of the SCPPA projects is a 3,810 megawatt nuclear fuel generation plant in Arizona. The Palo Verde (PV) nuclear project consists of three (3) units, each having an electric output of approximately 1,270 megawatts. SCPPA has purchased approximately 225 megawatts of capacity and associated energy (approximately 5.910% of total Palo Verde output), of which the City receives 9.9 megawatts or 4.400% of SCPPA's entitlement. As of June 30, 2007, Glendale's share is 4.400% (PV).

As required by the Participation Agreement, the co-owners of the Palo Verde Nuclear Generating Station (PVNGS) have created external accounts for the decommissioning of PVNGS at the end of its life. The market value of the Authority's accounts for decommissioning was approximately \$142,900,000 at June 30, 2007. Based on the most recent (2004) estimate of decommissioning costs, SCPPA estimates that its share of the amount required for decommissioning of PVNGS is now fully funded. No assurance can be given, however, that such amount will be sufficient to fund SCPPA's share of decommissioning costs. SCPPA anticipates receiving a new estimate of decommissioning costs every three years.

A second project financed through SCPPA is the Southern Transmission System (STS) that transmits power from the coal-fired IPP to Southern California. The 500 kV DC line is rated at 1,920 megawatts. The City's share of the line is 2.2740% or approximately 44 megawatts. As of June 30, 2007, Glendale's share is 2.2740% (STS).

A third project financed through SCPPA is the acquisition of 41.80% ownership interest in a coal-fired 497 megawatt unit in San Juan Generating Station, Unit 3, located in New Mexico. SCPPA members are entitled to 208 megawatts. The City is obligated for 20 megawatts or 9.8047% of the SCPPA entitlement. As of June 30, 2007, Glendale's share is 9.8047% (SJ).

A fourth project financed through SCPPA is Mead-Adelanto Project (MA). The project consists of a 202-mile 500 kV AC transmission line from a termination in southern Nevada, to a termination in the vicinity of Adelanto, California, and the development of the Marketplace Substation at the southern Nevada line termination approximately 17 miles southwest of Boulder City, Nevada. The initial transfer capability of the Mead-Adelanto Project is estimated at 1,500 megawatts. SCPPA members in the project are entitled to 1,019 megawatts. The City is obligated for 112 megawatts or 11.0430% of the SCPPA entitlement. As of June 30, 2007, Glendale's share is 11.0430% (MA).

A fifth project financed through SCPPA is Mead Phoenix Project (MP). The project consists of a 256-mile long 500 kV AC transmission line from the Westwing Substation in the vicinity of Phoenix, Arizona to the Marketplace Substation approximately 17 miles southwest of Boulder City, Nevada with an interconnection to the Mead Substation in southern Nevada. The project consists of three separate components: the Westwing-Mead Component, the Mead Substation Component, and the Mead-Marketplace Component. The City's participation shares in the components range from 11.7647% to 22.7273%. The Mead-Phoenix Project in conjunction with the Mead-Adelanto Project provides an alternative path for the City's purchases from the Palo Verde Nuclear Generating Station, San Juan Generating Station and Hoover Power Plant. These transmission lines also provide access to the southwest U.S. where economical coal energy is readily available. As of June 30, 2007, Glendale's share is 14.8000% (MP).

A sixth project financed through SCPPA is the Magnolia Power Project (MPP) located on Burbank Water & Power's generation station complex adjacent to Magnolia Boulevard in Burbank, California. The project consists of a combined cycle natural gas-fired generating plant with a nominally rated net base capacity of 242 megawatts. The City is obligated for 40 megawatts or 16.5289% of the project's output. As of June 30, 2007, Glendale's share is 16.5289% (MPP).

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

Project	Final Maturity Date	Glendale's Share
Intermountain Power Project (IPP)	2027	2.1889%
Palo Verde Project (PV)	2030	4.4000%
Southern Transmission System (STS)	2027	2.2740%
San Juan Project (SJ)	2030	9.8047%
Mead-Phoenix Project (MP)	2030	14.8000%
Mead-Adelanto Project (MA)	2030	11.0430%
Magnolia Power Project (MPP)	2036	16.5289%

**CITY OF GLENDALE**

Notes to the Financial Statements  
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A summary of the City's "Take or Pay" contracts and related projects and its contingent liability at June 30, 2007 is as follows (in thousands):

<b>Contingent Liability as of June 30, 2007 (in thousands)</b>								
	<b>IPP</b>	<b>SJ</b>	<b>PV</b>	<b>STS</b>	<b>MA</b>	<b>MP</b>	<b>MPP</b>	<b>Total</b>
<b>2008</b>	\$ 5,334	1,845	673	1,611	2,337	973	2,278	15,051
<b>2009</b>	5,326	1,845	673	1,588	2,333	972	3,832	16,569
<b>2010</b>	5,641	1,845	562	1,532	2,338	970	3,909	16,797
<b>2011</b>	6,617	1,845	561	1,544	2,395	1,114	3,908	17,984
<b>2012</b>	5,964	1,845	561	1,561	2,387	1,110	3,908	17,336
<b>2013-2017</b>	23,126	9,955	2,807	8,917	11,873	5,032	19,539	81,249
<b>2018-2022</b>	22,808	3,246	-	9,346	9,504	3,807	15,398	64,109
<b>2023-2027</b>	3,047	-	-	3,009	-	-	15,436	21,492
<b>2028-2032</b>	-	-	-	-	-	-	15,506	15,506
<b>2033-2037</b>	-	-	-	-	-	-	22,426	22,426
<b>Total</b>	\$ 77,863	22,426	5,837	29,108	33,167	13,978	106,140	288,519

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 2006-07 and budgets for fiscal year 2007-08 are as follows (in thousands):

Fiscal Year	IPP	SJ	PV	STS	MA	MP	MPP	Total
2007	\$ 6,792	6,611	2,174	436	204	195	4,201	20,613
2008	8,046	7,657	2,247	488	203	368	4,796	23,805

**D. Employee Retirement System and Plans**

**Plan Description**

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

All full-time employees are required to participate in CalPERS, and related benefits vest after five years of service. Upon five years of service, employees who retire at age 50 or older are entitled to receive an annual retirement benefit. The benefit is payable monthly for life. The benefit is calculated as follows: years of credited service multiplied by their highest twelve consecutive months of salary multiplied by a percentage factor. This factor is age-based – public safety employees use the 3% at age 50 factor while general employees use the 2% at age 55 factor. Effective December 1, 2005 the general employees will use the 2.5% at age 55 factor. The system also provides death and disability benefits. CalPERS issues a publicly available financial report that includes financial statements and required supplemental information of participating public entities within the state of California. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

**Funding Policy**

CalPERS is a contributory plan deriving funds from employee and employer contributions as well as earnings from investments. According to the plan, City employees were required to contribute 7% of annual salary for general members and 9% of annual salary for public safety members. Effective December 1, 2005, the general members' contribution rate increased to 8% of reportable earnings. The City is also required to contribute at an actuarially determined rate; the public safety and the general employee rates were 24.99% and 0% of the annual covered payroll, respectively. Starting July 1, 2005, the City's contribution rate for safety members decreased each fiscal year as of July 1<sup>st</sup> to 24.577% and 23.610%, respectively. The City's contribution rate for general members on the other hand increased from 0% to 6.289% as of

**CITY OF GLENDALE**

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Fiscal Year Ended June 30, 2007

7/1/2005 to 9.591% as of 12/1/05 and then to 10.506% as of 7/1/2006. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

**Annual Pension Cost**

Contributions to CalPERS totaling \$20,138,463 were made during the fiscal year ended June 30, 2007 in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2004. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.75% a year compounded annually (net of administrative expenses), (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45%, (c) no additional projected salary increases attributable to seniority/merit and (d) no post retirement benefit increases. The actuarial value of the City's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period depending on the size of investment gains and/or losses. CalPERS uses the entry-age-normal-actuarial-cost method, which is a projected-benefit-cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued. According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. In addition, the employer's total normal cost is expressed as a level percentage of payroll. CalPERS also uses the level-percentage-of-payroll method to amortize any unfunded actuarial liabilities. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20 year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization.

**Three year Trend Information**

Fiscal year ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/05	\$9,832,076	100%	0
6/30/06	\$17,792,610	100%	0
6/30/07	\$20,138,463	100%	0

Schedule of Funding Progress (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets <a>	Actuarial Accrued Liability <AAL> - Entry Age <b>	(Unfunded AAL) / Overfunded AAL <a-b>	Funded Ratio <a/b>	Covered Payroll <c>	(Unfunded AAL)/ Overfunded AAL as a Percentage of Covered Payroll <(a-b)/c>
6/30/2004	\$806,230,814	864,127,882	(57,897,068)	93.3%	122,073,007	(47.4%)
6/30/2005	\$854,260,613	929,960,421	(75,699,808)	91.9%	131,264,713	(57.7%)
6/30/2006	\$913,955,041	\$1,006,837,400	(92,882,359)	90.8%	134,183,520	(69.2%)

**E. Interfund Transactions**

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

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

Due to/from other funds are temporary cash overdrafts within a fund. Due to/from other funds for fiscal year 2006-07 consisted of the following:

Due to general fund from:	
Nonmajor governmental funds	\$ 7,704,604
Internal service funds	<u>604,196</u>
	<u>8,308,800</u>
Due to electric fund from:	
Capital improvement fund	\$ <u>1,331,140</u>

The City reports transfers between many of its funds. The sum of all transfers presented in the following table agrees with the sum of Interfund transfers presented in the governmental and proprietary fund financial statements. Transfers are used to (1) subsidize the activities of other funds (2) move revenues from the fund that budget requires to collect them to the fund that budget requires to expend them.

	Amount	Purpose
Transfer to general fund from:		
Electric fund	\$ 17,782,008	Fund general fund operations
Water fund	4,109,184	Fund general fund operations
Sewer fund	1,020,000	Fund general fund operations
Capital improvement fund	2,800,000	Fund general fund operations
Nonmajor enterprise fund	<u>1,900,000</u>	Fund general fund operations
	<u>27,611,192</u>	
Transfers to capital improvement fund from:		
General fund	773,700	Fund various capital improvement projects
Internal service fund	<u>15,000</u>	Fund radio shop remodel project
	<u>788,700</u>	
Transfers to nonmajor governmental funds		
General fund	136,911	Fund nutritional meals operations
General fund	4,000	Fund cable access
General fund	1,150,000	Fund fire paramedics operations
General fund	162,000	Fund a street improvement project
General fund	1,000,000	Fund police staff augmentation operations
Nonmajor governmental fund	<u>100,000</u>	Fund police staff augmentation operations
	<u>2,552,911</u>	
Transfers to internal service funds from:		
General fund	840,000	Fund technology equipment replacement
General fund	200,000	Fund application software replacement
General fund	290,000	Fund police CAD RMS replacement
General fund	95,000	Fund citywide document management system
		Fund wireless communication equipment
General fund	1,098,000	replacement
General fund	580,000	Fund financial system operations
Capital improvement fund	1,030,000	Fund application software replacement
Capital improvement fund	400,000	Fund financial system operations
Internal service fund	100,000	Fund application software replacement
Internal service funds	8,674,940	Consolidation of three liability insurance funds
		Split of Post Employment Benefits Fund from
Internal service fund	<u>3,587,285</u>	Employee Benefits Fund
	<u>\$ 16,895,225</u>	

## CITY OF GLENDALE

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2007

### F. Subsequent Event

In July 2007, the Housing Authority of the City approved the execution of letter of loan commitment with Glendale City Lights, a California Limited Partnership, in support of a development of an affordable multi-family rental housing project at 3673 San Fernando Road. \$9,800,000 in City's affordable housing fund is anticipated to be provided to the project.

In July 2007, the Housing Authority of the City approved the acquisition of real property located at 331-335 West Doran Avenue, which will be developed as an affordable homeownership project. The total cost for acquisition of the property is \$4,900,000. The first payment, \$240,000, was paid in July 2007; the second payment, \$4,566,694, was paid in October 2007.

### G. Pronouncement Issued but Not yet Adopted

In April 2004, GASB issued Statement No. 43, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*" This statement establishes uniform financial reporting standards for other postemployment benefits (OPEB) plans and is effective for fiscal periods beginning after June 30, 2006. The approach followed in this statement reflects differences between pension plans and OPEB plans. The statement applies for OPEB trust funds included in the financial reports of plan sponsors or employers, stand-alone financial reports of OPEB plans, the public employee retirement systems, or third parties that administer them. This statement also provides requirements for reporting OPEB funds by administrators of multiple-employer OPEB plans that are not a trust fund. The City of Glendale intends to implement the new reporting requirements for the fiscal year 2007-08 financial statements.

In June 2004, GASB issued Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*" This statement addresses how state and local governments should account for and report costs and obligations related to postemployment healthcare and other nonpension benefits and is effective for fiscal periods beginning after December 15, 2006. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. This statement's provisions may be applied prospectively and do not require governments to fund their OPEB plans. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. City of Glendale plans to implement the new reporting requirements for fiscal year 2007-08 financial statements.

In September 2006, the GASB issued Statement No. 48, "*Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues.*" Governments sometimes exchange an interest in their expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments—generally, a single lump sum. The financial reporting question addressed by this Statement is whether that transaction should be regarded as a sale or as a collateralized borrowing resulting in a liability. Historically, guidance for reporting the effects of those transactions in governmental financial statements either has been provided in several standards or, in certain cases, was not specifically addressed in authoritative literature. In addition, little or no information about pledged revenues was being disclosed in the notes to the financial statements. As a result, there has been considerable diversity in the manner in which these transactions and information about them have been reported.

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

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2007

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

This Statement also includes guidance to be used for recognizing other assets and liabilities arising from a sale of specific receivables or future revenues, including residual interests and recourse provisions. The disclosures pertaining to future revenues that have been pledged or sold are intended to provide financial statement users with information about which revenues will be unavailable for other purposes and how long they will continue to be so. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2006. The City of Glendale intends to implement the new reporting requirements for the fiscal year 2007-08 financial statements.

In November 2006, the GASB issued Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. This statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. This statement is not effective until June 30, 2009. The City of Glendale intends to implement the new reporting requirements for the fiscal year 2008-09 financial statements.

In May 2007, the GASB issued Statement No. 50, Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27. This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This statement is not effective until June 30, 2008. The City of Glendale intends to implement the new reporting requirements for the fiscal year 2007-08 financial statements.

In June 2007, the GASB issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets. This statement establishes accounting and financial reporting standards for many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. This statement is not effective until June 30, 2010. The City of Glendale intends to implement the new reporting requirements for the fiscal year 2009-10 financial statements.

*The City of Glendale, California*

# Comprehensive Annual Financial Report



Non-Major Funds

Year Ended, June 30, 2007



Exhibit F-1  
**CITY OF GLENDALE**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2007

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>				
Cash and invested cash	\$ 46,072,623	42,355,205	13,430,920	101,858,748
Cash with fiscal agent	-	13,948,052	-	13,948,052
Interest receivable	546,300	494,400	159,700	1,200,400
Accounts receivable, net	3,426,005	-	480	3,426,485
Unbilled receivable	366,173	-	-	366,173
Due from other agencies	3,518,588	-	333,493	3,852,081
Prepaid items	1,758,181	-	-	1,758,181
<b>Total assets</b>	<u>55,687,870</u>	<u>56,797,657</u>	<u>13,924,593</u>	<u>126,410,120</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	3,415,418	15,741	180,757	3,611,916
Contracts-retained amount due	23,364	-	-	23,364
Due to other funds	7,704,604	-	-	7,704,604
Due to other agencies	176,245	-	891,936	1,068,181
Accrued wages and withholding	258,376	-	1,429	259,805
Interest payable	-	458,430	-	458,430
Deferred revenues	1,046,349	-	-	1,046,349
Deposits	168,281	-	-	168,281
<b>Total liabilities</b>	<u>12,792,637</u>	<u>474,171</u>	<u>1,074,122</u>	<u>14,340,930</u>
<b>Fund Balances:</b>				
<b>Reserved:</b>				
Prepaid	1,758,181	-	-	1,758,181
Debt service	-	12,232,723	-	12,232,723
Encumbrances	5,170,253	-	783,599	5,953,852
<b>Unreserved</b>	<u>35,966,799</u>	<u>44,090,763</u>	<u>12,066,872</u>	<u>92,124,434</u>
<b>Total fund balances</b>	<u>42,895,233</u>	<u>56,323,486</u>	<u>12,850,471</u>	<u>112,069,190</u>
<b>Total liabilities and fund balances</b>	<u>\$ 55,687,870</u>	<u>56,797,657</u>	<u>13,924,593</u>	<u>126,410,120</u>

**CITY OF GLENDALE**

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

Nonmajor Governmental Funds

For Fiscal Year Ended June 30, 2007

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 5,883,417	8,606,977	-	14,490,394
Other taxes	3,970,096	-	-	3,970,096
Revenue from other agencies	39,105,236	-	5,606,447	44,711,683
Fines and forfeitures	448,162	-	-	448,162
Charges for services	13,977,004	-	-	13,977,004
Use of money and property	2,422,461	3,010,664	667,496	6,100,621
Miscellaneous revenue	4,070,647	-	-	4,070,647
<b>Total Revenues</b>	<b>69,877,023</b>	<b>11,617,641</b>	<b>6,273,943</b>	<b>87,768,607</b>
Expenditures:				
Operating expenditures				
General government	1,115,905	-	-	1,115,905
Public safety	18,169,261	179,309	-	18,348,570
Public works	8,311,676	-	499,133	8,810,809
Housing, health and community development	20,510,732	13,343	-	20,524,075
Employment programs	6,649,365	-	-	6,649,365
Public service	6,770,450	-	-	6,770,450
Parks, recreation and community services	472,459	-	-	472,459
Library	338,256	-	-	338,256
Capital	12,589,098	-	3,602,017	16,191,115
Debt service				
Interest on loan	58,357	-	-	58,357
Interest on bonds	-	6,285,294	-	6,285,294
Interest on capital lease -Fire equipment	33,581	-	-	33,581
Interest on capital lease -MSB retrofit	-	277,365	-	277,365
Principal on bonds	170,000	5,715,000	-	5,885,000
Principal on capital lease-Fire equipment	415,232	-	-	415,232
<b>Total expenditures</b>	<b>75,604,372</b>	<b>12,470,311</b>	<b>4,101,150</b>	<b>92,175,833</b>
Excess of revenues over (under) expenditures	(5,727,349)	(852,670)	2,172,793	(4,407,226)
Other financing sources (uses):				
Transfer from				
Transfer-General Fund	2,290,911	-	162,000	2,452,911
Transfer-Special Revenue	100,000	-	-	100,000
Transfer to				
Transfer-Special Revenue	(100,000)	-	-	(100,000)
<b>Total financing sources (uses)</b>	<b>2,290,911</b>	<b>-</b>	<b>162,000</b>	<b>2,452,911</b>
Net change in fund balances	(3,436,438)	(852,670)	2,334,793	(1,954,315)
Fund balance, July 1	46,331,671	57,176,156	10,515,678	114,023,505
Fund Balance, June 30	\$ 42,895,233	56,323,486	12,850,471	112,069,190

## SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue resources or to finance specified activities as required by law or administrative regulation. These funds are:

- Community Development Fund-To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant Program.
- Housing Assistance Fund-To account for monies received and expended by the City under Section 8 of the Federal Housing and Urban Development Act for housing assistance to low and moderate income families.
- Home Grant Fund-To account for monies received and expended by the City under the HOME Investment Partnerships Program to strengthen public-private partnerships and to preserve and provide affordable housing.
- Supportive Housing Grant Fund- To account for monies received by the City under the Supportive Housing Program to address the homeless needs of the City.
- Emergency Shelter Grant Fund-To account for monies received by the City under the Emergency Shelter Grant Program to address the homeless needs of the City.
- Workforce Investment Act Fund-To account for grant monies received and expended, in the federally funded job training program
- Low and Moderate Income Housing Fund-To account for monies received and expended by the Agency for the 20% set aside funds pursuant to redevelopment laws of the State of California.
- Local Transit Assistance Fund-To account for monies received from a portion of the sales tax which is restricted to transportation-related activities.
- Air Quality Improvement Fund-To account for monies received from South Coast Air Quality Management District and expended on air pollution reduction.
- Public Works Special Grant Fund- To account for various small grants received and expended by the City, such as Senior Citizen Traffic Safety Education Program.
- Narcotic Forfeiture Fund-To account for the proceeds of money or property seized as a result of illegal activity which is restricted to law enforcement uses.
- Special Grant Fund-To account for various small grants received and expended by the City, such as the Career Criminal Apprehension Program, Community Oriented Policing and the Child Passenger Safety Grant.
- Supplemental Law Enforcement Fund- To account for monies received from the State of California to provide funding for local agencies for the Citizen's Option for Public Safety Program (COPS).
- Police Staff Augmentation Fund- To account for set-aside monies to increase the City's police force.
- Fire Grant Fund-To account for grant monies received and expended for fire prevention programs.
- Nutritional Meals Grant Fund-To account for monies received from Federal assistance programs for senior citizen services.

- Library Grant Fund-To account for grant monies received and expended from State and local agencies
- Cable Access Fund – To account for the 1.45% cable access fee to provide for resources to broadcast the City Council meetings and other various commissions, forums, etc.
- Electric Public Benefit Fund – To account for the 2.85% fees assessed on the electric customers to fund public benefit programs such as low income projects, research and development and demonstration program as mandated by State of California, AB 1890.
- Fire Paramedic Fund- To account for operations of the emergency transport and paramedic service in the City.
- Fire Communication Fund-To account for monies received and expended, as the lead city, for the tri-city (Burbank, Glendale and Pasadena) fire communication operations.
- ICIS (Interagency Communications Interoperability System) Fund-To account for monies received and expended for the ICIS joint power authority for regional radio communications.

Exhibit G-1  
**CITY OF GLENDALE**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds - Special Revenue  
 June 30, 2007

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Shelter Grant Fund
<b>Assets</b>					
Cash and invested cash	\$ -	781,549	-	-	1,234
Interest receivable	-	8,200	-	-	-
Accounts receivable, net	915,349	-	-	-	-
Unbilled receivable	-	-	-	-	-
Due from other agencies	288,776	759,948	92,189	324,637	18,136
Prepaid items	-	1,688,430	-	24,977	-
<b>Total assets</b>	<b>1,204,125</b>	<b>3,238,127</b>	<b>92,189</b>	<b>349,614</b>	<b>19,370</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	155,645	13,533	15,966	171,191	18,136
Contracts-retained amount due	23,364	-	-	-	-
Due to other funds	96,040	-	74,760	177,167	-
Due to other agencies	-	49,470	-	-	1,234
Accrued wages and withholding	13,727	24,312	1,463	1,256	-
Deferred revenues	915,349	-	-	-	-
Deposits	-	113,665	-	-	-
<b>Total liabilities</b>	<b>1,204,125</b>	<b>200,980</b>	<b>92,189</b>	<b>349,614</b>	<b>19,370</b>
<b>Fund Balances:</b>					
Reserved:					
Prepaid	-	1,688,430	-	24,977	-
Encumbrances	-	25,718	-	-	-
Unreserved	-	1,322,999	-	(24,977)	-
<b>Total fund balances</b>	<b>-</b>	<b>3,037,147</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,204,125</b>	<b>3,238,127</b>	<b>92,189</b>	<b>349,614</b>	<b>19,370</b>

Exhibit G-1  
**CITY OF GLENDALE**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds - Special Revenue  
 June 30, 2007

	<b>Workforce Investment Fund</b>	<b>Low &amp; Moderate Housing Fund</b>	<b>Local Transit Assistance Fund</b>	<b>Air Quality Improvement</b>	<b>PW Special Grants Fund</b>
<b>Assets</b>					
Cash and invested cash	\$ -	17,288,373	12,890,910	541,206	-
Interest receivable	-	188,400	168,600	6,000	-
Accounts receivable, net	-	131,000	196,073	-	111,482
Unbilled receivable	-	-	-	-	-
Due from other agencies	578,003	271,651	426,410	3,522	14,250
Prepaid items	-	44,774	-	-	-
<b>Total assets</b>	<b>578,003</b>	<b>17,924,198</b>	<b>13,681,993</b>	<b>550,728</b>	<b>125,732</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	150,074	667,174	684,331	13,125	11,895
Contracts-retained amount due	-	-	-	-	-
Due to other funds	212,565	-	-	-	114,188
Due to other agencies	-	-	7,089	-	-
Accrued wages and withholding	32,286	21,666	14,153	96	359
Deferred revenues	-	131,000	-	-	-
Deposits	2,961	-	-	-	-
<b>Total liabilities</b>	<b>397,886</b>	<b>819,840</b>	<b>705,573</b>	<b>13,221</b>	<b>126,442</b>
<b>Fund Balances:</b>					
<b>Reserved:</b>					
Prepaid	-	44,774	-	-	-
Encumbrances	-	2,450,940	551,116	12,886	44,450
<b>Unreserved</b>	<b>180,117</b>	<b>14,608,644</b>	<b>12,425,304</b>	<b>524,621</b>	<b>(45,160)</b>
<b>Total fund balances</b>	<b>180,117</b>	<b>17,104,358</b>	<b>12,976,420</b>	<b>537,507</b>	<b>(710)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 578,003</b>	<b>17,924,198</b>	<b>13,681,993</b>	<b>550,728</b>	<b>125,732</b>

Exhibit G-1  
**CITY OF GLENDALE**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds - Special Revenue  
 June 30, 2007

	Narcotic Forfeiture Fund	Special Grant Fund	Supplemental Law Enforcement	Police Staff Augmentation Fund	Fire Grant Fund
<b>Assets</b>					
Cash and invested cash	\$ 474,900	-	222,926	6,203,421	61,576
Interest receivable	5,700	-	2,900	76,700	-
Accounts receivable, net	-	66,336	-	-	1,019
Unbilled receivable	-	-	-	-	-
Due from other agencies	2,179	-	-	-	698,406
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<b>482,779</b>	<b>66,336</b>	<b>225,826</b>	<b>6,280,121</b>	<b>761,001</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	27,347	5,320	1,962	23,268	345,043
Contracts-retained amount due	-	-	-	-	-
Due to other funds	-	1,609	-	-	2,128,896
Due to other agencies	118,452	-	-	-	-
Accrued wages and withholding	2,699	6,494	2,937	36,409	1,066
Deferred revenues	-	-	-	-	-
Deposits	50,200	-	-	-	-
<b>Total liabilities</b>	<b>198,698</b>	<b>13,423</b>	<b>4,899</b>	<b>59,677</b>	<b>2,475,005</b>
<b>Fund Balances:</b>					
<b>Reserved:</b>					
Prepaid	-	-	-	-	-
Encumbrances	-	-	-	-	921,876
<b>Unreserved</b>	<b>284,081</b>	<b>52,913</b>	<b>220,927</b>	<b>6,220,444</b>	<b>(2,635,880)</b>
<b>Total fund balances</b>	<b>284,081</b>	<b>52,913</b>	<b>220,927</b>	<b>6,220,444</b>	<b>(1,714,004)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 482,779</b>	<b>66,336</b>	<b>225,826</b>	<b>6,280,121</b>	<b>761,001</b>

Exhibit G-1  
**CITY OF GLENDALE**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds - Special Revenue  
 June 30, 2007

	Nutritional Meals Grant Fund	Library Fund	Cable Access Fund	Electric Public Benefit Fund	Fire Paramedic Fund
<b>Assets</b>					
Cash and invested cash	\$ 155,864	1,980,179	568,664	2,591,811	14,126
Interest receivable	-	11,100	7,500	45,600	-
Accounts receivable, net	-	-	131,390	238,079	1,635,277
Unbilled receivable	-	-	-	356,493	9,680
Due from other agencies	38,606	1,875	-	-	-
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<b>194,470</b>	<b>1,993,154</b>	<b>707,554</b>	<b>3,231,983</b>	<b>1,659,083</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	35,535	5,063	12,684	512,495	113,649
Contracts-retained amount due	-	-	-	-	-
Due to other funds	-	-	-	-	4,899,379
Due to other agencies	-	-	-	-	-
Accrued wages and withholding	2,547	243	4,684	3,341	66,306
Deferred revenues	-	-	-	-	-
Deposits	-	-	-	-	1,299
<b>Total liabilities</b>	<b>38,082</b>	<b>5,306</b>	<b>17,368</b>	<b>515,836</b>	<b>5,080,633</b>
<b>Fund Balances:</b>					
<b>Reserved:</b>					
Prepaid	-	-	-	-	-
Encumbrances	30,195	30,372	182	48,889	-
<b>Unreserved</b>	<b>126,193</b>	<b>1,957,476</b>	<b>690,004</b>	<b>2,667,258</b>	<b>(3,421,550)</b>
<b>Total fund balances</b>	<b>156,388</b>	<b>1,987,848</b>	<b>690,186</b>	<b>2,716,147</b>	<b>(3,421,550)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 194,470</b>	<b>1,993,154</b>	<b>707,554</b>	<b>3,231,983</b>	<b>1,659,083</b>

Exhibit G-1  
**CITY OF GLENDALE**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds - Special Revenue  
 June 30, 2007

	Fire Communication Fund	ICIS	Total Nonmajor Special Revenue Funds
<b>Assets</b>			
Cash and invested cash	\$ 1,656,339	639,545	46,072,623
Interest receivable	22,700	2,900	546,300
Accounts receivable, net	-	-	3,426,005
Unbilled receivable	-	-	366,173
Due from other agencies	-	-	3,518,588
Prepaid items	-	-	1,758,181
<b>Total assets</b>	<b>1,679,039</b>	<b>642,445</b>	<b>55,687,870</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	63,624	368,358	3,415,418
Contracts-retained amount due	-	-	23,364
Due to other funds	-	-	7,704,604
Due to other agencies	-	-	176,245
Accrued wages and withholding	22,332	-	258,376
Deferred revenues	-	-	1,046,349
Deposits	-	156	168,281
<b>Total liabilities</b>	<b>85,956</b>	<b>368,514</b>	<b>12,792,637</b>
<b>Fund Balances:</b>			
Reserved:			
Prepaid	-	-	1,758,181
Encumbrances	1,043,367	10,262	5,170,253
Unreserved	549,716	263,669	35,966,799
<b>Total fund balances</b>	<b>1,593,083</b>	<b>273,931</b>	<b>42,895,233</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,679,039</b>	<b>642,445</b>	<b>55,687,870</b>

Exhibit G-2  
**CITY OF GLENDALE**  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds - Special Revenue  
 Year Ended June 30, 2007

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Shelter Grant Fund
<b>Revenues:</b>					
Property taxes	\$ -	-	-	-	-
Other taxes	-	-	-	-	-
Revenue from other agencies	4,609,353	13,490,139	3,484,412	1,661,132	147,799
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	-	20,400	-	-	-
Miscellaneous revenue	18,500	854,776	23,051	18,038	-
<b>Total Revenues</b>	<b>4,627,853</b>	<b>14,365,315</b>	<b>3,507,463</b>	<b>1,679,170</b>	<b>147,799</b>
<b>Expenditures:</b>					
<b>Operating expenditures</b>					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Housing, health and community development	1,456,424	13,381,153	15,737	1,716,011	147,799
Employment programs	682,222	-	187,081	-	-
Public service	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-
Library	-	-	-	-	-
Capital	2,260,850	14,003	3,304,645	-	-
Debt service	228,357	-	-	-	-
<b>Total expenditures</b>	<b>4,627,853</b>	<b>13,395,156</b>	<b>3,507,463</b>	<b>1,716,011</b>	<b>147,799</b>
Excess of revenues over (under) expenditures	-	970,159	-	(36,841)	-
<b>Other financing sources (uses):</b>					
<b>Transfer from:</b>					
Transfer-General Fund	-	-	-	-	-
Transfer-Special Revenue	-	-	-	-	-
<b>Transfer to:</b>					
Transfer-Special Revenue	-	-	-	-	-
<b>Total financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	970,159	-	(36,841)	-
Fund balance, July 1	-	2,066,988	-	36,841	-
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>3,037,147</b>	<b>-</b>	<b>-</b>	<b>-</b>

Exhibit G-2  
**CITY OF GLENDALE**  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds - Special Revenue  
 Year Ended June 30, 2007

	Workforce Investment Fund	Low & Moderate Housing Fund	Local Transit Assistance Fund	Air Quality Improvement	PW Special Grants Fund
<b>Revenues:</b>					
Property taxes	\$ -	5,883,417	-	-	-
Other taxes	-	-	-	-	-
Revenue from other agencies	4,661,484	-	6,998,263	247,032	136,361
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	1,500,121	56,436	-
Use of money and property	-	778,941	703,145	26,784	-
Miscellaneous revenue	47,185	1,211,521	996	-	-
<b>Total Revenues</b>	<b>4,708,669</b>	<b>7,873,879</b>	<b>9,202,525</b>	<b>330,252</b>	<b>136,361</b>
<b>Expenditures:</b>					
Operating expenditures					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	7,899,529	275,220	136,927
Housing, health and community development	-	3,793,608	-	-	-
Employment programs	4,839,208	940,854	-	-	-
Public service	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-
Library	-	-	-	-	-
Capital	-	4,238,813	152,735	-	144
Debt service	-	-	-	-	-
<b>Total expenditures</b>	<b>4,839,208</b>	<b>8,973,275</b>	<b>8,052,264</b>	<b>275,220</b>	<b>137,071</b>
Excess of revenues over (under) expenditures	(130,539)	(1,099,396)	1,150,261	55,032	(710)
<b>Other financing sources (uses):</b>					
Transfer from:					
Transfer-General Fund	-	-	-	-	-
Transfer-Special Revenue	-	-	-	-	-
Transfer to:					
Transfer-Special Revenue	-	-	-	-	-
<b>Total financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(130,539)	(1,099,396)	1,150,261	55,032	(710)
Fund balance, July 1	310,656	18,203,754	11,826,159	482,475	-
<b>Fund Balance, June 30</b>	<b>\$ 180,117</b>	<b>17,104,358</b>	<b>12,976,420</b>	<b>537,507</b>	<b>(710)</b>

Exhibit G-2  
**CITY OF GLENDALE**  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds - Special Revenue  
 Year Ended June 30, 2007

	Narcotic Forfeiture Fund	Special Grant Fund	Supplemental Law Enforcement	Police Staff Augmentation Fund	Fire Grant Fund
<b>Revenues:</b>					
Property taxes	\$ -	-	-	-	-
Other taxes	-	-	-	-	-
Revenue from other agencies	-	68,362	401,551	-	2,323,149
Fines and forfeitures	448,162	-	-	-	-
Charges for services	285	263,008	-	19,223	-
Use of money and property	16,421	2,692	14,738	362,067	-
Miscellaneous revenue	-	106,394	-	68,908	78,746
<b>Total Revenues</b>	<b>464,868</b>	<b>440,456</b>	<b>416,289</b>	<b>450,198</b>	<b>2,401,895</b>
<b>Expenditures:</b>					
Operating expenditures					
General government	-	-	-	-	-
Public safety	322,112	482,515	262,057	2,731,955	1,946,743
Public works	-	-	-	-	-
Housing, health and community development	-	-	-	-	-
Employment programs	-	-	-	-	-
Public service	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-
Library	-	-	-	-	-
Capital	-	69,890	-	40,453	1,551,349
Debt service	-	-	-	-	-
<b>Total expenditures</b>	<b>322,112</b>	<b>552,405</b>	<b>262,057</b>	<b>2,772,408</b>	<b>3,498,092</b>
Excess of revenues over (under) expenditures	142,756	(111,949)	154,232	(2,322,210)	(1,096,197)
<b>Other financing sources (uses):</b>					
Transfer from:					
Transfer-General Fund	-	-	-	1,000,000	-
Transfer-Special Revenue	-	-	-	100,000	-
Transfer to:					
Transfer-Special Revenue	-	-	(100,000)	-	-
<b>Total financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(100,000)</b>	<b>1,100,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>142,756</b>	<b>(111,949)</b>	<b>54,232</b>	<b>(1,222,210)</b>	<b>(1,096,197)</b>
Fund balance, July 1	141,325	164,862	166,695	7,442,654	(617,807)
<b>Fund Balance, June 30</b>	<b>\$ 284,081</b>	<b>52,913</b>	<b>220,927</b>	<b>6,220,444</b>	<b>(1,714,004)</b>

Exhibit G-2  
**CITY OF GLENDALE**  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds - Special Revenue  
 Year Ended June 30, 2007

	Nutritional Meals Grant Fund	Library Fund	Cable Access Fund	Electric Public Benefit Fund	Fire Paramedic Fund
<b>Revenues:</b>					
Property taxes	\$ -	-	-	-	-
Other taxes	-	-	-	3,970,096	-
Revenue from other agencies	278,147	198,052	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	92,398	498,750	-	8,808,086
Use of money and property	1,252	72,163	40,705	261,991	-
Miscellaneous revenue	96,948	1,164,223	126,689	35,912	24,809
<b>Total Revenues</b>	<b>376,347</b>	<b>1,526,836</b>	<b>666,144</b>	<b>4,267,999</b>	<b>8,832,895</b>
<b>Expenditures:</b>					
<b>Operating expenditures</b>					
General government	-	-	552,164	-	-
Public safety	-	-	-	-	10,123,223
Public works	-	-	-	-	-
Housing, health and community development	-	-	-	-	-
Employment programs	-	-	-	-	-
Public service	-	-	-	6,770,450	-
Parks, recreation and community services	472,459	-	-	-	-
Library	-	338,256	-	-	-
Capital	7,764	6,874	365,622	-	381,896
Debt service	-	-	-	-	-
<b>Total expenditures</b>	<b>480,223</b>	<b>345,130</b>	<b>917,786</b>	<b>6,770,450</b>	<b>10,505,119</b>
Excess of revenues over (under) expenditures	(103,876)	1,181,706	(251,642)	(2,502,451)	(1,672,224)
<b>Other financing sources (uses):</b>					
<b>Transfer from:</b>					
Transfer-General Fund	136,911	-	4,000	-	1,150,000
Transfer-Special Revenue	-	-	-	-	-
<b>Transfer to:</b>					
Transfer-Special Revenue	-	-	-	-	-
<b>Total financing sources (uses)</b>	<b>136,911</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>1,150,000</b>
<b>Net change in fund balances</b>	<b>33,035</b>	<b>1,181,706</b>	<b>(247,642)</b>	<b>(2,502,451)</b>	<b>(522,224)</b>
Fund balance, July 1	123,353	806,142	937,828	5,218,598	(2,899,326)
<b>Fund Balance, June 30</b>	<b>\$ 156,388</b>	<b>1,987,848</b>	<b>690,186</b>	<b>2,716,147</b>	<b>(3,421,550)</b>

Exhibit G-2  
**CITY OF GLENDALE**  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds - Special Revenue  
 Year Ended June 30, 2007

	Fire Communication Fund	ICIS	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>			
Property taxes	\$ -	-	5,883,417
Other taxes	-	-	3,970,096
Revenue from other agencies	-	400,000	39,105,236
Fines and forfeitures	-	-	448,162
Charges for services	2,498,697	240,000	13,977,004
Use of money and property	109,636	11,526	2,422,461
Miscellaneous revenue	193,951	-	4,070,647
<b>Total Revenues</b>	<b>2,802,284</b>	<b>651,526</b>	<b>69,877,023</b>
<b>Expenditures:</b>			
Operating expenditures			
General government	-	563,741	1,115,905
Public safety	2,300,656	-	18,169,261
Public works	-	-	8,311,676
Housing, health and community development	-	-	20,510,732
Employment programs	-	-	6,649,365
Public service	-	-	6,770,450
Parks, recreation and community services	-	-	472,459
Library	-	-	338,256
Capital	194,060	-	12,589,098
Debt service	448,813	-	677,170
<b>Total expenditures</b>	<b>2,943,529</b>	<b>563,741</b>	<b>75,604,372</b>
Excess of revenues over (under) expenditures	(141,245)	87,785	(5,727,349)
<b>Other financing sources (uses):</b>			
Transfer from:			
Transfer-General Fund	-	-	2,290,911
Transfer-Special Revenue	-	-	100,000
Transfer to:			
Transfer-Special Revenue	-	-	(100,000)
<b>Total financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>2,290,911</b>
<b>Net change in fund balances</b>	<b>(141,245)</b>	<b>87,785</b>	<b>(3,436,438)</b>
Fund balance, July 1	1,734,328	186,146	46,331,671
<b>Fund Balance, June 30</b>	<b>\$ 1,593,083</b>	<b>273,931</b>	<b>42,895,233</b>

## CITY OF GLENDALE

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

## Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2007

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Community Development Fund:				
Revenue from other agencies	\$ 3,800,000	3,800,000	4,609,353	(809,353)
Miscellaneous revenue	30,000	30,000	18,500	11,500
Total	<u>3,830,000</u>	<u>3,830,000</u>	<u>4,627,853</u>	<u>(797,853)</u>
Housing Assistance Fund:				
Use of money and property	2,000	2,000	20,400	(18,400)
Revenue from other agencies	12,704,263	12,704,263	13,490,139	(785,876)
Miscellaneous revenue	789,288	789,288	854,776	(65,488)
Total	<u>13,495,551</u>	<u>13,495,551</u>	<u>14,365,315</u>	<u>(869,764)</u>
Home Grant Fund:				
Revenue from other agencies	2,200,000	2,200,000	3,484,412	(1,284,412)
Miscellaneous revenue	10,000	10,000	23,051	(13,051)
Total	<u>2,210,000</u>	<u>2,210,000</u>	<u>3,507,463</u>	<u>(1,297,463)</u>
Supportive Housing Grant Fund:				
Revenue from other agencies	2,100,000	2,100,000	1,661,132	438,868
Miscellaneous revenue	—	—	18,038	(18,038)
Total	<u>2,100,000</u>	<u>2,100,000</u>	<u>1,679,170</u>	<u>420,830</u>
Emergency Shelter Grant Fund:				
Revenue from other agencies	145,000	145,000	147,799	(2,799)
Total	<u>145,000</u>	<u>145,000</u>	<u>147,799</u>	<u>(2,799)</u>
Workforce Investment Act Fund:				
Revenue from other agencies	3,799,746	4,119,077	4,661,484	(542,407)
Miscellaneous revenue	21,732	191,732	47,185	144,547
Total	<u>3,821,478</u>	<u>4,310,809</u>	<u>4,708,669</u>	<u>(397,860)</u>
Low & Moderate Housing Fund:				
Property taxes	5,336,000	5,336,000	5,883,417	(547,417)
Use of money and property	160,000	160,000	778,941	(618,941)
Miscellaneous revenue	750,000	750,000	1,211,521	(461,521)
Total	<u>6,246,000</u>	<u>6,246,000</u>	<u>7,873,879</u>	<u>(1,627,879)</u>
Local Transit Assistance Fund:				
Use of money and property	366,000	366,000	703,145	(337,145)
Revenue from other agencies	6,669,200	6,669,200	6,998,263	(329,063)
Charges for services	1,697,000	1,697,000	1,500,121	196,879
Miscellaneous revenue	—	—	996	(996)
Total	<u>8,732,200</u>	<u>8,732,200</u>	<u>9,202,525</u>	<u>(470,325)</u>
Air Quality Improvement Fund:				
Use of money and property	15,000	15,000	26,784	(11,784)
Revenue from other agencies	240,000	240,000	247,032	(7,032)
Charges for services	45,000	45,000	56,436	(11,436)
Total	<u>\$ 300,000</u>	<u>300,000</u>	<u>330,252</u>	<u>(30,252)</u>

Exhibit G-3  
**CITY OF GLENDALE**  
 Schedule of Revenues and Other Financing Sources - Budget and Actual  
 Nonmajor Governmental Funds - Special Revenue  
 Year Ended June 30, 2007

	Original	Final	Actual	Variance (Over)/Under
<b>Public Works Special Grant Fund:</b>				
Revenue from other agencies	\$ —	188,100	136,361	51,739
Total	—	188,100	136,361	51,739
<b>Narcotic Forfeiture Fund:</b>				
Fines and forfeitures	—	—	448,162	(448,162)
Use of money and property	—	—	16,421	(16,421)
Charges for services	—	—	285	(285)
Total	—	—	464,868	(464,868)
<b>Special Grant Fund:</b>				
Use of money and property	9,000	9,000	2,692	6,308
Revenue from other agencies	346,000	730,090	68,362	661,728
Charges for services	103,000	103,000	263,008	(160,008)
Miscellaneous revenue	40,000	47,607	106,394	(58,787)
Total	498,000	889,697	440,456	449,241
<b>Supplemental Law Enforcement Fund:</b>				
Use of money and property	8,000	8,000	14,738	(6,738)
Revenue from other agencies	300,000	300,000	401,551	(101,551)
Total	308,000	308,000	416,289	(108,289)
<b>Police Staff Augmentation Fund</b>				
Use of money and property	200,000	200,000	362,067	(162,067)
Miscellaneous revenue	—	—	68,908	(68,908)
Charges for services	—	2,000	19,223	(17,223)
Transfers	1,100,000	1,100,000	1,100,000	—
Total	1,300,000	1,302,000	1,550,198	(248,198)
<b>Fire Grant Fund</b>				
Revenue from other agencies	3,878,206	9,213,860	2,323,149	6,890,711
Miscellaneous revenue	22,000	112,111	78,746	33,365
Total	3,900,206	9,325,971	2,401,895	6,924,076
<b>Nutritional Meals Grant Fund:</b>				
Use of money and property	—	—	1,252	(1,252)
Revenue from other agencies	249,760	270,870	278,147	(7,277)
Miscellaneous revenue	57,684	89,502	96,948	(7,446)
Transfers	136,911	136,911	136,911	—
Total	444,355	497,283	513,258	(15,975)
<b>Library Grant Fund:</b>				
Use of money and property	25,000	25,000	72,164	(47,164)
Revenue from other agencies	252,000	270,925	198,051	72,874
Charges for services	69,000	69,000	92,398	(23,398)
Miscellaneous revenue	65,100	65,100	1,164,223	(1,099,123)
Total	411,100	430,025	1,526,836	(1,096,811)
<b>Cable Access Fund:</b>				
Use of money and property	30,000	30,000	40,705	(10,705)
Charges for services	480,000	480,000	498,750	(18,750)
Miscellaneous revenue	1,000	1,000	126,689	(125,689)
Transfers	—	4,000	4,000	—
Total	\$ 511,000	515,000	670,144	(155,144)

**CITY OF GLENDALE**

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

## Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2007

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
<b>Electric Public Benefit Fund:</b>				
Other taxes	\$ 3,300,000	3,300,000	3,970,096	(670,096)
Use of money and property	210,000	210,000	261,991	(51,991)
Miscellaneous revenue	40,000	40,000	35,912	4,088
<b>Total</b>	<u>3,550,000</u>	<u>3,550,000</u>	<u>4,267,999</u>	<u>(717,999)</u>
<b>Fire Paramedic Fund</b>				
Use of money and property	—	—	(64,200)	64,200
Charges for services	7,915,000	8,707,500	8,808,086	(100,586)
Miscellaneous revenue	—	—	89,009	(89,009)
Transfers	1,150,000	1,150,000	1,150,000	—
<b>Total</b>	<u>9,065,000</u>	<u>9,857,500</u>	<u>9,982,895</u>	<u>(125,395)</u>
<b>Fire Communications Fund</b>				
Use of money and property	70,000	70,000	109,636	(39,636)
Charges for services	2,230,000	2,230,000	2,498,697	(268,697)
Miscellaneous revenue	194,000	194,000	193,951	49
<b>Total</b>	<u>2,494,000</u>	<u>2,494,000</u>	<u>2,802,284</u>	<u>(308,284)</u>
<b>ICIS Fund</b>				
Use of money and property	—	—	11,526	(11,526)
Revenue from other agencies	—	493,000	400,000	93,000
Charges for services	200,000	200,000	240,000	(40,000)
Miscellaneous revenue	3,000	3,000	—	3,000
<b>Total</b>	<u>203,000</u>	<u>696,000</u>	<u>651,526</u>	<u>44,474</u>
<b>Total revenues and other financing sources</b>	<u>\$ 63,564,890</u>	<u>71,423,136</u>	<u>72,267,934</u>	<u>(844,798)</u>

Exhibit G-4  
**CITY OF GLENDALE**  
 Schedule of Expenditures and Other Financing Uses - Budget and Actual  
 Nonmajor Governmental Funds - Special Revenue  
 Year Ended June 30, 2007

	Original	Final	Actual	Variance (Over)/Under
<b>Community Development Fund:</b>				
Housing, health and community development:				
Salaries and benefits	\$ 1,384,929	1,156,339	1,172,668	(16,329)
Maintenance and operations	1,048,968	2,271,129	965,978	1,305,151
Capital projects	4,591,639	3,891,639	2,260,850	1,630,789
Debt Service	—	—	228,357	(228,357)
<b>Total</b>	<u>7,025,536</u>	<u>7,319,107</u>	<u>4,627,853</u>	<u>2,691,254</u>
<b>Housing Assistance Fund:</b>				
Housing, health and community development:				
Salaries and benefits	1,611,743	1,960,275	1,957,406	2,869
Maintenance and operations	11,866,564	11,866,564	11,423,747	442,817
Capital	17,244	17,244	14,003	3,241
<b>Total</b>	<u>13,495,551</u>	<u>13,844,083</u>	<u>13,395,156</u>	<u>448,927</u>
<b>Home Grant Fund:</b>				
Housing, health and community development:				
Salaries and benefits	170,177	170,177	140,111	30,066
Maintenance and operations	46,539	(1,280,965)	62,707	(1,343,672)
Capital	—	3,304,650	3,304,645	5
<b>Total</b>	<u>216,716</u>	<u>2,193,862</u>	<u>3,507,463</u>	<u>(1,313,601)</u>
<b>Supportive Housing Grant Fund:</b>				
Housing, health and community development:				
Salaries and benefits	397,903	397,903	158,793	239,110
Maintenance and operations	2,974,558	2,974,558	1,557,218	1,417,340
<b>Total</b>	<u>3,372,462</u>	<u>3,372,462</u>	<u>1,716,011</u>	<u>1,656,451</u>
<b>Emergency Shelter Grant Fund:</b>				
Housing, health and community development:				
Salaries and benefits	—	995	995	0
Maintenance and operations	144,804	143,809	146,804	(2,995)
<b>Total</b>	<u>144,804</u>	<u>144,804</u>	<u>147,799</u>	<u>(2,995)</u>
<b>Workforce Investment Act Fund:</b>				
Employment and job training services:				
Salaries and benefits	2,705,187	2,776,122	2,472,804	303,318
Maintenance and operations	1,070,141	3,865,795	2,366,404	1,499,391
<b>Total</b>	<u>3,775,328</u>	<u>6,641,917</u>	<u>4,839,208</u>	<u>1,802,709</u>
<b>Low &amp; Moderate Housing Fund:</b>				
Housing, health and community development:				
Salaries and benefits	1,930,338	2,106,650	1,941,811	164,839
Maintenance and operations	974,188	6,093,030	2,792,651	3,300,379
Capital projects	—	3,815,391	4,238,813	(423,422)
<b>Total</b>	<u>2,904,526</u>	<u>12,015,071</u>	<u>8,973,275</u>	<u>3,041,796</u>
<b>Local Transit Assistance Fund:</b>				
Public works:				
Salaries and benefits	998,786	998,786	895,694	103,092
Maintenance and operations	6,541,588	7,630,617	7,003,835	626,782
Capital	2,261,500	2,261,500	—	2,261,500
Capital projects	532,000	672,000	152,735	519,265
<b>Total</b>	<u>\$ 10,333,874</u>	<u>11,562,903</u>	<u>8,052,264</u>	<u>3,510,639</u>

Exhibit G-4  
**CITY OF GLENDALE**  
 Schedule of Expenditures and Other Financing Uses - Budget and Actual  
 Nonmajor Governmental Funds - Special Revenue  
 Year Ended June 30, 2007

	Original	Final	Actual	Variance (Over)/Under
<b>Air Quality Improvement Fund:</b>				
Public works:				
Salaries and benefits	\$ 198,148	198,148	198,722	(574)
Maintenance and operations	110,855	114,421	76,498	37,923
Total	<u>309,003</u>	<u>312,569</u>	<u>275,220</u>	<u>37,349</u>
<b>Public Works Special Grant Fund</b>				
Public works:				
Salaries and benefits	—	—	108,636	(108,636)
Maintenance and operations	—	84,000	28,291	55,709
Capital	—	299,600	144	299,456
Total	<u>—</u>	<u>383,600</u>	<u>137,071</u>	<u>246,529</u>
<b>Narcotic Forfeiture Fund:</b>				
Public safety:				
Salaries and benefits	182,141	265,071	212,664	52,407
Maintenance and operations	108,857	107,457	109,448	(1,991)
Transfer to other funds	100,000	200,000	—	200,000
Total	<u>390,998</u>	<u>572,528</u>	<u>322,112</u>	<u>250,416</u>
<b>Special Grant Fund:</b>				
Public safety:				
Salaries and benefits	182,374	708,198	395,608	312,590
Maintenance and operations	65,165	138,765	86,907	51,858
Capital	—	115,465	69,890	45,575
Total	<u>247,539</u>	<u>962,428</u>	<u>552,405</u>	<u>410,023</u>
<b>Supplemental Law Enforcement Fund:</b>				
Public safety:				
Salaries and benefits	191,599	268,921	255,950	12,971
Maintenance and operations	40,156	38,756	6,107	32,649
Transfer to other funds	—	100,000	100,000	—
Total	<u>231,755</u>	<u>407,677</u>	<u>362,057</u>	<u>45,620</u>
<b>Police Staff Augmentation Fund</b>				
Public safety:				
Salaries and benefits	3,347,290	3,738,867	2,653,257	1,085,610
Maintenance and operations	127,786	93,882	78,698	15,184
Capital	—	77,785	40,453	37,332
Total	<u>3,475,076</u>	<u>3,910,534</u>	<u>2,772,408</u>	<u>1,138,126</u>
<b>Fire Grant Fund</b>				
Public safety:				
Salaries and benefits	531,438	824,018	501,452	322,566
Maintenance and operations	304,159	2,699,964	1,445,291	1,254,673
Capital	—	8,723,184	1,551,349	7,171,835
Total	<u>835,597</u>	<u>12,247,166</u>	<u>3,498,092</u>	<u>8,749,074</u>
<b>Nutritional Meals Grant Fund:</b>				
Parks, recreation and community services:				
Salaries and benefits	278,920	274,322	288,673	(14,351)
Maintenance and operations	165,435	207,207	183,786	23,421
Capital	—	23,685	7,764	15,921
Total	<u>444,355</u>	<u>505,214</u>	<u>480,223</u>	<u>24,991</u>
<b>Library Grant Fund:</b>				
Library:				
Salaries and benefits	205,920	205,920	100,864	105,056
Maintenance and operations	187,372	1,195,178	237,392	957,786
Capital	—	10,000	6,874	3,126
Total	<u>\$ 393,292</u>	<u>1,411,098</u>	<u>345,130</u>	<u>1,065,968</u>

Exhibit G-4  
**CITY OF GLENDALE**  
 Schedule of Expenditures and Other Financing Uses - Budget and Actual  
 Nonmajor Governmental Funds - Special Revenue  
 Year Ended June 30, 2007

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
<b>Cable Access Fund:</b>				
General government:				
Salaries and benefits	\$ 481,796	471,796	492,412	(20,616)
Maintenance and operations	45,955	55,955	59,752	(3,797)
Capital	49,200	59,200	47,661	11,539
Capital projects	—	566,066	317,961	248,105
Total	<u>576,951</u>	<u>1,153,017</u>	<u>917,786</u>	<u>235,231</u>
<b>Electric Public Benefit Fund:</b>				
Public service:				
Salaries and benefits	221,200	221,200	197,373	23,827
Maintenance and operations	6,679,900	6,679,900	6,573,077	106,823
Capital	77,000	77,000	—	77,000
Total	<u>6,978,100</u>	<u>6,978,100</u>	<u>6,770,450</u>	<u>207,650</u>
<b>Fire Paramedic Fund</b>				
Public safety:				
Salaries and benefits	3,720,051	3,795,051	4,222,039	(426,988)
Maintenance and operations	5,062,915	5,855,415	5,901,184	(45,769)
Capital	282,200	449,699	381,896	67,803
Total	<u>9,065,166</u>	<u>10,100,165</u>	<u>10,505,119</u>	<u>(404,954)</u>
<b>Fire Communications Fund</b>				
Public safety:				
Salaries and benefits	2,103,145	2,078,145	1,937,806	140,339
Maintenance and operations	270,301	359,501	362,850	(3,349)
Capital	1,335,758	1,788,212	194,060	1,594,152
Debt Service	—	—	448,813	(448,813)
Total	<u>3,709,204</u>	<u>4,225,858</u>	<u>2,943,529</u>	<u>1,282,329</u>
<b>ICIS Fund</b>				
General government:				
Maintenance and operations	200,000	300,000	563,741	(263,741)
Capital	—	493,000	—	493,000
Total	<u>200,000</u>	<u>793,000</u>	<u>563,741</u>	<u>229,259</u>
Total expenditures and other financing uses	<u>\$ 68,125,833</u>	<u>101,057,163</u>	<u>75,704,372</u>	<u>25,352,791</u>

### DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation and disbursement of financial resources that will be used to make principal and interest payments on general long-term debt of the City of Glendale. The specific debt service funds used include:

- 2003 GRA Tax Allocation Bonds Fund – To accumulate monies for the payment of interest and principal of the 2003 Tax Allocation bonds. Debt Service is financed via the incremental property tax from the Glendale Redevelopment Agency.
- Police Facility COPs Fund – To accumulate monies for the payment of interest principal of the 2000 Police Building Project Variable Rate Demands Certificates of Participation. Debt Service is currently financed via the capitalized interest set aside for the project. After the completion of the Police building construction, debt service will be financed via lease payments.
- 2002 GRA Tax Allocation Bonds Fund – To accumulate monies for the payment of interest and principal of the 2002 Tax Allocation bonds. Debt Service is financed via the incremental property tax from the Glendale Redevelopment Agency.
- Capital Leases Fund – To accumulate monies for the payment of interest and principal for the Capital Lease of the Municipal Building Services (MSB) Seismic Upgrade Project. Debt Service is financed via lease payments.

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Exhibit H-1

**CITY OF GLENDALE**

Combining Balance Sheet

Nonmajor Governmental Funds - Debt Service

June 30, 2007

		2003 GRA Tax Allocation Bonds	Police Building Project	2002 GRA Tax Allocation Bonds	Capital Lease	Total Nonmajor Debt Service Funds
<b>Assets</b>						
Cash and invested cash	\$	714,263	41,077,977	562,965	-	42,355,205
Cash with fiscal agent		4,910,951	5,184,975	3,852,126	-	13,948,052
Interest receivable		-	494,400	-	-	494,400
<hr/>						
Total assets		5,625,214	46,757,352	4,415,091	-	56,797,657
<hr/>						
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable		-	15,741	-	-	15,741
Interest payable		-	181,065	-	277,365	458,430
<hr/>						
Total liabilities		-	196,806	-	277,365	474,171
<hr/>						
<b>Fund Balances:</b>						
<b>Reserved:</b>						
Debt service		4,779,490	3,638,720	3,814,513	-	12,232,723
Unreserved		845,724	42,921,826	600,578	(277,365)	44,090,763
<hr/>						
Total fund balances		5,625,214	46,560,546	4,415,091	(277,365)	56,323,486
<hr/>						
Total liabilities and fund balances	\$	5,625,214	46,757,352	4,415,091	-	56,797,657

Exhibit H-2

**CITY OF GLENDALE**

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

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2007

	2003 GRA Tax Allocation Bonds	Police Building Project	2002 GRA Tax Allocation Bonds	Capital Lease	Total Nonmajor Special Debt Service Funds
<b>Revenues:</b>					
Property taxes	\$ 4,787,239	-	3,819,738	-	8,606,977
Use of money and property	232,806	2,571,581	206,277	-	3,010,664
<b>Total Revenues</b>	<b>5,020,045</b>	<b>2,571,581</b>	<b>4,026,015</b>	<b>-</b>	<b>11,617,641</b>
<b>Expenditures:</b>					
<b>Operating expenditures</b>					
Public safety	-	179,309	-	-	179,309
Public works	-	-	-	-	-
Housing, health and community development	7,000	-	6,343	-	13,343
<b>Debt service</b>					
Interest on Bonds	2,349,240	2,096,316	1,839,738	-	6,285,294
Interest on capital lease -MSB retrofit	-	-	-	277,365	277,365
Principal on bonds	2,435,000	1,300,000	1,980,000	-	5,715,000
<b>Total expenditures</b>	<b>4,791,240</b>	<b>3,575,625</b>	<b>3,826,081</b>	<b>277,365</b>	<b>12,470,311</b>
Excess of revenues over (under) expenditures	228,805	(1,004,044)	199,934	(277,365)	(852,670)
Net change in fund balances	228,805	(1,004,044)	199,934	(277,365)	(852,670)
Fund balance, July 1	5,396,409	47,564,590	4,215,157	-	57,176,156
<b>Fund Balance, June 30</b>	<b>\$ 5,625,214</b>	<b>46,560,546</b>	<b>4,415,091</b>	<b>(277,365)</b>	<b>56,323,486</b>

Exhibit H-3

**CITY OF GLENDALE**

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2007

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Police Facility COPs Funds				
Interest and invest. revenue	\$ 1,395,000	1,995,000	2,571,581	(576,581)
Total	<u>1,395,000</u>	<u>1,995,000</u>	<u>2,571,581</u>	<u>(576,581)</u>
2003 Tax Allocation Bonds Fund				
Property taxes	4,787,240	4,787,240	4,787,240	—
Interest and invest. revenue	<u>—</u>	<u>—</u>	232,805	(232,805)
Total	<u>4,787,240</u>	<u>4,787,240</u>	<u>5,020,045</u>	<u>(232,805)</u>
2002 Tax Allocation Bonds Fund				
Property taxes	3,768,738	3,768,738	3,819,738	(51,000)
Interest and invest. revenue	<u>55,000</u>	<u>55,000</u>	206,277	(151,277)
Total	<u>3,823,738</u>	<u>3,823,738</u>	<u>4,026,015</u>	<u>(202,277)</u>
Total revenues and other financing sources	<u>\$ 10,005,978</u>	<u>10,605,978</u>	<u>11,617,641</u>	<u>(1,011,663)</u>

## Exhibit H-4

**CITY OF GLENDALE**

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

## Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2007

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
<b>Police Facility COPs Fund</b>				
Administration	\$ 195,000	195,000	179,309	15,691
Debt service	<u>2,920,000</u>	<u>3,520,000</u>	<u>3,396,316</u>	<u>123,684</u>
Total	<u>3,115,000</u>	<u>3,715,000</u>	<u>3,575,625</u>	<u>139,375</u>
<b>2003 Tax Allocation Bonds fund</b>				
Administration	3,000	12,000	7,000	5,000
Debt service	<u>4,784,240</u>	<u>4,784,240</u>	<u>4,784,240</u>	<u>—</u>
Total	<u>4,787,240</u>	<u>4,796,240</u>	<u>4,791,240</u>	<u>5,000</u>
<b>2002 Tax Allocation Bonds Fund</b>				
Administration	4,000	14,000	6,343	7,657
Debt service	<u>3,819,738</u>	<u>3,819,738</u>	<u>3,819,738</u>	<u>—</u>
Total	<u>3,823,738</u>	<u>3,833,738</u>	<u>3,826,081</u>	<u>7,657</u>
<b>MSB Retrofit Capital Lease</b>				
Administration	—	—	—	—
Debt service	<u>—</u>	<u>277,365</u>	<u>277,365</u>	<u>—</u>
Total	<u>—</u>	<u>277,365</u>	<u>277,365</u>	<u>—</u>
financing uses	<u>\$ 11,725,978</u>	<u>12,622,343</u>	<u>12,470,311</u>	<u>152,032</u>

### **CAPITAL PROJECTS FUNDS**

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

- State Gas Tax Fund-To account for monies received and expended from state gas tax allocations for street improvement purposes.
- Police Facility Construction Fund- To account for monies from the 2000 Police Building Project Variable Rate Demand Certificates of Participation proceeds.

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Exhibit I-1  
**CITY OF GLENDALE**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds - Capital Projects  
 June 30, 2007

	<u>State Gas Tax Fund</u>	<u>Police Facility Construction</u>	<u>Total Nonmajor Capital Projects</u>
<b>Assets</b>			
Cash and invested cash	\$ 11,388,503	2,042,417	13,430,920
Interest receivable	135,200	24,500	159,700
Accounts receivable, net	480	-	480
Due from other agencies	333,493	-	333,493
<b>Total assets</b>	<u>11,857,676</u>	<u>2,066,917</u>	<u>13,924,593</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	180,757	-	180,757
Due to other agencies	891,936	-	891,936
Accrued wages and withholding	1,429	-	1,429
<b>Total liabilities</b>	<u>1,074,122</u>	<u>-</u>	<u>1,074,122</u>
<b>Fund Balances:</b>			
Reserved:			
Encumbrances	649,849	133,750	783,599
Unreserved	10,133,705	1,933,167	12,066,872
<b>Total fund balances</b>	<u>10,783,554</u>	<u>2,066,917</u>	<u>12,850,471</u>
<b>Total liabilities and fund balances</b>	<u>\$ 11,857,676</u>	<u>2,066,917</u>	<u>13,924,593</u>

Exhibit I-2

**CITY OF GLENDALE**

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

Nonmajor Governmental Funds - Capital Projects

For Fiscal Year Ended June 30, 2007

	<u>State Gas Tax Fund</u>	<u>Police Facility Construction</u>	<u>Total Nonmajor Capital Projects</u>
Revenues:			
Revenue from other agencies	\$ 5,606,447	-	5,606,447
Use of money and property	558,149	109,347	667,496
	<hr/>		
Total Revenues	6,164,596	109,347	6,273,943
	<hr/>		
Expenditures:			
Operating expenditures			
Public works	499,133	-	499,133
Capital	3,563,973	38,044	3,602,017
	<hr/>		
Total expenditures	4,063,106	38,044	4,101,150
	<hr/>		
Excess of revenues over (under) expenditures	2,101,490	71,303	2,172,793
	<hr/>		
Other financing sources (uses):			
Transfer from:			
Transfer-General Fund	162,000	-	162,000
	<hr/>		
Total financing sources (uses)	162,000	-	162,000
	<hr/>		
Net change in fund balances	2,263,490	71,303	2,334,793
	<hr/>		
Fund balance, July 1	8,520,064	1,995,614	10,515,678
	<hr/>		
Fund Balance, June 30	\$ 10,783,554	2,066,917	12,850,471
	<hr/> <hr/>		

### ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that provide goods or services to the general public that are financed primarily by a user charge or where the periodic measurement of net income is deemed appropriate. Non major Enterprise Funds included are:

- Recreation Fund-To account for recreation programs of the Parks, Recreation and Community Services department on a proprietary user fee basis.
- Hazardous Disposal Fund-To account for operations of the toxic waste disposal in the City.
- Parking Fund-To account for operations of City-owned public parking lots and garages.
- Refuse Disposal Fund- To account for operations of the City-owned refuse collection and disposal service.

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Exhibit J-1  
**CITY OF GLENDALE**  
 Combining Statement of Net Assets  
 Proprietary Fund Type - Nonmajor Enterprise Funds  
 June 30, 2007

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Refuse Disposal Fund	Non Major Funds - Proprietary
<b>Assets</b>					
<b>Current assets:</b>					
Cash and invested cash	\$ 1,808,143	1,064,872	4,127,677	10,188,694	17,189,386
Interest receivable	20,200	12,300	48,100	110,000	190,600
Accounts receivable, net	-	74,045	28,086	1,232,994	1,335,125
Unbilled receivable	-	82,235	-	1,212,173	1,294,408
Due from other agencies	20,566	345	324,939	-	345,850
<b>Total current assets</b>	<b>1,848,909</b>	<b>1,233,797</b>	<b>4,528,802</b>	<b>12,743,861</b>	<b>20,355,369</b>
<b>Capital assets:</b>					
Land	-	-	5,651,021	1,638,827	7,289,848
Buildings and improvements	-	598,487	41,487,462	6,745,232	48,831,181
Machinery and equipment	64,924	282,585	1,499,301	12,412,575	14,259,385
Bldg & impro acm depreciation	(48,770)	(680,518)	(16,582,015)	(12,030,028)	(29,341,331)
<b>Total capital assets</b>	<b>16,154</b>	<b>200,554</b>	<b>32,055,769</b>	<b>8,766,606</b>	<b>41,039,083</b>
<b>Total noncurrent assets</b>	<b>16,154</b>	<b>200,554</b>	<b>32,055,769</b>	<b>8,766,606</b>	<b>41,039,083</b>
<b>Total assets</b>	<b>1,865,063</b>	<b>1,434,351</b>	<b>36,584,571</b>	<b>21,510,467</b>	<b>61,394,452</b>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	85,614	50,048	208,289	1,008,371	1,352,322
Accrued wages and withholding	14,500	12,338	28,674	71,421	126,933
Due to other agencies	-	-	2,011	-	2,011
Compensated absences	6,623	6,273	16,603	34,166	63,665
Deposits	120,335	18,653	-	402,225	541,213
<b>Total current liabilities</b>	<b>227,072</b>	<b>87,312</b>	<b>255,577</b>	<b>1,516,183</b>	<b>2,086,144</b>
<b>Noncurrent liabilities:</b>					
Compensated absences	57,336	54,507	126,439	289,461	527,743
Post employment benefits	51,303	44,661	89,320	268,249	453,533
<b>Total noncurrent liabilities</b>	<b>108,639</b>	<b>99,168</b>	<b>215,759</b>	<b>557,710</b>	<b>981,276</b>
<b>Total liabilities</b>	<b>335,711</b>	<b>186,480</b>	<b>471,336</b>	<b>2,073,893</b>	<b>3,067,420</b>
<b>Net assets:</b>					
Investment in capital assets, net of related debt	16,154	200,554	32,055,768	8,766,606	41,039,082
Unrestricted	1,513,198	1,047,317	4,057,467	10,669,968	17,287,950
<b>Total net assets</b>	<b>\$ 1,529,352</b>	<b>1,247,871</b>	<b>36,113,235</b>	<b>19,436,574</b>	<b>58,327,032</b>

Exhibit J-2

**CITY OF GLENDALE**

Combining Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds - Non Major Enterprise Funds

Year ended June 30, 2007

	<b>Recreation Fund</b>	<b>Hazardous Disposal Fund</b>	<b>Parking Fund</b>	<b>Refuse Disposal Fund</b>	<b>Total</b>
Operating revenues	\$				
Charges for services	1,841,718	1,585,736	7,329,493	18,204,595	28,961,542
Miscellaneous revenues	284,516	7,926	48,563	11,774	352,779
<b>Total operating revenues</b>	<b>2,126,234</b>	<b>1,593,662</b>	<b>7,378,056</b>	<b>18,216,369</b>	<b>29,314,321</b>
Operating expenses:					
Salaries and benefits	1,226,927	1,020,800	2,090,330	6,432,381	10,770,438
Maintenance and operations	793,586	441,540	3,251,392	7,494,642	11,981,160
Depreciation	3,121	40,539	1,122,075	795,917	1,961,652
<b>Total operating expenses</b>	<b>2,023,634</b>	<b>1,502,879</b>	<b>6,463,797</b>	<b>14,722,940</b>	<b>24,713,250</b>
<b>Operating income (loss)</b>	<b>102,600</b>	<b>90,783</b>	<b>914,259</b>	<b>3,493,429</b>	<b>4,601,071</b>
Non operating revenues (expenses):					
Interest revenue	70,702	47,188	226,161	400,261	744,312
Grant revenue	264,000	6,603	-	108,452	379,055
Contribution in aid	1,310	-	-	-	1,310
<b>Total non operating revenues, net</b>	<b>336,012</b>	<b>53,791</b>	<b>226,161</b>	<b>508,713</b>	<b>1,124,677</b>
<b>Income before transfers</b>	<b>438,612</b>	<b>144,574</b>	<b>1,140,420</b>	<b>4,002,142</b>	<b>5,725,748</b>
Transfer out:					
Transfer-General Fund	-	-	(1,900,000)	-	(1,900,000)
<b>Total transfer</b>	<b>-</b>	<b>-</b>	<b>(1,900,000)</b>	<b>-</b>	<b>(1,900,000)</b>
<b>Change in net assets</b>	<b>438,612</b>	<b>144,574</b>	<b>(759,580)</b>	<b>4,002,142</b>	<b>3,825,748</b>
<b>Total Net asset, July 1</b>	<b>1,090,740</b>	<b>1,103,297</b>	<b>36,872,815</b>	<b>15,434,432</b>	<b>54,501,284</b>
<b>Total net assets, June 30</b>	<b>\$ 1,529,352</b>	<b>1,247,871</b>	<b>36,113,235</b>	<b>19,436,574</b>	<b>58,327,032</b>

## CITY OF GLENDALE

Combining Statement of Cash Flows

Proprietary FundType - Nonmajor Enterprise Funds

Year Ended June 30, 2007

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Refuse Disposal Fund	Non Major Funds - Proprietary
Cash flows from operating activities:					
Cash from customers	\$ 2,129,718	1,566,669	7,299,910	17,698,672	28,694,969
Cash paid to employees	(1,202,905)	(985,578)	(2,046,564)	(6,316,300)	(10,551,347)
Cash paid to suppliers	(717,483)	(449,539)	(3,312,686)	(6,603,088)	(11,082,796)
Net Cash provided (used) by operating activities	209,330	131,552	1,940,660	4,779,284	7,060,826
Cash flows from noncapital financing activities:					
Operating transfers out					
Transfer-General Fund	-	-	(1,900,000)	-	(1,900,000)
Operating transfers in					
Operating grant received	264,000	6,603	-	108,452	379,055
Net Cash provided (used) by noncapital financing activities	264,000	6,603	(1,900,000)	108,452	(1,520,945)
Cash flows from capital and related financing activities:					
Interest on long term debt	-	-	-	-	-
Bond, premium and interest accrued	-	-	-	-	-
Contribution in aid	1,310	-	-	-	1,310
Acquisition of property, plant, and equipment	(10,832)	(17,055)	(175,890)	(1,087,287)	(1,291,064)
Investment - gas/electric commodity	-	-	-	-	-
Net cash provided (used in) capital and related financing activities	(9,522)	(17,055)	(175,890)	(1,087,287)	(1,289,754)
Cash provided by investing activities - interest received	60,084	42,359	210,613	336,960	650,016
Net increase (decrease) in cash and cash equivalents	523,892	163,459	75,383	4,137,409	4,900,143
Cash and cash equivalents at July 1	1,284,251	901,413	4,052,294	6,051,285	12,289,243
Cash and cash equivalents at June 30	1,808,143	1,064,872	4,127,677	10,188,694	17,189,386
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	102,600	90,783	914,259	3,493,429	4,601,071
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	3,121	40,539	1,122,075	795,917	1,961,652
(Increase)Decrease Accounts receivable net	-	(14,720)	246,793	(297,305)	(65,232)
(Increase)Decrease Unbilled receivable	-	(11,929)	-	(220,393)	(232,322)
(Increase)Decrease Due from other agencies	3,485	(345)	(324,939)	-	(321,799)
(Increase)Decrease Due from other funds	-	-	-	-	-
(Increase)Decrease Inventories	-	-	-	-	-
(Increase)Decrease Prepaid expenses	-	-	28,050	-	28,050
Increase(Decrease) Accrued salaries and withholding	(30,332)	(16,342)	(41,670)	(121,345)	(209,689)
Increase(Decrease) Compensated absences	10,715	14,213	14,838	20,187	59,953
Increase(Decrease) Post Employment benefit	43,638	37,352	70,598	217,240	368,828
Increase(Decrease) Accounts payable	21,953	(4,546)	(33,271)	680,213	664,349
Increase(Decrease) Contracts - retention	-	-	-	-	-
Increase(Decrease) Due to other agencies	-	-	(56,073)	-	(56,073)
Increase(Decrease) Due to other funds	-	-	-	-	-
Increase(Decrease) Deposits	54,150	(3,453)	-	211,341	262,038
Increase(Decrease) Claims payable	-	-	-	-	-
Total adjustments	106,730	40,769	1,026,401	1,285,855	2,459,755
Net cash provided (used) by operating activities	\$ 209,330	131,552	1,940,660	4,779,284	7,060,826
Noncash investing, capital, and financing activities:					
Contributions of capital assets from government					
Increase in fair value of investments	(10,752)	(6,641)	(25,931)	(58,820)	(102,144)

Exhibit J-4  
**CITY OF GLENDALE**  
 Schedule of Investment in Capital Assets  
 Nonmajor Enterprise Funds  
 Year Ended June 30, 2007

	<u>Land</u>	<u>Construction in Progress</u>	<u>Infrastructure</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Recreation Fund	\$ -	-	-	-	64,924	64,924
Hazardous Disposal Fund	-	-	-	598,487	282,585	881,072
Parking Fund	5,651,021	-	-	41,487,462	1,499,300	48,637,783
Refuse Disposal Fund	1,638,827	-	-	6,745,232	12,412,576	20,796,635
Total capital assets	\$ <u>7,289,848</u>	<u>-</u>	<u>-</u>	<u>48,831,181</u>	<u>14,259,385</u>	<u>70,380,414</u>

Exhibit J-5

**CITY OF GLENDALE**

Schedule of Changes in Capital Assets

Non Major Enterprise Funds

Year Ended June 30, 2007

	<u>Balance at July1</u>	<u>Additions/ Reclass</u>	<u>Retirements/ Reclass</u>	<u>Total</u>
Recreation Fund	\$ 60,623	10,833	(6,532)	64,924
Hazardous Disposal Fund	864,018	17,054	-	881,072
Parking Fund	48,461,892	175,891	-	48,637,783
Refuse Disposal Fund	19,871,242	1,087,287	(161,894)	20,796,635
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets	\$ <u>69,257,775</u>	<u>1,291,065</u>	<u>(168,426)</u>	<u>70,380,414</u>

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*The City of Glendale, California*

# Comprehensive Annual Financial Report



Internal Service  
Funds

Year Ended, June 30, 2007

## INTERNAL SERVICE FUNDS

Internal Service Funds are established to finance and account for goods and services provided by one department of the City to other City departments or agencies. These funds include:

- Equipment Reserve Fund-To account for equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of equipment.
- Helicopter Depreciation Fund- To account for set-aside funds to perform major maintenance or replacement of the helicopters.
- Tech Equipment Replacement Fund-To account for technological equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of the technological equipment.
- Application Software Replacement Fund- To account for major application software replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of the major application software.
- Police CAD RMS Replacement Fund- To account for the Police CAD RMS replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of the Police CAD RMS.
- Citywide Document Management System Fund- To account for set-aside funds to maintain and/or replace citywide document management system.
- Unemployment Insurance Fund-To finance and account for unemployment claims. Resources are derived from unemployment insurance charges to various City operations. Unemployment claims are reimbursed to the State Employment Department which disburses the unemployment claims.
- Uninsurable Litigation Fund-To account for financing and disbursement of City self-insurance fund for uninsurable litigation activities. Charges, in lieu of insurance premiums, are made periodically to City operations to provide the self-insurance resources.
- Liability Insurance Fund-To account for financing and disbursement of City self-insurance funds for general liability claims. Charges, in lieu of insurance premiums, are made periodically to City operations to provide the self-insurance resources.
- Auto Insurance Fund-To account for financing and disbursement of City self-insurance funds for auto liability claims. Charges, in lieu of insurance premiums, are made periodically to City operations to provide the self-insurance resources.
- Compensation Insurance Fund-To finance and account for the City's workers' compensation claims. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Dental Insurance Fund-To finance and account for the City's dental insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Medical Insurance Fund-To finance and account for the City's medical insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Vision Insurance Fund-To finance and account for the City's vision insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.

- Employee Benefits Fund-To account for the resources and the liability for employees' compensated absences.
- Post Employment Benefits Fund-To account for the resources and the liability for employees' post employment benefit for medical insurance.
- Graphics Operation Fund-To finance and account for the City's graphic department's service usage.
- Wireless Communication Fund-To account for the operation of the citywide radio system.
- Financial System Operation Fund-To account for the support operation of the PeopleSoft financial system.

## CITY OF GLENDALE

Combining Statement of Net Assets - Internal Service Funds

June 30, 2007

	Equipment Reserve Fund	Helicopter Depreciation Fund	Tech Equipment Replacement Fund	Application Software Repl Fund	Police CAD RMS Replacemnt Fund
Assets					
Current assets:					
Cash and invested cash	\$ 13,872,173	1,133,431	180,850	1,282,049	914,143
Interest receivable	165,400	13,400	2,400	3,000	11,000
Accounts receivable, net	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	14,037,573	1,146,831	183,250	1,285,049	925,143
Capital assets:					
Machinery and equipment	-	-	-	-	-
Bldg & impro acm depreciation	-	-	-	-	-
Total capital assets	-	-	-	-	-
Total assets	14,037,573	1,146,831	183,250	1,285,049	925,143
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	69,047	155	83,477	4,045	-
Accrued wages and withholding	-	-	-	-	-
Due to other funds	-	-	-	-	-
Accrued interest	18,843	-	-	-	-
Bonds payable, due in one year	340,387	-	-	-	-
Claims Payable	-	-	-	-	-
Compensated absences	-	-	-	-	-
Total current liabilities	428,277	155	83,477	4,045	-
Noncurrent liabilities:					
Claims payable	-	-	-	-	-
Compensated absences	-	-	-	-	-
Post employment benefits	-	-	-	-	-
Long term debt	2,757,170	-	-	-	-
Total noncurrent liabilities	2,757,170	-	-	-	-
Total liabilities	3,185,447	155	83,477	4,045	-
Net assets:					
Investment in capital assets, net of related debt	-	-	-	-	-
Restricted	-	-	-	-	-
Unrestricted	10,852,126	1,146,676	99,773	1,281,004	925,143
Total net assets	10,852,126	1,146,676	99,773	1,281,004	925,143

## CITY OF GLENDALE

Combining Statement of Net Assets - Internal Service Funds

June 30, 2007

	Citywide Document Management System Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund	Liability Insurance Fund	Auto Insurance Fund
<b>Assets</b>					
<b>Current assets:</b>					
Cash and invested cash	\$ 194,731	407,291	-	9,075,969	-
Interest receivable	2,300	4,600	-	128,200	-
Accounts receivable, net	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	197,031	411,891	-	9,204,169	-
<b>Capital assets:</b>					
Machinery and equipment	-	-	-	-	-
Bldg & impro acm depreciation	-	-	-	-	-
Total capital assets	-	-	-	-	-
Total assets	197,031	411,891	-	9,204,169	-
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	-	-	-	142,246	-
Accrued wages and withholding	-	-	-	7,722	-
Due to other funds	-	-	-	-	-
Accrued interest	-	-	-	-	-
Bonds payable, due in one year	-	-	-	-	-
Claims Payable	-	-	-	6,206,368	-
Compensated absences	-	-	-	-	-
Total current liabilities	-	-	-	6,356,336	-
<b>Noncurrent liabilities:</b>					
Claims payable	-	-	-	5,722,598	-
Compensated absences	-	-	-	-	-
Post employment benefits	-	-	-	-	-
Long term debt	-	-	-	-	-
Total noncurrent liabilities	-	-	-	5,722,598	-
Total liabilities	-	-	-	12,078,934	-
<b>Net assets:</b>					
Investment in capital assets, net of related debt	-	-	-	-	-
Restricted	-	-	-	-	-
Unrestricted	197,031	411,891	-	(2,874,765)	-
Total net assets	197,031	411,891	-	(2,874,765)	-

**CITY OF GLENDALE**

Combining Statement of Net Assets - Internal Service Funds

June 30, 2007

	<b>Compensation Insurance Fund</b>	<b>Dental Insurance Fund</b>	<b>Medical Insurance Fund</b>	<b>Vision Insurance Fund</b>	<b>Employee Benefits Fund</b>
<b>Assets</b>					
<b>Current assets:</b>					
Cash and invested cash	\$ 9,815,480	373,311	888,141	42,159	3,592,511
Interest receivable	114,400	5,500	31,800	500	56,100
Accounts receivable, net	25,528	-	-	-	-
Due from other agencies	-	465	171,739	77	-
Prepaid items	5,000	-	425,834	-	-
<b>Total current assets</b>	<b>9,960,408</b>	<b>379,276</b>	<b>1,517,514</b>	<b>42,736</b>	<b>3,648,611</b>
<b>Capital assets:</b>					
Machinery and equipment	75,804	-	-	-	-
Bldg & impro acm depreciation	(45,721)	-	-	-	-
<b>Total capital assets</b>	<b>30,083</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>9,990,491</b>	<b>379,276</b>	<b>1,517,514</b>	<b>42,736</b>	<b>3,648,611</b>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	72,268	-	497,652	-	239
Accrued wages and withholding	22,085	-	431	-	4,973
Due to other funds	-	-	-	-	-
Accrued interest	-	-	-	-	-
Bonds payable, due in one year	-	-	-	-	-
Claims Payable	7,182,000	78,996	324,137	5,708	-
Compensated absences	-	-	-	-	1,029,347
<b>Total current liabilities</b>	<b>7,276,353</b>	<b>78,996</b>	<b>822,220</b>	<b>5,708</b>	<b>1,034,559</b>
<b>Noncurrent liabilities:</b>					
Claims payable	10,318,000	-	-	-	-
Compensated absences	-	-	-	-	8,175,242
Post employment benefits	-	-	-	-	-
Long term debt	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>10,318,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,175,242</b>
<b>Total liabilities</b>	<b>17,594,353</b>	<b>78,996</b>	<b>822,220</b>	<b>5,708</b>	<b>9,209,801</b>
<b>Net assets:</b>					
Investment in capital assets, net of related debt	37,344	-	-	-	-
Restricted	-	-	-	-	-
Unrestricted	(7,641,206)	300,280	695,294	37,028	(5,561,190)
<b>Total net assets</b>	<b>(7,603,862)</b>	<b>300,280</b>	<b>695,294</b>	<b>37,028</b>	<b>(5,561,190)</b>

## CITY OF GLENDALE

Combining Statement of Net Assets - Internal Service Funds

June 30, 2007

	Post Employment Benefits Fund	Graphics Operation Fund	Wireless Communications System Fund	Financial System Operation Fund	Total Internal Service Funds
<b>Assets</b>					
<b>Current assets:</b>					
Cash and invested cash	\$ 2,596,241	-	-	1,436,732	45,805,212
Interest receivable	37,400	-	-	17,700	593,700
Accounts receivable, net	-	-	675	-	26,203
Due from other agencies	-	-	-	-	172,281
Prepaid items	-	-	-	-	430,834
Total current assets	2,633,641	-	675	1,454,432	47,028,230
<b>Capital assets:</b>					
Machinery and equipment	-	-	137,112	-	212,916
Bldg & impro acm depreciation	-	-	(43,417)	-	(89,138)
Total capital assets	-	-	93,695	-	123,778
Total assets	2,633,641	-	94,370	1,454,432	47,152,008
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	159	15,141	8,743	22,577	915,749
Accrued wages and withholding	3,316	5,377	7,161	9,489	60,554
Due to other funds	-	137,081	467,115	-	604,196
Accrued interest	-	-	-	-	18,843
Bonds payable, due in one year	-	-	-	-	340,387
Claims Payable	-	-	-	-	13,797,209
Compensated absences	-	-	-	-	1,029,347
Total current liabilities	3,475	157,599	483,019	32,066	16,766,285
<b>Noncurrent liabilities:</b>					
Claims payable	-	-	-	-	16,040,598
Compensated absences	-	-	-	-	8,175,242
Post employment benefits	6,217,451	-	-	-	6,217,451
Long term debt	-	-	-	-	2,757,170
Total noncurrent liabilities	6,217,451	-	-	-	33,190,461
Total liabilities	6,220,926	157,599	483,019	32,066	49,956,746
<b>Net assets:</b>					
Investment in capital assets, net of related debt	-	-	55,835	-	93,179
Restricted	-	-	-	-	-
Unrestricted	(3,587,285)	(157,599)	(444,484)	1,422,366	(2,897,917)
Total net assets	(3,587,285)	(157,599)	(388,649)	1,422,366	(2,804,738)

## CITY OF GLENDALE

Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
Internal Services Funds  
Year ended June 30, 2007

	Equipment Reserve Fund	Helicopter Depreciation Fund	Tech Equipment Replacement Fund	Application Software Repl Fund	Police CAD RMS Replacemnt Fund
Operating revenues	\$				
Charges for services	1,681,271	242,000	-	50,000	-
Miscellaneous revenues	-	-	7,353	-	-
Total operating revenues	1,681,271	242,000	7,353	50,000	-
Operating Expenses					
Salaries and benefits	-	-	-	-	-
Maintenance and operations	-	-	553,960	203,490	-
Equipment purchased	1,378,298	1,282,489	22,242	-	-
Claims and settlements	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	1,378,298	1,282,489	576,202	203,490	-
Operating income (loss)	302,973	(1,040,489)	(568,849)	(153,490)	-
Non operating revenues (expenses):					
Interest revenue	821,314	90,444	3,117	7,502	35,107
Interest expense	(123,050)	-	-	-	-
Total non operating revenues, net	698,264	90,444	3,117	7,502	35,107
Income before transfers	1,001,237	(950,045)	(565,732)	(145,988)	35,107
Transfer in:					
Transfer-General Fund	-	-	840,000	200,000	290,000
Transfer-Capital Funds	-	-	-	1,030,000	-
Transfer-Internal Service Fund	-	-	-	100,000	-
Transfer out					
Transfer-Capital Funds	-	-	-	-	-
Transfer-Int Service	-	-	(100,000)	-	-
Total transfer	-	-	740,000	1,330,000	290,000
Change in net assets	1,001,237	(950,045)	174,268	1,184,012	325,107
Total net asset, July 1	9,850,889	2,096,721	(74,495)	96,992	600,036
Total net assets, June 30	\$ 10,852,126	1,146,676	99,773	1,281,004	925,143

Exhibit K-2

**CITY OF GLENDALE**

Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
Internal Services Funds  
Year ended June 30, 2007

	Citywide Document Management System Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund	Liability Insurance Fund	Auto Insurance Fund
Operating revenues	\$				
Charges for services	-	159,148	2,700,121	909,916	806,882
Miscellaneous revenues	-	-	-	21,858	-
Total operating revenues	-	159,148	2,700,121	931,774	806,882
Operating Expenses					
Salaries and benefits	-	-	-	720,909	-
Maintenance and operations	-	181,924	55,137	103,512	6,838
Equipment purchased	-	-	-	-	-
Claims and settlements	-	-	(377,949)	5,879,507	(862,674)
Depreciation	-	-	-	-	-
Total operating expenses	-	181,924	(322,812)	6,703,928	(855,836)
Operating income (loss)	-	(22,776)	3,022,933	(5,772,154)	1,662,718
Non operating revenues (expenses):					
Interest revenue	7,031	21,674	393,725	(40,762)	161,948
Interest expense	-	-	-	-	-
Total non operating revenues, net	7,031	21,674	393,725	(40,762)	161,948
Income before transfers	7,031	(1,102)	3,416,658	(5,812,916)	1,824,666
Transfer in:					
Transfer-General Fund	95,000	-	-	-	-
Transfer-Capital Funds	-	-	-	-	-
Transfer-Internal Service Fund	-	-	-	8,674,940	-
Transfer out					
Transfer-Capital Funds	-	-	-	-	-
Transfer-Int Service	-	-	(5,720,992)	-	(2,953,948)
Total transfer	95,000	-	(5,720,992)	8,674,940	(2,953,948)
Change in net assets	102,031	(1,102)	(2,304,334)	2,862,024	(1,129,282)
Total net asset, July 1	95,000	412,993	2,304,334	(5,736,789)	1,129,282
Total net assets, June 30	\$ 197,031	411,891	-	(2,874,765)	-

Exhibit K-2

**CITY OF GLENDALE**

Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
Internal Services Funds  
Year ended June 30, 2007

	<b>Compensation Insurance Fund</b>	<b>Dental Insurance Fund</b>	<b>Medical Insurance Fund</b>	<b>Vision Insurance Fund</b>	<b>Employee Benefits Fund</b>
Operating revenues	\$				
Charges for services	9,159,722	1,319,311	11,357,241	100,488	2,248,542
Miscellaneous revenues	(101)	-	164,907	-	-
<b>Total operating revenues</b>	<b>9,159,621</b>	<b>1,319,311</b>	<b>11,522,148</b>	<b>100,488</b>	<b>2,248,542</b>
Operating Expenses					
Salaries and benefits	1,480,007	518,276	48,173	-	3,395,530
Maintenance and operations	519,181	-	1,522,236	-	2,601,200
Equipment purchased	-	-	-	-	-
Claims and settlements	10,489,106	768,359	9,967,072	103,125	-
Depreciation	7,261	-	-	-	-
<b>Total operating expenses</b>	<b>12,495,555</b>	<b>1,286,635</b>	<b>11,537,481</b>	<b>103,125</b>	<b>5,996,730</b>
<b>Operating income (loss)</b>	<b>(3,335,934)</b>	<b>32,676</b>	<b>(15,333)</b>	<b>(2,637)</b>	<b>(3,748,188)</b>
Non operating revenues (expenses):					
Interest revenue	501,352	20,270	107,744	2,233	435,671
Interest expense	-	-	-	-	-
<b>Total non operating revenues, net</b>	<b>501,352</b>	<b>20,270</b>	<b>107,744</b>	<b>2,233</b>	<b>435,671</b>
<b>Income before transfers</b>	<b>(2,834,582)</b>	<b>52,946</b>	<b>92,411</b>	<b>(404)</b>	<b>(3,312,517)</b>
Transfer in:					
Transfer-General Fund	-	-	-	-	-
Transfer-Capital Funds	-	-	-	-	-
Transfer-Internal Service Fund	-	-	-	-	3,587,285
Transfer out					
Transfer-Capital Funds	-	-	-	-	-
Transfer-Int Service	-	-	-	-	-
<b>Total transfer</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,587,285</b>
<b>Change in net assets</b>	<b>(2,834,582)</b>	<b>52,946</b>	<b>92,411</b>	<b>(404)</b>	<b>274,768</b>
<b>Total net asset, July 1</b>	<b>(4,769,280)</b>	<b>247,334</b>	<b>602,883</b>	<b>37,432</b>	<b>(5,835,958)</b>
<b>Total net assets, June 30</b>	<b>(7,603,862)</b>	<b>300,280</b>	<b>695,294</b>	<b>37,028</b>	<b>(5,561,190)</b>

Exhibit K-2

**CITY OF GLENDALE**

Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
Internal Services Funds  
Year ended June 30, 2007

	Post Employment Benefits Fund	Graphics Operation Fund	Wireless Communications System Fund	Financial System Operation Fund	Total Internal Service Funds
Operating revenues	\$				
Charges for services	-	438,947	885,707	281,000	32,340,296
Miscellaneous revenues	-	54	-	-	194,071
Total operating revenues	-	439,001	885,707	281,000	32,534,367
Operating Expenses					
Salaries and benefits	-	473,778	782,860	621,718	8,041,251
Maintenance and operations	-	180,711	906,501	236,849	7,071,539
Equipment purchased	-	70,879	249,514	-	3,003,422
Claims and settlements	-	-	-	-	25,966,546
Depreciation	-	-	9,385	-	16,646
Total operating expenses	-	725,368	1,948,260	858,567	44,099,404
Operating income (loss)	-	(286,367)	(1,062,553)	(577,567)	(11,565,037)
Non operating revenues (expenses):					
Interest revenue	-	2,644	(20,530)	57,580	2,608,064
Interest expense	-	-	-	-	(123,050)
Total non operating revenues, net	-	2,644	(20,530)	57,580	2,485,014
Income before transfers	-	(283,723)	(1,083,083)	(519,987)	(9,080,023)
Transfer in:					
Transfer-General Fund	-	-	1,098,000	580,000	3,103,000
Transfer-Capital Funds	-	-	-	400,000	1,430,000
Transfer-Internal Service Fund	-	-	-	-	12,362,225
Transfer out					
Transfer-Capital Funds	-	-	(15,000)	-	(15,000)
Transfer-Int Service	(3,587,285)	-	-	-	(12,362,225)
Total transfer	(3,587,285)	-	1,083,000	980,000	4,518,000
Change in net assets	(3,587,285)	(283,723)	(83)	460,013	(4,562,023)
Total net asset, July 1	-	126,124	(388,566)	962,353	1,757,285
Total net assets, June 30	\$ (3,587,285)	(157,599)	(388,649)	1,422,366	(2,804,738)

## CITY OF GLENDALE

Combining Statement of Cash Flows - Internal Service Funds

Year Ended June 30, 2007

	Equipment Reserve Fund	Helicopter Depreciation Fund	Tech Equipment Replacement Fund	Application Software Repl Fund
Cash flows from operating activities:				
Cash from customers	\$ 1,681,271	242,000	7,353	50,000
Cash paid to employees	-	-	-	-
Cash paid to suppliers	(1,350,614)	(1,282,334)	(683,849)	(208,614)
Net Cash provided (used) by operating activities	330,657	(1,040,334)	(676,496)	(158,614)
Cash flows from noncapital financing activities:				
Operating transfers out				
Transfer-Capital Funds	-	-	-	-
Transfer-Int Service	-	-	(100,000)	-
Operating transf to othr funds	-	-	(100,000)	-
Operating transfers in				
Transfer-General Fund	-	-	840,000	200,000
Transfer-Capital Funds	-	-	-	1,030,000
Transfer-Internal Service Fund	-	-	-	100,000
Net Cash provided (used) by noncapital financing activities	-	-	740,000	1,330,000
Cash flows from capital and related financing activities:				
Interest on long term debt	(123,050)	-	-	-
Bond, premium and interest accrued	(330,398)	-	-	-
Acquisition of property, plant, and equipment	-	-	22,242	-
Net cash provided (used in) capital and related financing activities	(453,448)	-	22,242	-
Cash provided by investing activities - interest received				
	769,930	95,301	717	5,599
Net increase (decrease) in cash and cash equivalents	647,139	(945,033)	86,463	1,176,985
Cash and cash equivalents at July 1	13,225,034	2,078,464	94,387	105,064
Cash and cash equivalents at June 30	13,872,173	1,133,431	180,850	1,282,049
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	302,973	(1,040,490)	(568,849)	(153,490)
Charges for services	302,973	(1,040,489)	(568,849)	(153,490)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-	-
(Increase)Decrease Due from other agencies	-	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-	-
Increase(Decrease) Accrued salaries and withholding	-	-	-	-
Increase(Decrease) Compensated absences	-	-	-	-
Increase(Decrease) Post Employment benefit	-	-	-	-
Increase(Decrease) Accounts payable	27,684	155	73,889	(5,124)
Increase(Decrease) Due to other funds	-	-	(181,536)	-
Increase(Decrease) Claims payable	-	-	-	-
Total adjustments	27,684	155	(107,647)	(5,124)
Net cash provided (used) by operating activities	\$ 330,657	(1,040,335)	(676,496)	(158,614)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government	(88,546)	(7,273)	-	(1,581)
Increase in fair value of investments				

## CITY OF GLENDALE

Combining Statement of Cash Flows - Internal Service Funds

Year Ended June 30, 2007

	Police CAD RMS Replacemnt Fund	Citywide Document Management System Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund
Cash flows from operating activities:				
Cash from customers	-	-	159,148	2,700,121
Cash paid to employees	-	-	-	-
Cash paid to suppliers	-	-	(181,924)	(2,823,921)
Net Cash provided (used) by operating activities	-	-	(22,776)	(123,800)
Cash flows from noncapital financing activities:				
Operating transfers out				
Transfer-Capital Funds	-	-	-	-
Transfer-Int Service	-	-	-	(5,720,992)
Operating transfer to othr funds	-	-	-	(5,720,992)
Operating transfers in				
Transfer-General Fund	290,000	95,000	-	-
Transfer-Capital Funds	-	-	-	-
Transfer-Internal Service Fund	-	-	-	-
Net Cash provided (used) by noncapital financing activities	290,000	95,000	-	(5,720,992)
Cash flows from capital and related financing activities:				
Interest on long term debt	-	-	-	-
Bond, premium and interest accrued	-	-	-	-
Acquisition of property, plant, and equipment	-	-	-	-
Net cash provided (used in) capital and related financing activities	-	-	-	-
Cash provided by investing activities - interest received	26,728	4,731	20,460	438,237
Net increase (decrease) in cash and cash equivalents	316,728	99,731	(2,316)	(5,406,555)
Cash and cash equivalents at July 1	597,415	95,000	409,607	5,406,555
Cash and cash equivalents at June 30	914,143	194,731	407,291	-
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	-	-	(22,776)	3,022,933
Charges for services	-	-	(22,776)	3,022,933
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-	-
(Increase)Decrease Due from other agencies	-	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-	-
Increase(Decrease) Accrued salaries and withholding	-	-	-	-
Increase(Decrease) Compensated absences	-	-	-	-
Increase(Decrease) Post Employment benefit	-	-	-	-
Increase(Decrease) Accounts payable	-	-	-	(71,988)
Increase(Decrease) Due to other funds	-	-	-	-
Increase(Decrease) Claims payable	-	-	-	(3,074,745)
Total adjustments	-	-	-	(3,146,733)
Net cash provided (used) by operating activities	-	-	(22,776)	(123,800)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government	(6,008)	-	(2,530)	-
Increase in fair value of investments	-	-	-	-

## CITY OF GLENDALE

Combining Statement of Cash Flows - Internal Service Funds

Year Ended June 30, 2007

	Liability Insurance Fund	Auto Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
Cash flows from operating activities:				
Cash from customers	931,774	806,882	9,397,814	1,318,846
Cash paid to employees	(731,973)	-	(1,580,007)	(518,276)
Cash paid to suppliers	(1,029,170)	(340,994)	(7,348,728)	(756,388)
Net Cash provided (used) by operating activities	(829,369)	465,888	469,079	44,182
Cash flows from noncapital financing activities:				
Operating transfers out				
Transfer-Capital Funds	-	-	-	-
Transfer-Int Service	-	(2,953,948)	-	-
Operating transfer to other funds	-	(2,953,948)	-	-
Operating transfers in				
Transfer-General Fund	-	-	-	-
Transfer-Capital Funds	-	-	-	-
Transfer-Internal Service Fund	8,674,940	-	-	-
Net Cash provided (used) by noncapital financing activities	8,674,940	(2,953,948)	-	-
Cash flows from capital and related financing activities:				
Interest on long term debt	-	-	-	-
Bond, premium and interest accrued	-	-	-	-
Acquisition of property, plant, and equipment	-	-	-	-
Net cash provided (used in) capital and related financing activities	-	-	-	-
Cash provided by investing activities - interest received	(156,946)	180,004	462,039	17,445
Net increase (decrease) in cash and cash equivalents	7,688,625	(2,308,056)	931,118	61,627
Cash and cash equivalents at July 1	1,387,344	2,308,056	8,884,362	311,684
Cash and cash equivalents at June 30	9,075,969	-	9,815,480	373,311
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	(5,772,154)	1,662,719	(3,335,934)	32,676
Charges for services	(5,772,154)	1,662,719	(3,335,934)	32,675
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	7,261	-
(Increase)Decrease Accounts receivable net	-	-	237,642	-
(Increase)Decrease Due from other agencies	-	-	551	(465)
(Increase)Decrease Prepaid expenses	-	-	-	43,100
Increase(Decrease) Accrued salaries and withholding	(11,064)	-	(100,000)	-
Increase(Decrease) Compensated absences	-	-	-	-
Increase(Decrease) Post Employment benefit	-	-	-	-
Increase(Decrease) Accounts payable	79,847	(2,986)	14,887	(86,125)
Increase(Decrease) Due to other funds	-	-	-	-
Increase(Decrease) Claims payable	4,874,002	(1,193,845)	3,644,672	54,996
Total adjustments	4,942,785	(1,196,831)	3,805,013	11,506
Net cash provided (used) by operating activities	(829,369)	465,888	469,079	44,182
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government	(58,820)	-	(61,350)	(2,846)
Increase in fair value of investments				

## CITY OF GLENDALE

Combining Statement of Cash Flows - Internal Service Funds

Year Ended June 30, 2007

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Post Employment Benefits Fund
<b>Cash flows from operating activities:</b>				
Cash from customers	11,350,409	100,411	2,248,542	-
Cash paid to employees	(49,252)	-	(8,529,252)	6,220,767
Cash paid to suppliers	(12,035,646)	(101,308)	(2,603,767)	159
Net Cash provided (used) by operating activities	(734,489)	(897)	(8,884,477)	6,220,926
<b>Cash flows from noncapital financing activities:</b>				
Operating transfers out				
Transfer-Capital Funds	-	-	-	-
Transfer-Int Service	-	-	-	(3,587,285)
Operating transf to othr funds	-	-	-	(3,587,285)
Operating transfers in				
Transfer-General Fund	-	-	-	-
Transfer-Capital Funds	-	-	-	-
Transfer-Internal Service Fund	-	-	3,587,285	-
Net Cash provided (used) by noncapital financing activities	-	-	3,587,285	(3,587,285)
<b>Cash flows from capital and related financing activities:</b>				
Interest on long term debt	-	-	-	-
Bond, premium and interest accrued	-	-	-	-
Acquisition of property, plant, and equipment	-	-	-	-
Net cash provided (used in) capital and related financing activities	-	-	-	-
Cash provided by investing activities - interest received	88,382	2,073	450,764	(37,400)
Net increase (decrease) in cash and cash equivalents	(646,107)	1,176	(4,846,428)	2,596,241
Cash and cash equivalents at July 1	1,534,248	40,983	8,438,939	-
Cash and cash equivalents at June 30	888,141	42,159	3,592,511	2,596,241
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	(15,335)	(2,637)	(3,748,188)	-
Charges for services	(15,334)	(2,637)	(3,748,188)	-
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-	-
(Increase)Decrease Due from other agencies	(171,739)	(77)	-	-
(Increase)Decrease Prepaid expenses	(208,584)	4,800	-	-
Increase(Decrease) Accrued salaries and withholding	(1,078)	-	(58,348)	3,316
Increase(Decrease) Compensated absences	-	-	367,531	-
Increase(Decrease) Post Employment benefit	-	-	(5,442,905)	6,217,451
Increase(Decrease) Accounts payable	78,718	(4,691)	(2,567)	159
Increase(Decrease) Due to other funds	-	-	-	-
Increase(Decrease) Claims payable	(416,472)	1,708	-	-
Total adjustments	(719,155)	1,740	(5,136,289)	6,220,926
Net cash provided (used) by operating activities	(734,490)	(897)	(8,884,477)	6,220,926
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of capital assets from government	(17,077)	(316)	(30,169)	(20,112)
Increase in fair value of investments				

**CITY OF GLENDALE**

Combining Statement of Cash Flows - Internal Service Funds

Year Ended June 30, 2007

	Graphics Operation Fund	Wireless Communications System Fund	Financial System Operation Fund	Total Internal Service Funds
<b>Cash flows from operating activities:</b>				
Cash from customers	439,001	885,707	281,000	32,600,279
Cash paid to employees	(483,945)	(801,122)	(636,827)	(7,109,887)
Cash paid to suppliers	(111,317)	(1,099,812)	(215,959)	(32,174,188)
Net Cash provided (used) by operating activities	(156,261)	(1,015,227)	(571,786)	(6,683,796)
<b>Cash flows from noncapital financing activities:</b>				
<b>Operating transfers out</b>				
Transfer-Capital Funds	-	(15,000)	-	(15,000)
Transfer-Int Service	-	-	-	(12,362,225)
Operating transf to othr funds	-	(15,000)	-	(12,377,225)
<b>Operating transfers in</b>				
Transfer-General Fund	-	1,098,000	580,000	3,103,000
Transfer-Capital Funds	-	-	400,000	1,430,000
Transfer-Internal Service Fund	-	-	-	12,362,225
Net Cash provided (used) by noncapital financing activities	-	1,083,000	980,000	4,518,000
<b>Cash flows from capital and related financing activities:</b>				
Interest on long term debt	-	-	-	(123,050)
Bond, premium and interest accrued	-	-	-	(330,398)
Acquisition of property, plant, and equipment	-	(47,244)	-	(25,002)
Net cash provided (used in) capital and related financing activities	-	(47,244)	-	(478,450)
Cash provided by investing activities - interest received	3,937	(20,530)	39,878	2,391,352
Net increase (decrease) in cash and cash equivalents	(152,324)	-	448,092	(252,894)
Cash and cash equivalents at July 1	152,324	-	988,640	46,058,106
Cash and cash equivalents at June 30	-	-	1,436,732	45,805,212
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	(286,366)	(1,062,553)	(577,567)	(11,565,037)
Charges for services	(286,366)	(1,062,553)	(577,567)	(11,565,037)
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>				
Depreciation	-	9,385	-	16,646
(Increase)Decrease Accounts receivable net	-	-	-	237,642
(Increase)Decrease Due from other agencies	-	-	-	(171,730)
(Increase)Decrease Prepaid expenses	-	-	-	(160,684)
Increase(Decrease) Accrued salaries and withholding	(10,168)	(18,263)	(15,108)	(210,714)
Increase(Decrease) Compensated absences	-	-	-	367,531
Increase(Decrease) Post Employment benefit	-	-	-	774,546
Increase(Decrease) Accounts payable	3,192	(18,588)	20,889	107,351
Increase(Decrease) Due to other funds	137,081	74,792	-	30,337
Increase(Decrease) Claims payable	-	-	-	3,890,316
Total adjustments	130,105	47,326	5,781	4,881,241
Net cash provided (used) by operating activities	(156,261)	(1,015,227)	(571,786)	(6,683,796)
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of capital assets from government	-	-	-	(296,628)
Increase in fair value of investments	-	-	-	(296,628)

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**CITY OF GLENDALE**

## Capital Assets Used in the Operation of Governmental Funds

## Schedule by Function and Activity

June 30, 2007

	Land	Construction in Progress	Infrastructure	Buildings	Equipment	Total
<b>General government</b>						
City Council	\$ -	242,588	-	-	2,016,555	2,259,143
City Clerk	-	4,306	-	5,482	-	9,788
City Treasurer	-	-	-	-	6,245	6,245
City Manager	-	106,392	-	-	430,301	536,693
Legal	-	-	-	10,000	40,578	50,578
Finance	-	-	-	-	6,130,204	6,130,204
Graphics	-	-	-	-	351,045	351,045
Information Technology	-	894,057	12,221,370	325,000	16,031,869	29,472,296
Planning	-	-	-	-	39,097	39,097
Personnel	-	-	-	-	239,371	239,371
<b>Total</b>	<b>-</b>	<b>1,247,343</b>	<b>12,221,370</b>	<b>340,482</b>	<b>25,285,265</b>	<b>39,094,460</b>
<b>Public Safety</b>						
Police	5,226,855	3,490,897	-	68,761,596	13,302,791	90,782,139
Fire	5,924,956	211,429	-	18,202,175	13,721,028	38,059,588
Fire Communications	-	-	-	12,507	3,982,839	3,995,346
Fire Paramedics	-	-	-	-	1,439,810	1,439,810
Emergency Services	-	-	-	-	140,008	140,008
<b>Total</b>	<b>11,151,811</b>	<b>3,702,326</b>	<b>-</b>	<b>86,976,278</b>	<b>32,586,476</b>	<b>134,416,891</b>
<b>Public Works</b>						
Public works	14,191,930	36,414,857	5,259,111	1,405,376	1,353,477	58,624,751
Engineering	-	-	-	-	258,238	258,238
Permit services/building inspection	-	445,017	-	-	535,461	980,478
Corporation yard	306,974	65,351	-	1,778,315	34,682	2,185,322
Building services	5,044,007	984,826	57,039	43,724,133	412,114	50,222,119
Streets	269,389,206	411,069	186,280,751	-	4,390,110	460,471,136
Mechanical maintenance	-	-	-	-	515,477	515,477
Traffic engineering	-	-	-	-	23,815	23,815
Traffic safety control	-	1,804,076	13,835,593	-	185,407	15,825,076
Transit administration	15,440,916	-	-	2,204,913	8,108,459	25,754,288
Air quality improvement	-	581,094	-	-	-	581,094
<b>Total</b>	<b>304,373,033</b>	<b>40,706,290</b>	<b>205,432,494</b>	<b>49,112,737</b>	<b>15,817,240</b>	<b>615,441,794</b>
<b>Housing, health, and community development</b>						
Housing administration	13,548,863	-	-	-	280,078	13,828,941
Community dev admin	2,055,170	5,327,702	326,000	16,588,222	132,425	24,429,519
Neighborhood services	-	-	-	-	249,404	249,404
Glendale redevelopment agency	28,917,992	3,419,847	-	8,789,674	653,829	41,781,342
<b>Total</b>	<b>44,522,025</b>	<b>8,747,549</b>	<b>326,000</b>	<b>25,377,896</b>	<b>1,315,736</b>	<b>80,289,206</b>
<b>Parks, recreation and community services</b>						
	37,483,504	10,254,479	-	54,628,868	2,847,515	105,214,366
Library	447,945	1,432,464	-	9,114,557	1,841,790	12,836,756
<b>Total capital assets</b>	<b>397,978,318</b>	<b>66,090,451</b>	<b>217,979,864</b>	<b>225,550,818</b>	<b>79,694,022</b>	<b>987,293,473</b>
Accumulated depreciation			(80,686,085)	(58,924,374)	(50,107,097)	(189,717,556)
<b>Net capital assets</b>	<b>\$ 397,978,318</b>	<b>66,090,451</b>	<b>137,293,779</b>	<b>166,626,444</b>	<b>29,586,925</b>	<b>797,575,917</b>

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

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

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

## Exhibit L-2

## CITY OF GLENDALE

## Capital Assets used in the Operation of Governmental Funds

## Schedule by Function and Activity

Year Ended June 30, 2007

	Balance at July 1	Additions	Retirements	Reclass	Total
<b>General government:</b>					
City council	\$ 1,929,345	329,798	-	-	2,259,143
City clerk	9,788	-	-	-	9,788
City treasurer	6,245	-	-	-	6,245
City manager	428,516	114,401	(6,224)	-	536,693
Legal	50,578	-	-	-	50,578
Finance	6,130,204	-	-	-	6,130,204
Graphics	300,829	50,216	-	-	351,045
Information services	27,793,402	1,678,894	-	-	29,472,296
Planning	39,097	-	-	-	39,097
Personnel	233,418	5,953	-	-	239,371
<b>Total</b>	<b>36,921,422</b>	<b>2,179,262</b>	<b>(6,224)</b>	<b>-</b>	<b>39,094,460</b>
<b>Public safety:</b>					
Police	89,170,332	3,048,651	(1,511,342)	74,498	90,782,139
Fire	37,671,130	947,542	(503,966)	(55,118)	38,059,588
Fire communications	3,852,408	163,460	(20,522)	-	3,995,346
Fire paramedics	1,118,374	388,302	(66,866)	-	1,439,810
Emergency services	140,008	-	-	-	140,008
<b>Total</b>	<b>131,952,252</b>	<b>4,547,955</b>	<b>(2,102,696)</b>	<b>19,380</b>	<b>134,416,891</b>
<b>Public works:</b>					
Public works	47,169,891	14,562,465	-	(3,107,605)	58,624,751
Engineering	241,783	21,306	(10,019)	5,168	258,238
Permit services	980,478	-	-	-	980,478
Corporation yard	2,185,322	-	-	-	2,185,322
Building services	49,792,857	320,983	-	108,279	50,222,119
Street	465,804,449	2,628,720	(10,510,497)	2,548,464	460,471,136
Mechanical maintenance	488,258	27,219	-	-	515,477
Traffic engineering	-	23,815	-	-	23,815
Traffic safety controls	15,204,582	490,752	(240,689)	370,431	15,825,076
Transit Administration	25,876,847	-	(122,559)	-	25,754,288
Air quality improvement	596,149	-	-	(15,055)	581,094
<b>Total</b>	<b>608,340,616</b>	<b>18,075,260</b>	<b>(10,883,764)</b>	<b>(90,318)</b>	<b>615,441,794</b>
<b>Housing, health and community development:</b>					
Housing administration	6,477,414	7,360,427	(8,900)	-	13,828,941
Community dev admin	25,807,166	2,219,101	(3,596,748)	-	24,429,519
Neighborhood services	227,852	39,655	(18,103)	-	249,404
Glendale redevelopment agency	14,549,365	27,231,977	-	-	41,781,342
<b>Total</b>	<b>47,061,797</b>	<b>36,851,160</b>	<b>(3,623,751)</b>	<b>-</b>	<b>80,289,206</b>
<b>Parks, recreation and community services:</b>					
Parks administration	100,921,436	816,355	3,419,550	57,025	105,214,366
<b>Total</b>	<b>100,921,436</b>	<b>816,355</b>	<b>3,419,550</b>	<b>57,025</b>	<b>105,214,366</b>
Library	12,674,640	162,116	-	-	12,836,756
<b>Total capital assets</b>	<b>937,872,163</b>	<b>62,632,108</b>	<b>(13,196,885)</b>	<b>(13,913)</b>	<b>987,293,473</b>
Accumulated Depreciation	(183,569,148)	(19,378,586)	13,196,885	33,293	(189,717,556)
<b>Net Capital Assets</b>	<b>\$ 754,303,015</b>	<b>43,253,522</b>	<b>-</b>	<b>19,380</b>	<b>797,575,917</b>

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

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

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

*The City of Glendale, California*

# Comprehensive Annual Financial Report



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

Year Ended, June 30, 2007



## Statistical Section

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>118</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's two most significant local revenue sources, the electric revenue and the property tax.	<b>125</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>132</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>136</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>138</b>
<b>Sources</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.	

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

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
<b>Governmental activities</b>						
Invested in capital assets, net of related debt	\$ 608,369,206	684,725,582	658,444,661	635,754,391	607,259,731	507,880,535
Restricted	59,781,793	58,668,240	60,899,466	51,899,739	95,244,662	152,983,113
Unrestricted	236,116,915	151,965,775	151,155,039	150,126,704	131,816,563	70,119,629
<b>Total governmental activities net assets</b>	<b>904,267,914</b>	<b>895,359,597</b>	<b>870,499,166</b>	<b>837,780,834</b>	<b>834,320,956</b>	<b>730,983,277</b>
<b>Business-type activities</b>						
Invested in capital assets, net of related debt	472,892,872	435,757,427	393,341,990	371,934,174	347,098,897	387,742,819
Restricted	8,392,602	8,652,549	12,460,324	11,947,183	4,813,514	56,758,155
Unrestricted	190,461,646	217,430,743	261,248,290	282,328,096	302,302,313	146,757,261
<b>Total business-type activities net assets</b>	<b>671,747,120</b>	<b>661,840,719</b>	<b>667,050,604</b>	<b>666,209,453</b>	<b>654,214,724</b>	<b>591,258,235</b>
<b>Primary government</b>						
Invested in capital assets, net of related debt	1,081,262,078	1,120,483,009	1,051,786,651	1,007,688,565	954,358,628	895,623,354
Restricted	68,174,395	67,320,789	73,359,790	63,846,922	100,058,176	209,741,268
Unrestricted	426,578,561	369,396,518	412,403,329	432,454,800	434,118,876	216,876,890
<b>Total primary government net assets</b>	<b>\$ 1,576,015,034</b>	<b>1,557,200,316</b>	<b>1,537,549,770</b>	<b>1,503,990,287</b>	<b>1,488,535,680</b>	<b>1,322,241,512</b>

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

Not covered by independent auditor's report

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

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
<b>Expenses</b>						
Governmental activities:						
General government	\$ 25,841,852	20,300,937	17,536,301	11,120,654	20,470,968	17,312,420
Public safety	107,660,027	94,711,206	83,073,619	50,085,239	67,710,304	73,553,870
Public works	35,442,170	37,075,514	39,261,265	46,434,742	37,845,995	33,002,905
Housing, health, and comm dev	63,525,888	53,213,875	39,683,369	49,923,044	29,670,727	29,565,756
Employment programs	6,807,872	6,105,555	5,136,068	4,824,151	5,472,648	5,479,175
Public service	6,931,844	3,900,125	5,023,909	5,693,244	5,216,198	3,356,978
Parks, recreation and community services	14,954,785	15,560,751	10,065,778	25,219,090	24,428,978	9,516,116
Library	8,463,518	7,918,028	7,002,416	1,544,076	6,959,472	6,968,227
Interest and fiscal charges on bonds	10,097,510	8,404,125	7,284,073	6,728,374	1,754,409	4,753,104
Total governmental activities expenses	279,725,466	247,190,116	214,066,798	201,572,614	199,529,699	183,508,551
Business-type activities:						
Recreation	2,071,874	1,852,614	2,078,111	2,267,888	2,013,220	1,946,339
Hazardous disposal	1,538,703	1,420,062	1,350,207	1,715,400	1,705,597	1,429,576
Fire paramedic	-	-	8,150,014	7,455,906	6,576,605	3,719,364
Parking	6,617,879	5,592,788	5,913,574	5,704,504	7,236,084	5,502,362
Sewer	11,993,350	6,874,370	8,111,849	9,790,039	3,588,226	6,479,740
Refuse disposal	15,073,905	14,387,665	14,636,096	14,638,968	13,023,662	11,975,653
Electric	178,219,698	184,913,493	147,377,059	141,988,922	141,798,777	168,388,851
Water	29,927,301	26,150,586	25,607,770	25,605,566	23,623,578	23,815,732
Total business-type activities expenses	245,442,710	241,191,578	213,224,680	209,167,193	199,565,749	223,257,617
Total primary government expenses	\$ 525,168,176	488,381,694	427,291,478	410,739,807	399,095,448	406,766,168

Notes:

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

Not covered by independent auditor's report

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

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
<b>Program revenues</b>						
Governmental activities:						
Charges for services:						
General government	\$ 9,533,390	8,762,201	8,599,712	9,167,221.00	8,270,990	7,846,676
Public safety	13,738,609	12,169,254	3,757,348	3,949,372.00	5,684,897	5,401,658
Public works	15,013,920	12,673,911	11,255,858	10,833,546.00	8,786,285	6,960,323
Housing, health, and comm dev	86,217	110,157	98,407	104,401.00	130,263	780,585
Employment programs	1,422,638	1,154,398	937,334	806,376.00	346,113	-
Parks, recreation and community services	46,852	28,414	31,234	94,477.00	35,522	34,900
Library	211,542	201,576	150,409	192,994.00	148,301	137,520
Operating grants and contributions	43,199,013	40,616,748	33,854,952	36,000,980.00	44,369,195	32,812,220
Capital grants and contributions	12,227,698	17,531,970	6,859,992	9,503,962.00	13,766,472	23,652,782
Total governmental activities program revenues	95,479,879	93,248,629	65,545,246	70,653,329.00	81,538,038	77,626,664
Business-type activities:						
Charges for services:						
Recreation	1,841,718	1,943,314	1,736,065	1,617,037	1,552,402	1,628,997
Hazardous disposal	1,585,736	1,403,386	1,402,711	1,437,485	1,508,424	1,304,327
Fire paramedic	-	-	6,886,791	6,389,735	6,067,908	4,201,104
Parking	7,329,493	7,024,251	7,139,345	6,159,057	6,058,328	5,464,878
Sewer	17,447,578	16,610,496	16,323,362	16,036,332	19,040,614	18,252,337
Refuse disposal	18,204,596	16,115,129	15,403,846	13,758,613	13,132,318	11,432,177
Electric	178,979,264	170,207,430	148,798,618	151,718,142	178,631,530	188,297,461
Water	33,276,765	31,188,695	29,752,971	31,377,023	31,633,490	28,467,545
Operating grants and contributions	1,415,351	511,385	658,669	714,908	1,542,480	1,112,852
Capital grants and contributions	5,221,810	2,712,227	1,376,259	3,344,256	1,471,846	5,974,204
Total business-type activities program revenues	265,302,311	247,716,313	229,478,637	232,552,588	260,639,340	266,135,882
Total primary government program revenues	360,782,190	340,964,942	295,023,883	303,205,917	342,177,378	343,762,546
<b>Net (Expense) / Revenue</b>						
Governmental activities	(184,245,587)	(153,941,487)	(148,521,552)	(130,919,285)	(117,991,661)	(105,881,887)
Business-type activities	19,859,601	6,524,735	16,253,957	23,385,395	61,073,591	42,878,265
Total primary government net expense	\$ (164,385,986)	(147,416,752)	(132,267,595)	(107,533,890)	(56,918,070)	(63,003,622)

Notes:

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

Not covered by independent auditor's report

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

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Taxes						
Property taxes	\$ 67,393,977	60,960,571	55,715,841	39,491,452	39,180,640	32,515,435
Sales taxes	23,944,140	23,984,472	22,350,550	28,327,671	30,316,912	27,546,950
Utility users tax	26,201,816	24,386,420	23,772,356	22,666,281	19,488,127	18,699,935
Other taxes	21,261,764	19,216,137	18,561,727	11,920,357	10,914,956	9,957,957
Investment income	15,825,779	6,804,729	9,057,355	2,695,593	13,354,054	18,415,113
Other	13,715,236	21,411,260	15,461,239	14,194,165	19,485,092	23,091,895
Transfers	24,811,192	24,357,406	27,126,871	21,986,833	19,170,585	14,642,469
Contributions	-	-	-	-	-	(7,747,000)
Total governmental activities	193,153,904	181,120,995	172,045,939	141,282,352	151,910,366	137,122,754
Business-type activities:						
Investment income	11,568,504	6,420,738	8,250,726	2,696,808	10,588,925	13,196,106
Other	3,289,489	3,882,971	3,463,339	5,948,859	10,464,558	6,886,469
Transfers	(24,811,192)	(24,357,406)	(27,126,871)	(21,986,833)	(19,170,585)	(14,642,469)
Contributions	-	-	-	-	-	7,747,000
Total business-type activities	(9,953,199)	(14,053,697)	(15,412,806)	(13,341,166)	1,882,898	13,187,106
Total primary government	183,200,705	167,067,298	156,633,133	127,941,186	153,793,264	150,309,860
<b>Change in Net Assets</b>						
Governmental activities	8,908,317	27,179,508	23,524,387	10,363,067	33,918,705	31,240,867
Business-type activities	9,906,402	(7,528,962)	841,151	10,044,229	62,956,489	56,065,371
Total primary government	\$ 18,814,719	19,650,546	24,365,538	20,407,296	96,875,194	87,306,238

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

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

Not covered by independent auditor's report

Schedule 3  
**CITY OF GLENDALE**  
Fund Balances, Governmental Funds,  
Last Six Fiscal Years  
(accrual basis of accounting)

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

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

Not covered by independent auditor's report

Schedule 4  
**CITY OF GLENDALE**  
 Changes in Fund Balances, Governmental Funds,  
 Last Six Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
<b>Revenues</b>						
Property taxes	\$ 67,393,977	60,960,570	55,715,841	39,491,452	39,180,640	32,515,435
Other taxes	71,407,721	69,172,321	66,178,382	64,277,231	62,095,758	57,389,360
Revenue from other agencies	64,206,433	49,246,893	45,578,712	54,001,109	60,288,829	65,307,956
Licenses and permits	8,588,818	6,247,517	5,303,096	4,698,326	3,924,707	3,045,465
Fines and forfeitures	1,503,230	1,671,182	1,822,191	1,031,667	2,256,706	1,571,118
Charges for services	23,201,969	21,078,843	12,036,406	12,004,530	11,522,159	10,955,713
Use of money and property	16,388,738	8,914,281	10,821,080	5,259,400	16,363,459	19,791,565
Intergovernmental revenue	2,000,000	1,500,000	1,250,000	1,000,000	-	-
Interfund revenue	8,262,381	7,773,550	7,490,799	8,445,531	7,640,762	5,916,913
Miscellaneous revenue	5,168,085	12,499,088	4,688,826	4,728,408	3,323,677	8,671,241
<b>Total revenues</b>	<b>268,121,352</b>	<b>239,064,245</b>	<b>210,885,333</b>	<b>194,937,654</b>	<b>206,596,697</b>	<b>205,164,766</b>
<b>Expenditures</b>						
General government	20,284,621	17,984,332	16,729,750	16,430,751	14,941,501	13,865,233
Community promotion	115,197	244,919	116,288	55,789	63,163	62,305
Public safety	100,962,992	97,465,712	82,324,253	68,452,749	62,727,802	58,827,518
Public works	29,713,801	29,767,155	25,968,096	22,828,915	22,293,403	21,230,878
Housing, health and community development	32,611,568	37,746,572	35,587,996	45,043,645	33,826,832	24,310,362
Employment programs	6,649,365	6,129,226	4,968,111	4,869,807	5,372,957	5,423,572
Public service	6,770,450	3,931,325	4,859,416	5,474,212	5,118,860	3,356,978
Parks, recreation and community services	12,383,827	11,966,344	10,286,410	9,329,411	9,003,763	8,090,339
Library	8,097,554	7,667,600	6,815,400	6,409,179	6,392,455	6,534,562
Capital outlay	91,918,847	59,299,236	41,255,317	34,383,554	65,872,657	62,019,580
Debt service						
Interest	6,654,597	6,378,990	5,706,641	6,967,915	6,313,921	4,648,390
Principal	6,300,232	5,575,000	6,482,164	2,910,000	3,400,000	3,215,000
Fiscal agent fees	-	-	-	2,119,724	1,274,967	18,494
<b>Total expenditures</b>	<b>322,463,051</b>	<b>284,156,411</b>	<b>241,099,842</b>	<b>225,275,651</b>	<b>236,602,281</b>	<b>211,603,211</b>
Excess of revenues over (under) expenditures	\$ (54,341,699)	(45,092,166)	(30,214,509)	(30,337,997)	(30,005,584)	(6,438,445)

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

Not covered by independent auditor's report

Schedule 4  
**CITY OF GLENDALE**  
 Changes in Fund Balances, Governmental Funds,  
 Last Six Fiscal Years, continued  
 (accrual basis of accounting)

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

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

Not covered by independent auditor's report

## Schedule 5

**CITY OF GLENDALE**Electric Revenue by Type of Customers  
Last Six Fiscal Years

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

## Notes:

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

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

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

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

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

Source: Glendale Water &amp; Power Department

Not covered by independent auditor's report

Schedule 6

**CITY OF GLENDALE**

Electric Rates (Dollars per Kilowatt Hour)

Last Six Fiscal Years

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

Notes:

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

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

Source: Glendale Water & Power Department

Not covered by independent auditor's report

Schedule 7  
**CITY OF GLENDALE**  
Principal Electric Payer Groups  
Current and Last Fiscal Year

<u>Electric Payer Groups</u>	<u>Fiscal Year 2007</u>			<u>Fiscal Year 2006</u>		
	<u>Electric Charges</u>	<u>Rank</u>	<u>Percentage of Total City Electric Charges</u>	<u>Electric Charges</u>	<u>Rank</u>	<u>Percentage of Total City Electric Charges</u>
Retail Stores/Malls	7,916,661	1	4.42%	7,312,437	1	4.30%
Entertainment Industry	7,067,872	2	3.95%	5,894,901	2	3.46%
Hospitals/Medical Facilities	6,948,300	3	3.88%	5,409,579	4	3.18%
High-Rise Buildings	6,663,020	4	3.72%	5,349,323	5	3.14%
Government Agencies	6,623,156	5	3.70%	5,766,049	3	3.39%
Schools/Colleges	4,422,581	6	2.47%	3,672,134	6	2.16%
Grocery Stores	3,973,400	7	2.22%	3,636,487	7	2.14%
Manufacturing	2,439,080	8	1.36%	2,181,564	8	1.28%
Utilities	2,358,781	9	1.32%	1,904,525	9	1.12%
Hotels/Motels	1,257,800	10	0.70%	1,172,868	10	0.69%
<b>Total</b>	<b>49,670,651</b>		<b>27.75%</b>	<b>42,299,867</b>		<b>24.85%</b>

Notes:

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

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

Source: Glendale Water & Power Department

Not covered by independent auditor's report

## Schedule 8

**CITY OF GLENDALE**

## Assessed Value and Actual Value of Taxable Property

## Last Ten Fiscal Years

Fiscal Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
1998	\$ 7,643,079,793	\$ 2,011,184,484	\$ 363,630,707	\$ 1,070,003,955	\$ 90,986,415	\$ 10,996,912,524	0.24173%
1999	7,797,808,813	2,006,777,373	431,184,588	1,274,402,844	89,547,135	11,420,626,483	0.25132%
2000	8,201,508,030	2,116,108,478	530,753,472	1,399,081,689	87,718,225	12,159,733,444	0.25815%
2001	8,774,022,346	2,201,476,234	554,572,450	1,428,681,435	89,130,465	12,869,622,000	0.25005%
2002	9,331,024,169	2,540,254,851	585,095,804	1,407,193,492	124,524,862	13,739,043,454	0.25169%
2003	9,930,375,052	2,644,888,768	613,641,859	1,305,607,484	95,408,999	14,399,104,164	0.24921%
2004	10,798,578,356	2,951,683,831	635,830,929	1,258,783,015	101,791,165	15,543,084,966	0.25012%
2005	11,756,804,494	3,078,835,750	645,595,604	1,589,154,198	496,524,354	16,573,865,692	0.24192%
2006	12,775,594,872	3,551,225,216	631,047,725	1,152,535,394	105,209,122	18,005,194,085	0.25043%
2007	13,984,200,759	3,942,463,947	681,900,343	1,405,426,135	112,666,846	19,901,324,338	0.25543%

## Notes:

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

Not covered by independent auditor's report

Schedule 9

**CITY OF GLENDALE**

Direct and Overlapping Property Tax Rates

Last Two Fiscal Years

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

Notes:

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

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

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

Not covered by independent auditor's report

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

Taxpayer	Fiscal Year 2007			Fiscal Year 2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
GGP Homart II	428,712,194	1	2.10%			
Walt Disney World Company	270,283,708	2	1.32%	254,944,894	1	1.49%
Maguire Properties Limited Partnership	223,532,070	3	1.09%			
Glendale Adventist Medical Center	183,207,040	4	0.90%	150,689,481	4	0.88%
Wells Reit Glendale California LLC	166,392,406	5	0.81%	159,931,189	3	0.94%
PR Glendale Plaza Office California LLC	141,909,915	6	0.70%			
Metropolitan Life Insurance Company	121,726,800	7	0.60%			
Glendale Memorial Hospital	120,281,399	8	0.59%	112,154,115	6	0.66%
CLPF-500 Brand	119,997,100	9	0.59%			
Napi Glendale I LLC	108,750,000	10	0.53%			
Maguire Partners				165,494,929	2	0.97%
Glendale Plaza Realty Holding Company				136,399,382	5	0.80%
NBB Associates Limited Partnership				105,000,000	7	0.62%
DW Statuory Trust 2002				83,123,584	8	0.49%
TST Glendale City Center				80,474,930	9	0.47%
Glendale I Mall Associates LLC				71,870,806	10	0.42%
<b>Total</b>	<b>1,884,792,632</b>		<b>9.23%</b>	<b>1,320,083,310</b>		<b>7.74%</b>

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

Not covered by independent auditor's report

Schedule 11

**CITY OF GLENDALE**

Property Tax Levies and Collections

Last Six Fiscal Years

Fiscal Year Ended June 30,	City						Redevelopment Agency					
	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	15,106,000	13,648,755	90.4%	861,952	14,510,707	96.1%	20,012,000	17,532,343	87.6%	472,385	18,004,728	90.0%
2003	15,847,000	15,871,773	100.2%	1,094,062	16,965,835	107.1%	21,931,000	21,704,431	99.0%	510,374	22,214,805	101.3%
2004	17,032,000	16,253,151	95.4%	1,242,319	17,495,470	102.7%	23,474,000	21,405,782	91.2%	590,200	21,995,982	93.7%
2005	17,640,245	25,924,447	147.0%	2,050,918	27,975,365	158.6%	28,488,937	26,662,156	93.6%	1,078,321	27,740,477	97.4%
2006	19,996,099	30,475,918	152.4%	2,553,890	33,029,808	165.2%	26,505,326	25,798,484	97.3%	2,132,278	27,930,762	105.4%
2007	22,246,849	35,458,240	159.4%	2,518,653	37,976,893	170.7%	29,117,851	27,415,326	94.2%	2,001,758	29,417,084	101.0%

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

Not covered by independent auditor's report

Schedule 12  
**CITY OF GLENDALE**  
Ratios of Outstanding Debt by Type,  
Last Six Fiscal Years

Governmental Activities									
Fiscal Year	Police Facility Certificates of Participation	Parking Lease Revenue Bonds Series A	Refunding Parking Lease Revenue Bonds Series 1976	1993 Tax Allocation Bond	2002 Tax Allocation Bond	2003 Tax Allocation Bond	Capital Lease	Section 108	Notes Payable
2002	64,200,000	440,000	1,025,000	61,250,000	-	-	-	-	-
2003	63,100,000	-	-	59,315,000	49,968,945	-	2,000,000	-	-
2004	62,000,000	-	-	-	48,053,327	58,128,833	1,630,487	1,700,000	4,615,000
2005	60,800,000	-	-	-	46,082,708	56,183,716	4,989,115	1,590,000	3,692,000
2006	59,600,000	-	-	-	44,057,089	53,923,599	4,272,885	1,450,000	2,769,000
2007	58,300,000	-	-	-	41,971,470	51,543,482	11,729,252	1,280,000	1,846,000

Business-Type Activities									
Fiscal Year	2000 Electric Revenue Bond	2003 Electric Revenue Bond	2006 Electric Revenue Bond	Total Primary Government (1)	Total Personal Income (2)	Percentage of Personal Income	Population (3)	per Capita	
2002	37,000,000	-	-	163,915,000	8,352,544,200	1.96%	200,200	819	
2003	37,146,292	32,106,903	-	243,637,140	8,458,807,587	2.88%	202,747	1,202	
2004	37,137,933	31,295,613	-	244,561,193	7,743,409,110	3.16%	205,341	1,191	
2005	37,143,196	30,614,988	-	241,095,723	7,805,405,942	3.09%	207,007	1,165	
2006	-	29,798,800	36,779,663	232,651,036	8,015,891,032	2.90%	206,308	1,128	
2007	-	28,982,613	38,389,887	234,042,704	10,994,029,147	2.13%	207,157	1,130	

Notes:

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

Not covered by independent auditor's report

## Schedule 13

**CITY OF GLENDALE**

Direct &amp; Overlapping Governmental Activities Debt

As of June 30, 2007

	Gross Bonded Debt Balance	Percentage applicable to Glendale	Amount applicable to Glendale
<b>Direct Debt</b>			
Glendale Certificate of Participation	58,300,000	100%	58,300,000
Glendale 2002 Tax Allocation Bond	40,440,000	100%	40,440,000
Gldnelae 2003 Tax Allocation Bond	52,130,000	100%	52,130,000
Glendale 2003 Electric Revenue Bond	28,460,000	100%	28,460,000
Glendale 2006 Electric Revenue Bond	38,105,000	100%	38,105,000
Glendale Capital Lease	11,729,252	100%	11,729,252
Glendale Notes Payable	1,846,000	100%	1,846,000
Glendale Section 108 Loan	1,280,000	100%	1,280,000
<b>Total Direct Debt</b>			<u>232,290,252</u>
<b>Overlapping Debt</b>			
LA.CO.FL.CON.STORM DR.D.S.#4	370,000	2.170%	8,028
City of Glendale Area-1103	165,681,509	2.308%	3,823,503
Foothill MWD 1113	165,681,509	0.020%	32,691
Glendale CCD DS 2002 Ser-A	4,300,000	89.157%	3,833,745
Glendale CCD DS 2002 Ser-C	15,054,930	89.187%	13,427,010
Glendale CCD DS RF BD 02, 05 S-A	16,951,097	89.157%	15,113,065
Glendale CCD DS 2002 Ser 2006	34,500,000	89.157%	30,759,115
Pasadena Area CCD DS 2002 S-A	5,405,000	0.094%	5,098
Pasadena CCD DS 2006 Series B	87,657,774	0.094%	82,684
Glendale Unified DS 1997 Ser A	15,240,000	89.157%	13,587,505
Glendale Unified DS 1997 Ser B	18,550,000	89.157%	16,538,597
Glendale Unified DS 1997 Ser C	22,965,000	89.157%	20,474,872
Glendale USD DS 1997 Ser D	34,745,000	89.157%	30,977,549
Glendale USD DS 1997 Ser E	17,605,000	89.157%	15,696,064
Glendale USD DS 1997 Ser F	18,395,000	89.157%	16,400,403
Glendale USD DS 1997 Ser G	20,650,000	89.157%	18,410,890
La Canada Unified SD 1995 DS	7,564,976	1.082%	81,878
La Canada Unif SD DS 1999 Ser A	3,050,000	1.082%	33,011
La Canada USD DS 1999 Ser B	2,315,000	1.082%	25,056
La Canada USD DS 2004 Ser A	14,235,000	1.082%	154,069
<b>Total Overlapping Debt</b>			<u>199,464,833</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>431,755,085</u></u>

## Source:

County of Los Angeles, Auditor-Controller

City of Glendale, Finance Division

HdL Coren &amp; Cone

Not covered by independent auditor's report

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

**Legal Debt Margin Calculation for Fiscal Year 2007**

Assessed value	\$	19,901,324,338
Debt limit (15% of assessed value)		2,985,198,651
Debt applicable to limit		-
Legal debt margin	\$	<u>2,985,198,651</u>

		<b>Fiscal Year</b>									
		<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Debt limit	\$	2,985,198,651	2,700,779,113	2,486,079,854	2,331,462,745	2,159,865,625	2,060,856,518	1,930,443,300	1,823,960,017	1,713,093,972	1,649,536,879
Total net debt applicable to limit		<u>0</u>									
Legal debt margin	\$	<u>2,985,198,651</u>	<u>2,700,779,113</u>	<u>2,486,079,854</u>	<u>2,331,462,745</u>	<u>2,159,865,625</u>	<u>2,060,856,518</u>	<u>1,930,443,300</u>	<u>1,823,960,017</u>	<u>1,713,093,972</u>	<u>1,649,536,879</u>
Total net debt applicable to the limit as a percentage of debt limit		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

Not covered by independent auditor's report

Schedule 15  
**CITY OF GLENDALE**  
Pledged-Revenue Coverage  
Last Six Fiscal Years

Fiscal Year	Tax Allocation Bonds						Electric Revenue Bonds					
	Property Tax Increment	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2002	5,640,244	-	5,640,244	1,845,000	3,441,790	1.07	188,297,461	166,192,840	22,104,621	-	1,840,161	12.01
2003	5,925,738	-	5,925,738	1,935,000	4,365,934	0.94	178,631,530	136,672,513	41,959,017	-	2,438,367	17.21
2004	6,033,031	-	6,033,031	1,810,000	3,626,303	1.11	151,718,142	134,972,948	16,745,194	795,000	3,716,436	3.71
2005	8,375,878	-	8,375,878	3,865,000	4,510,878	1.00	148,798,618	140,059,631	8,738,987	795,000	4,073,642	1.79
2006	8,601,228	-	8,601,228	4,235,000	4,366,228	1.00	170,207,430	183,171,685	(12,964,255)	795,000	3,402,983	(3.09)
2007	8,606,978	-	8,606,978	4,415,000	4,188,978	1.00	178,979,264	170,966,981	8,012,283	725,000	1,695,299	3.31

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

Not covered by independent auditor's report

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

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Total Personal Income</u>	<u>Median Age (3)</u>	<u>Percent High School Graduate or Higher (3)</u>	<u>Percent Bachelor's Degree or Higher (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
2002	200,200	41,721	8,352,544,200	37.5	79%	32%	47,000	6.10%
2003	202,747	41,721	8,458,807,587	37.5	79%	32%	46,000	5.80%
2004	205,341	37,710	7,743,409,110	37.5	79%	32%	44,000	5.70%
2005	207,007	37,706	7,805,405,942	37.5	79%	32%	43,000	4.90%
2006	206,308	38,854	8,015,891,032	37.5	79%	32%	42,144	4.00%
2007	207,157	53,071	10,994,029,147	39.0	81%	33%	42,223	4.70%

Source:

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

(2) Business Decision Website

(3) U.S. Census, updated survey data 2005

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

(5) California Employment Development Department

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

Not covered by independent auditor's report

Schedule 17

**CITY OF GLENDALE**

Principal Employers

Current Year and Prior Year

Employer	2007			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
CITY OF GLENDALE	2,580 (4)	1	3.37% (5)	2,706 (4)	1	3.55% (5)
GLENDALE ADVENTIST MED CENTER #262	1,987 (2)	2	2.60% (5)	1,999 (2)	3	2.62% (5)
GLENDALE UNIFIED SCHOOL DISTRICT	2,575 (3)	3	3.36% (5)	2,681 (3)	2	3.51% (5)
GLENDALE COMMUNITY COLLEGE DIST.	1,296 (2)	4	1.69% (5)	1,141 (2)	6	1.50% (5)
GLENDALE MEMORIAL	1,293 (2)	5	1.69% (5)	1,248 (2)	5	1.64% (5)
NESTLE COMPANY	1,005 (2)	6	1.31% (5)	1,735 (2)	4	2.27% (5)
PUBLIC STORAGE INC	944 (2)	7	1.23% (5)	967 (2)	7	1.27% (5)
BANK AMERICA NORTH AMERICA	813 (2)	8	1.06% (5)	834 (2)	8	1.09% (5)
WALT DISNEY IMAGINEERING	825 (2)	9	1.08% (5)	765 (2)	9	1.00% (5)
ACCO ENGINEERED SYSTEMS	717 (2)	10	0.94% (5)	711 (2)	10	0.93% (5)

Notes:

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

(2) Source: Labor Market Information Division, California Employment Development Department, September 2006 data

(3) Source: GUSD Human Resource Department

(4) City of Glendale Payroll Section, 1,885 full-time employees and 695 hourly employees.

(5) % of total employment is calculated using a baseline of 76,525 workers employed in Glendale.

(6) The data for nine years ago are not available, so only current year and prior year data are presented.

Not covered by independent auditor's report

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

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

Note: The data prior to FY2006 are not available.

Source: City Payroll Section

Not covered by independent auditor's report

Schedule 19  
**CITY OF GLENDALE**  
 Operations Indicators by Function/Program  
 Last Two Fiscal Years

Function/Program	Fiscal Year	
	2007	2006
<b>Police</b>		
Physical arrests	6,717	7,087
Parking violations	87,971	80,374
Traffic violations	20,165	22,423
<b>Fire</b>		
Emergency responses	15,344	14,970
Fires extinguished	267	483
<b>Refuse collection</b>		
Refuse collected (tons per day)	289.3	299.3
Recyclables collected (tons per day)	140.1	134.9
Inert waste recycling - Brand Park landfill (tons per year)	10,500	10,500
<b>Other public works</b>		
Street resurfacing (miles)	3.5	2.6
Street reconstructing (miles)	1.4	0.4
Potholes repaired (square feet per year)	9,886	10,000
<b>Parks and recreation</b>		
Athletic field permits issued	648 (1)	7,114
Community center admissions	7,140	1,236
<b>Library</b>		
Volumes in collections	761,314	770,784
Total volumes borrowed	1,088,286	1,075,073
<b>Electric</b>		
New connections	211	133
Average daily consumption (MWH)	3,142	3,130
Electricity generated (MWH)	1,025,235	887,263
Electricity purchased (MWH)	490,592	626,304
Electricity sold (MWH)	1,146,828	1,142,582
Peak demand (MW)	336	313
<b>Water</b>		
New connections	125	72
Average daily consumption (millions of gallons)	28	27
Water mains breaks	12	11
Water purchased (AF)	23,643	22,239
Water sold (AF)	31,889	29,907
<b>Wastewater</b>		
Average daily sewage treatment (millions of gallons)	12	17
<b>Transit</b>		
Total route miles	981,792	1,040,192
Passengers	2,332,006	2,336,396

Notes:

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

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

Sources: Various city departments

Not covered by independent auditor's report

## Schedule 20

**CITY OF GLENDALE**

## Capital Asset Statistics by Function/Program

Last Two Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>	
	<u>2007</u>	<u>2006</u>
Police		
Stations	1	1
Vehicular patrol units	69	71
Helicopters	2	2
Motocycles	26	24
Fire		
Stations	9	9
Refuse collection		
Collection trucks	44	43
Other public works		
Streets (miles)	365	365
Traffic signals	229	225
Parks and recreation		
Open space acres	5,020	5,020
Developed parkland acres	274	274
Parks, community centers and other facilities	40	40
Baseball/softball diamonds	15	15
Soccer/football fields	2	2
Golf course	1	1
Library		
Branches	7	7
Electric		
Number of electric meters	83,644	83,433
Number of streetlights	11,117	10,210
Grayson power plant capacity (MW)	249	249
Water		
Number of water meters	33,120	32,995
Water mains (miles)	397	397
Fire hydrants	2,950	2,950
Storage capacity (millions of gallons)	185	185
Wastewater		
Storm catch basin	1,125	1,364
Sanitary sewers (miles)	340	340
Treatment capacity (millions of gallons)	20	25
Transit		
Buses	34	35

Note: The data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditor's report