

Internal Service Funds

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



INTERNAL SERVICE FUNDS

- Fleet/Equipment Management Fund - To account for equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of equipment.
- Joint Helicopter Operation Fund - To account for set-aside funds to perform major maintenance or replacement of the helicopters.
- ISD Infrastructure Fund - To account for technological equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of the technological equipment.
- ISD Applications Fund - To account for major ISD Applications resources which are derived from periodic charges to governmental operations to ensure timely replacement of the major application software.
- Unemployment Insurance Fund - To finance and account for unemployment claims. Resources are derived from unemployment insurance charges to various City operations. Unemployment claims are reimbursed to the State Employment Department which disburses the unemployment claims.
- Liability Insurance Fund - To account for financing and disbursement of City self-insurance funds for uninsurable litigation activities, general liability and auto liability claims. Charges, in lieu of insurance premiums, are made periodically to City operations to provide the self-insurance resources.
- Compensation Insurance Fund - To finance and account for the City's workers' compensation claims. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Dental Insurance Fund - To finance and account for the City's dental insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Medical Insurance Fund - To finance and account for the City's medical insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Vision Insurance Fund - To finance and account for the City's vision insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Employee Benefits Fund - To account for the resources and the liability for employees' compensated absences (vacation and comp time).
- Retiree Health Savings Plan (RHSP) Benefits Fund - To account for the resources and the liability for employees' sick leave conversion under RHSP plan.
- Post Employment Benefits Fund - To account for the resources and the liability for all the benefits provided after the employees' separation from the City.
- ISD Wireless Fund - To account for the operation of the citywide radio system.

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Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2014 (in thousands)

| | | | ISD | |
|-------------------------------------|------------------|------------------|----------------|------------------|
| | Fleet/ Equipment | Joint Helicopter | Infrastructure | ISD Applications |
| | Management Fund | Operation Fund | Fund | Fund |
| Assets | | | | |
| Current assets: | | | | |
| Pooled cash and investments | \$ 13,492 | 3,610 | 4,881 | 6,580 |
| Interest receivable | 41 | 11 | 11 | 19 |
| Accounts receivable, net | 30 | 247 | - | 334 |
| Prepaid items | - | - | - | - |
| Total current assets | 13,563 | 3,868 | 4,892 | 6,933 |
| Capital assets: | | | | |
| Machinery and equipment | 29,678 | 2,074 | 963 | 66 |
| Accumulated depreciation | (18,803) | (1,676) | (119) | (15) |
| Construction in progress | - | - | 1,460 | 291 |
| Total capital assets | 10,875 | 398 | 2,304 | 342 |
| Total assets | 24,438 | 4,266 | 7,196 | 7,275 |
| Liabilities and net position | | | | |
| Current liabilities: | | | | |
| Accounts payable | 154 | 31 | 841 | 154 |
| Advance from other funds | - | - | - | - |
| Interest payable | 26 | - | - | - |
| Capital leases | 670 | - | - | - |
| Claims payable | - | - | - | - |
| Compensated absences | - | - | - | - |
| Total current liabilities | 850 | 31 | 841 | 154 |
| Noncurrent liabilities: | | | | |
| Claims payable | - | - | - | - |
| Compensated absences | - | - | - | - |
| Capital leases | 756 | - | - | - |
| Total noncurrent liabilities | 756 | - | - | - |
| Total liabilities | 1,606 | 31 | 841 | 154 |
| Net position: | | | | |
| Net investment in capital assets | 9,449 | 398 | 2,304 | 342 |
| Unrestricted (deficits) | 13,383 | 3,837 | 4,051 | 6,779 |
| Total net position (deficits) | \$ 22,832 | 4,235 | 6,355 | 7,121 |

(Continued)

Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2014 (in thousands)

| | Unemployment Insurance Fund | Liability Insurance Fund | Compensation Insurance Fund | Dental Insurance Fund |
|-------------------------------------|--------------------------------|-----------------------------|--------------------------------|--------------------------|
| Assets | | | | |
| Current assets: | | | | |
| Pooled cash and investments | \$ 473 | 18,685 | 18,511 | 855 |
| Interest receivable | 1 | 314 | 55 | 2 |
| Accounts receivable, net | - | - | 2 | - |
| Prepaid items | - | - | - | - |
| Total current assets | 474 | 18,999 | 18,568 | 857 |
| Capital assets: | | | | |
| Machinery and equipment | - | - | 100 | - |
| Accumulated depreciation | - | - | (76) | - |
| Construction in progress | - | - | - | - |
| Total capital assets | - | - | 24 | - |
| Total assets | 474 | 18,999 | 18,592 | 857 |
| Liabilities and net position | | | | |
| Current liabilities: | | | | |
| Accounts payable | - | 60 | - | 140 |
| Advance from other funds | - | - | - | - |
| Interest payable | - | - | - | - |
| Capital leases | - | - | - | - |
| Claims payable | - | 4,496 | 6,997 | - |
| Compensated absences | - | - | - | - |
| Total current liabilities | - | 4,556 | 6,997 | 140 |
| Noncurrent liabilities: | | | | |
| Claims payable | - | 5,156 | 27,402 | - |
| Compensated absences | - | - | - | - |
| Capital leases | - | - | - | - |
| Total noncurrent liabilities | - | 5,156 | 27,402 | - |
| Total liabilities | - | 9,712 | 34,399 | 140 |
| Net position: | | | | |
| Net investment in capital assets | - | - | 24 | - |
| Unrestricted (deficits) | 474 | 9,287 | (15,831) | 717 |
| Total net position (deficits) | \$ 474 | 9,287 | (15,807) | 717 |

(Continued)

Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2014 (in thousands)

| | Medical Insurance Fund | Vision Insurance Fund | Employee Benefits Fund | Retiree Health Savings Plan Benefits Fund |
|-------------------------------------|---------------------------|-----------------------------|---------------------------|---|
| Assets | | | | |
| Current assets: | | | | |
| Pooled cash and investments | \$ 2,464 | 407 | 10,408 | 9,499 |
| Interest receivable | 3 | 1 | 30 | 27 |
| Accounts receivable, net | 138 | - | - | - |
| Prepaid items | 506 | - | - | - |
| Total current assets | 3,111 | 408 | 10,438 | 9,526 |
| Capital assets: | | | | |
| Machinery and equipment | - | - | - | - |
| Accumulated depreciation | - | - | - | - |
| Construction in progress | - | - | - | - |
| Total capital assets | - | - | - | - |
| Total assets | 3,111 | 408 | 10,438 | 9,526 |
| Liabilities and net position | | | | |
| Current liabilities: | | | | |
| Accounts payable | 819 | 14 | - | - |
| Advance from other funds | - | - | - | - |
| Interest payable | - | - | - | - |
| Capital leases | - | - | - | - |
| Claims payable | 446 | - | - | - |
| Compensated absences | - | - | 1,629 | 1,944 |
| Total current liabilities | 1,265 | 14 | 1,629 | 1,944 |
| Noncurrent liabilities: | | | | |
| Claims payable | - | - | - | - |
| Compensated absences | - | - | 11,839 | 2,980 |
| Capital leases | - | - | - | - |
| Total noncurrent liabilities | - | - | 11,839 | 2,980 |
| Total liabilities | 1,265 | 14 | 13,468 | 4,924 |
| Net position: | | | | |
| Net investment in capital assets | - | - | - | - |
| Unrestricted (deficits) | 1,846 | 394 | (3,030) | 4,602 |
| Total net position (deficits) | \$ 1,846 | 394 | (3,030) | 4,602 |

(Continued)

Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2014 (in thousands)

| | Post Employment Benefits Fund | ISD Wireless Fund | Total Internal Service Funds |
|-------------------------------------|-------------------------------------|----------------------|---------------------------------|
| Assets | | | |
| Current assets: | | | |
| Pooled cash and investments | \$ 6,787 | 2,315 | 98,967 |
| Interest receivable | 20 | 7 | 542 |
| Accounts receivable, net | - | - | 751 |
| Prepaid items | - | - | 506 |
| Total current assets | 6,807 | 2,322 | 100,766 |
| Capital assets: | | | |
| Machinery and equipment | - | 5,691 | 38,572 |
| Accumulated depreciation | - | (859) | (21,548) |
| Construction in progress | - | 1,860 | 3,611 |
| Total capital assets | - | 6,692 | 20,635 |
| Total assets | 6,807 | 9,014 | 121,401 |
| Liabilities and net position | | | |
| Current liabilities: | | | |
| Accounts payable | 20 | 449 | 2,682 |
| Advance from other funds | - | 2,262 | 2,262 |
| Interest payable | - | 37 | 63 |
| Capital leases | - | - | 670 |
| Claims payable | - | - | 11,939 |
| Compensated absences | - | - | 3,573 |
| Total current liabilities | 20 | 2,748 | 21,189 |
| Noncurrent liabilities: | | | |
| Claims payable | - | - | 32,558 |
| Compensated absences | - | - | 14,819 |
| Capital leases | - | - | 756 |
| Total noncurrent liabilities | - | - | 48,133 |
| Total liabilities | 20 | 2,748 | 69,322 |
| Net position: | | | |
| Net investment in capital assets | - | 5,369 | 17,886 |
| Unrestricted (deficits) | 6,787 | 897 | 34,193 |
| Total net position (deficits) | \$ 6,787 | 6,266 | 52,079 |

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

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

| | Fleet/Equipment Management Fund | Joint Helicopter Operation Fund | ISD Infrastructure Fund | ISD Applications Fund |
|---|------------------------------------|------------------------------------|----------------------------|--------------------------|
| Operating revenues: | | | | |
| Charges for services | \$ 11,806 | 605 | 8,934 | 8,148 |
| Miscellaneous revenue | 1 | - | 867 | - |
| Total operating revenues | 11,807 | 605 | 9,801 | 8,148 |
| Operating Expenses: | | | | |
| Salaries and benefits | 3,731 | 129 | 2,948 | 2,649 |
| Maintenance and operations | 5,924 | 1,080 | 4,155 | 3,802 |
| Equipment purchased | 28 | - | 273 | 60 |
| Claims and settlements | - | - | - | - |
| Depreciation | 2,129 | 109 | 118 | 11 |
| Total operating expenses | 11,812 | 1,318 | 7,494 | 6,522 |
| Operating income (loss) | (5) | (713) | 2,307 | 1,626 |
| Non operating revenues (expenses): | | | | |
| Interest revenue | 274 | 41 | 39 | 66 |
| Grant revenue | - | - | - | 16 |
| Interest expense | (73) | - | - | - |
| Total non operating revenues (expenses) | 201 | 41 | 39 | 82 |
| Income (loss) before capital contribution | 196 | (672) | 2,346 | 1,708 |
| Capital contributions | - | 774 | - | - |
| Change in net position | 196 | 102 | 2,346 | 1,708 |
| Net position (deficits), July 1 | 22,636 | 4,133 | 4,009 | 5,413 |
| Net position (deficits), June 30 | \$ 22,832 | 4,235 | 6,355 | 7,121 |

(Continued)

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

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

| | Unemployment Insurance Fund | Liability Insurance Fund | Compensation Insurance Fund | Dental Insurance Fund |
|---|--------------------------------|-----------------------------|--------------------------------|--------------------------|
| Operating revenues: | | | | |
| Charges for services | \$ 302 | 7,311 | 12,402 | 1,660 |
| Miscellaneous revenue | - | 1 | 2 | - |
| Total operating revenues | 302 | 7,312 | 12,404 | 1,660 |
| Operating Expenses: | | | | |
| Salaries and benefits | - | 325 | 786 | - |
| Maintenance and operations | 5 | 1,324 | 1,251 | 20 |
| Equipment purchased | - | - | - | - |
| Claims and settlements | 216 | 4,482 | 9,617 | 1,446 |
| Depreciation | - | - | 3 | - |
| Total operating expenses | 221 | 6,131 | 11,657 | 1,466 |
| Operating income (loss) | 81 | 1,181 | 747 | 194 |
| Non operating revenues (expenses): | | | | |
| Interest revenue | 5 | 204 | 203 | 8 |
| Grant revenue | - | - | - | - |
| Interest expense | - | - | - | - |
| Total non operating revenues (expenses) | 5 | 204 | 203 | 8 |
| Income (loss) before capital contribution | 86 | 1,385 | 950 | 202 |
| Capital contributions | - | - | - | - |
| Change in net position | 86 | 1,385 | 950 | 202 |
| Net position (deficits), July 1 | 388 | 7,902 | (16,757) | 515 |
| Net position (deficits), June 30 | \$ 474 | 9,287 | (15,807) | 717 |

(Continued)

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

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

| | Medical Insurance Fund | Vision Insurance Fund | Employee Benefits Fund | Retiree Health Savings Plan Benefits Fund |
|---|---------------------------|--------------------------|---------------------------|---|
| Operating revenues: | | | | |
| Charges for services | \$ 25,189 | 252 | 5,368 | 3,294 |
| Miscellaneous revenue | 80 | - | 5 | - |
| Total operating revenues | 25,269 | 252 | 5,373 | 3,294 |
| Operating Expenses: | | | | |
| Salaries and benefits | - | - | 13 | - |
| Maintenance and operations | 924 | 6 | 47 | 32 |
| Equipment purchased | - | - | - | - |
| Claims and settlements | 25,230 | 231 | 3,698 | (3,664) |
| Depreciation | - | - | - | - |
| Total operating expenses | 26,154 | 237 | 3,758 | (3,632) |
| Operating income (loss) | (885) | 15 | 1,615 | 6,926 |
| Non operating revenues (expenses): | | | | |
| Interest revenue | 28 | 5 | 107 | 93 |
| Grant revenue | - | - | - | - |
| Interest expense | - | - | - | - |
| Total non operating revenues (expenses) | 28 | 5 | 107 | 93 |
| Income (loss) before capital contribution | (857) | 20 | 1,722 | 7,019 |
| Capital contributions | - | - | - | - |
| Change in net position | (857) | 20 | 1,722 | 7,019 |
| Net position (deficits), July 1 | 2,703 | 374 | (4,752) | (2,417) |
| Net position (deficits), June 30 | \$ 1,846 | 394 | (3,030) | 4,602 |

(Continued)

Exhibit L-2

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

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

| | Post Employment Benefits Fund | ISD Wireless Fund | Total Internal Service Funds |
|---|----------------------------------|-------------------|---------------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 2,173 | 4,257 | 91,701 |
| Miscellaneous revenue | 93 | 2 | 1,051 |
| Total operating revenues | 2,266 | 4,259 | 92,752 |
| Operating Expenses: | | | |
| Salaries and benefits | - | 1,092 | 11,673 |
| Maintenance and operations | 3 | 1,629 | 20,202 |
| Equipment purchased | - | 567 | 928 |
| Claims and settlements | 2,122 | - | 43,378 |
| Depreciation | - | 580 | 2,950 |
| Total operating expenses | 2,125 | 3,868 | 79,131 |
| Operating income (loss) | 141 | 391 | 13,621 |
| Non operating revenues (expenses): | | | |
| Interest revenue | 72 | 19 | 1,164 |
| Grant revenue | - | - | 16 |
| Interest expense | - | (47) | (120) |
| Total non operating revenues (expenses) | 72 | (28) | 1,060 |
| Income (loss) before capital contribution | 213 | 363 | 14,681 |
| Capital contributions | - | - | 774 |
| Change in net position | 213 | 363 | 15,455 |
| Net position (deficits), July 1 | 6,574 | 5,903 | 36,624 |
| Net position (deficits), June 30 | \$ 6,787 | 6,266 | 52,079 |

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

| | Fleet/Equipment Management Fund | Joint Helicopter Operation Fund | ISD Infrastructure Fund |
|---|---------------------------------------|------------------------------------|----------------------------|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 11,777 | 548 | 9,801 |
| Cash paid to employees | (3,731) | (129) | (2,948) |
| Cash paid to suppliers | (5,828) | (1,077) | (4,009) |
| Net Cash provided (used) by operating activities | 2,218 | (658) | 2,844 |
| Cash flows from noncapital financing activities: | | | |
| Amounts paid to other funds | - | - | - |
| Grants Received | - | - | - |
| Net Cash provided (used) by noncapital financing activities | - | - | - |
| Cash flows from capital and related financing activities: | | | |
| Interest on long-term debt | (81) | - | - |
| Bond, premium and interest accrued | (647) | - | - |
| Contribution in aid | - | 774 | - |
| Acquisition of property, plant, and equipment | (905) | - | (1,341) |
| Net cash provided (used) by capital and related financing activities | (1,633) | 774 | (1,341) |
| Cash flows from investing activities: | | | |
| Interest received | 264 | 38 | 35 |
| Net increase (decrease) in cash and cash equivalents | 849 | 154 | 1,538 |
| Cash and cash equivalents at July 1 | 12,643 | 3,456 | 3,343 |
| Cash and cash equivalents at June 30 | 13,492 | 3,610 | 4,881 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | (5) | (713) | 2,307 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 2,129 | 109 | 118 |
| (Increase)Decrease Accounts receivable, net | (30) | (57) | - |
| (Increase)Decrease Prepaid expenses | - | - | - |
| Increase(Decrease) Compensated absences | - | - | - |
| Increase(Decrease) Accounts payable | 124 | 3 | 419 |
| Increase(Decrease) Claims payable | - | - | - |
| Total adjustments | 2,223 | 55 | 537 |
| Net cash provided (used) by operating activities | \$ 2,218 | (658) | 2,844 |
| Noncash investing, capital, and financing activities: | | | |
| Increase in fair value of investments | 9 | 2 | 2 |

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

| | ISD Applications Fund | Unemployment Insurance Fund | Liability Insurance Fund |
|---|--------------------------|--------------------------------|-----------------------------|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 7,836 | 302 | 7,312 |
| Cash paid to employees | (2,649) | - | (325) |
| Cash paid to suppliers | (3,859) | (221) | (5,231) |
| Net Cash provided (used) by operating activities | 1,328 | 81 | 1,756 |
| Cash flows from noncapital financing activities: | | | |
| Amounts paid to other funds | - | - | - |
| Grants Received | 16 | - | - |
| Net Cash provided (used) by noncapital financing activities | 16 | - | - |
| Cash flows from capital and related financing activities: | | | |
| Interest on long-term debt | - | - | - |
| Bond, premium and interest accrued | - | - | - |
| Contribution in aid | - | - | - |
| Acquisition of property, plant, and equipment | (20) | - | - |
| Net cash provided (used) by capital and related financing activities | (20) | - | - |
| Cash flows from investing activities: | | | |
| Interest received | 60 | 5 | 187 |
| Net increase (decrease) in cash and cash equivalents | 1,384 | 86 | 1,943 |
| Cash and cash equivalents at July 1 | 5,196 | 387 | 16,742 |
| Cash and cash equivalents at June 30 | 6,580 | 473 | 18,685 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | 1,626 | 81 | 1,181 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 11 | - | - |
| (Increase)Decrease Accounts receivable, net | (312) | - | - |
| (Increase)Decrease Prepaid expenses | - | - | - |
| Increase(Decrease) Compensated absences | - | - | - |
| Increase(Decrease) Accounts payable | 3 | - | (74) |
| Increase(Decrease) Claims payable | - | - | 649 |
| Total adjustments | (298) | - | 575 |
| Net cash provided (used) by operating activities | \$ 1,328 | 81 | 1,756 |
| Noncash investing, capital, and financing activities: | | | |
| Increase in fair value of investments | 4 | - | 12 |

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

| | Compensation Insurance Fund | Dental Insurance Fund | Medical Insurance Fund |
|---|--------------------------------|--------------------------|---------------------------|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 12,402 | 1,660 | 25,249 |
| Cash paid to employees | (786) | - | - |
| Cash paid to suppliers | (10,364) | (1,413) | (26,716) |
| Net Cash provided (used) by operating activities | 1,252 | 247 | (1,467) |
| Cash flows from noncapital financing activities: | | | |
| Amounts paid to other funds | - | - | - |
| Grants Received | - | - | - |
| Net Cash provided (used) by noncapital financing activities | - | - | - |
| Cash flows from capital and related financing activities: | | | |
| Interest on long-term debt | - | - | - |
| Bond, premium and interest accrued | - | - | - |
| Contribution in aid | - | - | - |
| Acquisition of property, plant, and equipment | - | - | - |
| Net cash provided (used) by capital and related financing activities | - | - | - |
| Cash flows from investing activities: | | | |
| Interest received | 191 | 7 | 33 |
| Net increase (decrease) in cash and cash equivalents | 1,443 | 254 | (1,434) |
| Cash and cash equivalents at July 1 | 17,068 | 601 | 3,898 |
| Cash and cash equivalents at June 30 | 18,511 | 855 | 2,464 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | 747 | 194 | (885) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 3 | - | - |
| (Increase)Decrease Accounts receivable, net | (2) | - | (20) |
| (Increase)Decrease Prepaid expenses | - | - | 77 |
| Increase(Decrease) Compensated absences | - | - | - |
| Increase(Decrease) Accounts payable | (7) | 53 | (326) |
| Increase(Decrease) Claims payable | 511 | - | (313) |
| Total adjustments | 505 | 53 | (582) |
| Net cash provided (used) by operating activities | \$ 1,252 | 247 | (1,467) |
| Noncash investing, capital, and financing activities: | | | |
| Increase in fair value of investments | 12 | 1 | 1 |

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

| | Vision Insurance Fund | Employee Benefits Fund | Retiree Health Savings Plan Benefits Fund |
|---|--------------------------|---------------------------|---|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 252 | 5,373 | 3,294 |
| Cash paid to employees | - | (13) | - |
| Cash paid to suppliers | (237) | (3,334) | (534) |
| Net Cash provided (used) by operating activities | 15 | 2,026 | 2,760 |
| Cash flows from noncapital financing activities: | | | |
| Amounts paid to other funds | - | - | - |
| Grants Received | - | - | - |
| Net Cash provided (used) by noncapital financing activities | - | - | - |
| Cash flows from capital and related financing activities: | | | |
| Interest on long-term debt | - | - | - |
| Bond, premium and interest accrued | - | - | - |
| Contribution in aid | - | - | - |
| Acquisition of property, plant, and equipment | - | - | - |
| Net cash provided (used) by capital and related financing activities | - | - | - |
| Cash flows from investing activities: | | | |
| Interest received | 5 | 99 | 82 |
| Net increase (decrease) in cash and cash equivalents | 20 | 2,125 | 2,842 |
| Cash and cash equivalents at July 1 | 387 | 8,283 | 6,657 |
| Cash and cash equivalents at June 30 | 407 | 10,408 | 9,499 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | 15 | 1,615 | 6,926 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | - | - | - |
| (Increase)Decrease Accounts receivable, net | - | - | - |
| (Increase)Decrease Prepaid expenses | - | - | - |
| Increase(Decrease) Compensated absences | - | 411 | (4,166) |
| Increase(Decrease) Accounts payable | - | - | - |
| Increase(Decrease) Claims payable | - | - | - |
| Total adjustments | - | 411 | (4,166) |
| Net cash provided (used) by operating activities | \$ 15 | 2,026 | 2,760 |
| Noncash investing, capital, and financing activities: | | | |
| Increase in fair value of investments | - | 7 | 6 |

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

| | Post Employment Benefits Fund | ISD Wireless Fund | Total Internal Service Funds |
|---|----------------------------------|-------------------|---------------------------------|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 2,266 | 5,571 | 93,643 |
| Cash paid to employees | - | (1,092) | (11,673) |
| Cash paid to suppliers | (2,116) | (1,883) | (66,822) |
| Net Cash provided (used) by operating activities | 150 | 2,596 | 15,148 |
| Cash flows from noncapital financing activities: | | | |
| Amounts paid to other funds | - | (538) | (538) |
| Grants Received | - | - | 16 |
| Net Cash provided (used) by noncapital financing activities | - | (538) | (522) |
| Cash flows from capital and related financing activities: | | | |
| Interest on long-term debt | - | (57) | (138) |
| Bond, premium and interest accrued | - | - | (647) |
| Contribution in aid | - | - | 774 |
| Acquisition of property, plant, and equipment | - | (102) | (2,368) |
| Net cash provided (used) by capital and related financing activities | - | (159) | (2,379) |
| Cash flows from investing activities: | | | |
| Interest received | 66 | 12 | 1,084 |
| Net increase (decrease) in cash and cash equivalents | 216 | 1,911 | 13,331 |
| Cash and cash equivalents at July 1 | 6,571 | 404 | 85,636 |
| Cash and cash equivalents at June 30 | 6,787 | 2,315 | 98,967 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | 141 | 391 | 13,621 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | - | 580 | 2,950 |
| (Increase)Decrease Accounts receivable, net | - | 1,312 | 891 |
| (Increase)Decrease Prepaid expenses | - | - | 77 |
| Increase(Decrease) Compensated absences | - | - | (3,755) |
| Increase(Decrease) Accounts payable | 9 | 313 | 517 |
| Increase(Decrease) Claims payable | - | - | 847 |
| Total adjustments | 9 | 2,205 | 1,527 |
| Net cash provided (used) by operating activities | \$ 150 | 2,596 | 15,148 |
| Noncash investing, capital, and financing activities: | | | |
| Increase in fair value of investments | 4 | 2 | 61 |

Exhibit M-1

CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2014 (in thousands)

| | Land | Construction in Progress | Infrastructure | Buildings and Improvements | Machinery and Equipment | Total |
|--|-------------------|--------------------------|-----------------|----------------------------|-------------------------|------------------|
| General government: | | | | | | |
| City council | \$ - | 248 | - | - | 2,240 | 2,488 |
| City clerk | - | - | - | 5 | 55 | 60 |
| City manager | - | (66) | - | 273 | 583 | 790 |
| Legal | - | - | - | 10 | 41 | 51 |
| Finance | - | - | - | - | 6,117 | 6,117 |
| Information services | - | - | 12,221 | 430 | 17,454 | 30,105 |
| Planning | - | - | - | - | 5 | 5 |
| Personnel | - | - | - | - | 246 | 246 |
| Total | - | 182 | 12,221 | 718 | 26,741 | 39,862 |
| Public Safety: | | | | | | |
| Police | 5,227 | - | - | 68,881 | 10,822 | 84,930 |
| Fire | 5,925 | 21 | - | 18,689 | 12,743 | 37,378 |
| Fire paramedics | - | - | - | - | 678 | 678 |
| Emergency services | - | - | - | - | 150 | 150 |
| Total | 11,152 | 21 | - | 87,570 | 24,393 | 123,136 |
| Public Works: | | | | | | |
| Public works | 16,208 | 3,263 | 36,373 | 1,560 | 1,564 | 58,968 |
| Engineering | - | - | - | - | 56 | 56 |
| Corporation yard | 282,468 | 18,604 | 245,456 | 74,395 | 1,204 | 622,127 |
| Mechanical maintenance | - | - | - | - | 154 | 154 |
| Traffic engineering | - | 2,030 | 5,455 | 922 | 350 | 8,757 |
| Transit administration | 15,441 | 48 | - | 3,267 | 17,048 | 35,804 |
| Air quality improvement | - | 36 | - | - | 514 | 550 |
| Total | 314,117 | 23,981 | 287,284 | 80,144 | 20,890 | 726,416 |
| Housing, health and community development | 19,943 | 1,617 | 326 | 11,588 | 872 | 34,346 |
| Employment programs | - | - | - | - | 155 | 155 |
| Parks, recreation and community services | 53,209 | 6,041 | - | 107,184 | 1,117 | 167,551 |
| Library | 448 | 10,476 | - | 9,888 | 1,917 | 22,729 |
| Total capital assets | 398,869 | 42,318 | 299,831 | 297,092 | 76,085 | 1,114,195 |
| Accumulated depreciation | - | - | (99,152) | (106,428) | (55,445) | (261,025) |
| Net capital assets | \$ 398,869 | 42,318 | 200,679 | 190,664 | 20,640 | 853,170 |

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

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

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

Exhibit M-2

CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity

Fiscal Year Ended June 30, 2014 (in thousands)

| | Balance at July 1 | Additions | Retirements | Reclass | Total |
|---|-------------------|-----------|-------------|---------|-----------|
| General government: | | | | | |
| City council | \$ 2,306 | 182 | - | - | 2,488 |
| City clerk | 60 | - | - | - | 60 |
| City manager | 821 | - | (31) | - | 790 |
| Legal | 51 | - | - | - | 51 |
| Finance | 6,117 | - | - | - | 6,117 |
| Information services | 30,105 | - | - | - | 30,105 |
| Planning | - | 5 | - | - | 5 |
| Personnel | 246 | - | - | - | 246 |
| Total | 39,706 | 187 | (31) | - | 39,862 |
| Public safety: | | | | | |
| Police | 84,031 | 953 | (54) | - | 84,930 |
| Fire | 37,343 | 35 | - | - | 37,378 |
| Fire paramedics | 678 | - | - | - | 678 |
| Emergency services | 150 | - | - | - | 150 |
| Total | 122,202 | 988 | (54) | - | 123,136 |
| Public works: | | | | | |
| Public works | 58,655 | 313 | - | - | 58,968 |
| Engineering | 56 | - | - | - | 56 |
| Corporation yard | 613,435 | 9,330 | (638) | - | 622,127 |
| Mechanical maintenance | 154 | - | - | - | 154 |
| Traffic engineering | 11,143 | 2,247 | (4,633) | - | 8,757 |
| Transit administration | 31,989 | 5,095 | (1,280) | - | 35,804 |
| Air quality improvement | 514 | 36 | - | - | 550 |
| Total | 715,946 | 17,021 | (6,551) | - | 726,416 |
| Housing, health and community development | 32,354 | 1,971 | - | 21 | 34,346 |
| Employment programs | 155 | - | - | - | 155 |
| Parks, recreation and community services | 164,601 | 2,950 | - | - | 167,551 |
| Library | 20,579 | 2,150 | - | - | 22,729 |
| Total capital assets | 1,095,543 | 25,267 | (6,636) | 21 | 1,114,195 |
| Accumulated Depreciation | (247,672) | (19,989) | 6,636 | - | (261,025) |
| Net Capital Assets | \$ 847,871 | 5,278 | - | 21 | 853,170 |

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

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

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

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