



City of Glendale, California

Comprehensive Annual Financial Report

Year Ended June 30, 2015



Glendale is a thriving cosmopolitan city that offers limitless opportunities. Downtown Glendale delivers all the amenities to live, work, and play within walking distance. This year's CAFR cover illustrates an "18-hour day" in the city. An 18-hour day involves waking up, working out, dining, meeting, working, and having fun from the early morning through the late evening hours.

The city is home to a dynamic business community, with major companies in healthcare, entertainment, manufacturing, retail, and banking. Those that work in downtown's high rise buildings have the luxury of living right next door in the newly constructed apartments, lofts, and condos. Glendale is a regional destination for dining and shopping with the Americana at Brand, Glendale Galleria, and a variety of on-the-go to upscale dining. To complete the 18-hour day, the vibrant urban center's Arts and Entertainment District satisfies cultural exploration through theatre, libraries, art centers, and the new Museum of Neon Art.

We invite you to explore all the downtown has to offer.

About The Cover



City of Glendale, California
City Council



Ara Najarian
MAYOR



Paula Devine
COUNCILMEMBER



Laura Friedman
COUNCILMEMBER



Vartan Gharpetian
COUNCILMEMBER



Zareh Sinanyan
COUNCILMEMBER



City of Glendale, California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015

Prepared by the Finance Department - Accounting Section

Robert Elliot, CPA, Director of Finance
Michele Flynn, CPA, CIA, CGAP, Assistant Director of Finance
Lily Fang, Finance Administrator

City of Glendale, California

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Introductory Section

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

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



November 30, 2015

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, 2015.

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

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

Profile of the City of Glendale

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

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

Noted for its high quality of life and fiscal stability, Glendale is the fourth largest city in Los Angeles County, encompassing 30.6 square miles and serving over 199,000 residents. The City operates under a council-manager form of government, with a five-member council elected at large to four-year overlapping terms, in addition to an elected City Clerk and City Treasurer. The mayor is elected by the City Council for a one-year term and is the presiding officer of the Council. The City Council is responsible for passing ordinances, adopting the budget, appointing various boards and commissions, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

Factors Affecting the Glendale Economy

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

The Local Economy - Continued capital investment is seen throughout the City in the form of business expansion as well as businesses attraction to Glendale's central location, public safety record and robust business environment. Of particular note is the entertainment industry which remains rooted in Southern California, with the Verdugo Region (Glendale/Burbank) particularly known for production (pre & post), animation, visual effects, and digital distribution. Glendale will benefit from growth in this sector through companies wanting to co-locate with Disney, DreamWorks and hundreds of ancillary production and equipment firms. Also of note are Glendale's regional shopping centers, the Glendale Galleria and Americana at Brand. Both have undergone expansion and renovation, which have reaffirmed Glendale as one of the region's leading shopping destinations. Several large development projects either recently completed or underway in Glendale will provide approximately 3,500 new residential units and 210,000 square feet of commercial space. Such investments by the business community indicate a continued confidence in Glendale.

Overall, Glendale's economy is one of the most diverse within the Los Angeles region largely due to a healthy mix of business and industry that operates within its borders. Industry clusters include:

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

Economic Development Highlights - Economic development accomplishments for 2015 in Glendale are numerous and vary in size and scope. Highlights include:

- **Class A Office Attraction** - 2015 has become an essential year for Class A office occupancy since its decline during the Great Recession. In 2010, Glendale was hard hit with company closures and contractions in its Class A office environment. For several years, Glendale underperformed the region in Class A office occupancy, and vacancy reached a high of over 25% in 2011. Tremendous strides in occupancy growth have occurred over the last five years with several office companies locating in Glendale due to the increase in lifestyle amenities located in Downtown Glendale. In 2015, the vacancy rate decreased to 13.7%, and the City's goal to reduce Class A office vacancy has been achieved.
- **Glendale's "18-hour City"** - Sales tax records confirm that 2015 was a banner year for Glendale as a destination; new retail continues to broaden the reach of Glendale trade area. With new urban housing options and amenities for visitors, residents and business inhabitants, Glendale has been cited in numerous articles as being a new regional hotspot. New, on-trend restaurant chains such as Bourbon Steakhouse, King Taco, Tender Greens, Lemonade, and Buffalo Wild Wings have recently opened. A new cultural venue, Antaeus Theater Company has broken ground in the downtown area, as well as a project to update the Central Library to better serve the 18-hour community. The Museum of Neon Art is expected to open by the end of the year.
- **Tech Focus** - 2015 has become a pivotal year for Glendale's Economic Development progress as it continues to foster the growth of diverse high-performing business clusters that will sustain Glendale's re-emergence as a strong regional economic force. Coinciding with the strengthening of Glendale Class A office core, has been a statewide acknowledgement that technology-related companies can provide a high level of economic stability and growth for municipalities. Glendale has within its city limits the ability to maximize the growth of technology and is already host to several companies that represent the highest technology innovations in their respective industries. The City commenced the development of a strategic plan that identifies Glendale's current role in the tech industry and developed a detailed implementation plan that further cultivates Glendale based technology firms.
- **Media Campaign** - A multi-faceted media effort has been launched to complement business attraction efforts. Under the campaign GlendaleBiz, a new social media platform has been initiated to complement the City's on-line presence. The City was recognized as the Most Business Friendly City in L.A. County by the Los Angeles Economic Development Corporation. A series of advertisements in the Los Angeles Business Journal and the Pasadena Weekly were placed to highlight Glendale's strategic location for business and visitation. News releases have been disseminated to garner further publicity. The Mayor and City Council conducted several press conferences, public meetings and presentations to inform the media and community about happenings in Glendale.

- **Business Districts** – The Downtown Glendale Association (DGA), Montrose Shopping Park (MSP), Brand Boulevard of Cars (BBOC) and others continue to be a focus. In 2015, through their partnerships with economic development staff, these organizations continued to promote their constituents' success by providing safe, clean environments in which to do business.

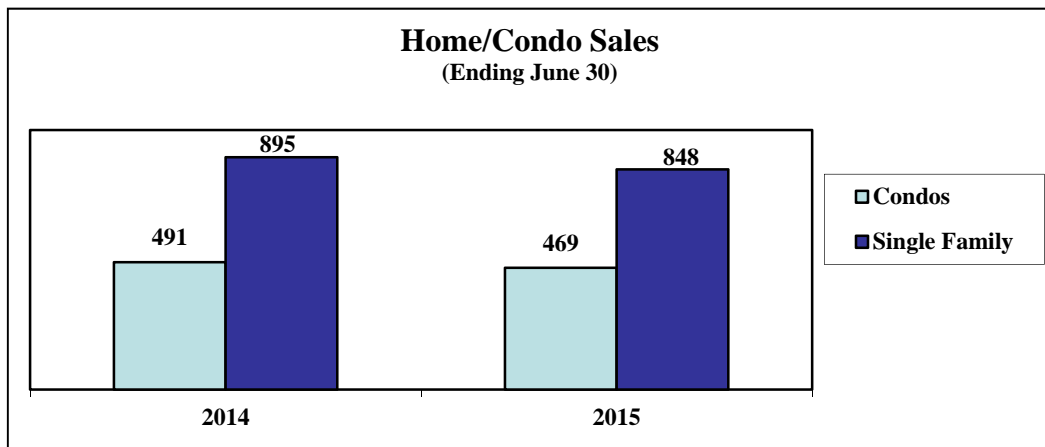
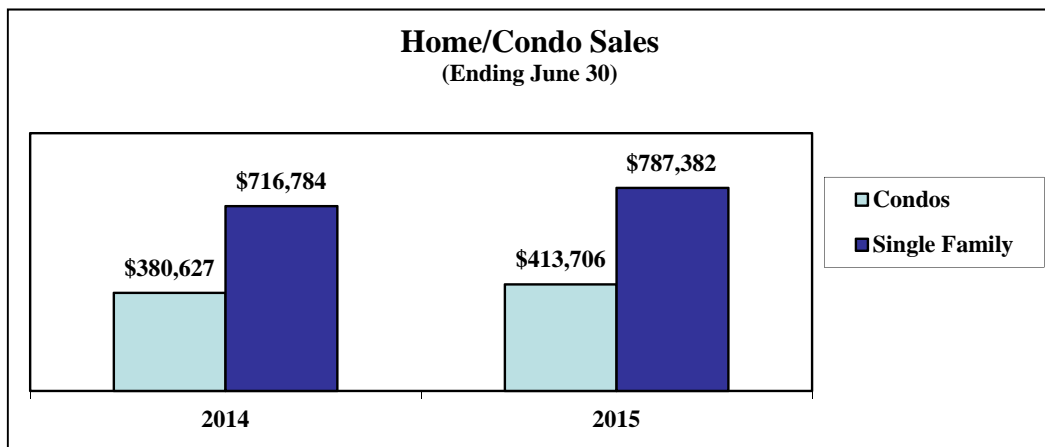
Employment - As of August 2015, 100,400 individuals worked in the City of Glendale. In terms of occupations, the American Community Survey, 2009 to 2013 indicates that 37,962 were employed in Glendale in management, business, arts, or science occupations (the single largest group) with median annual earnings of \$57,871. The same survey indicates that 23,909 were employed in Sales and office occupations (second largest) with median earnings of \$29,022, and 14,486 were employed in Service occupations (the third largest group) with median earnings of \$16,169.

- **Unemployment Levels** - At the commencement of the Great Recession in December 2007, Glendale's unemployment rate was 4.8% and by the end of the Recession in June 2009 it grew up to 10.1%. At the end of FY 2014-15 Glendale's unemployment rate has dropped to 7.1%.
- **Industry Employment Status** - The City of Glendale's largest industries consist of healthcare, entertainment and retail. The increased volume of insured patients under Affordable Care Act (ACA) requires additional healthcare personnel to cope with increasing patient loads. The effects can be seen most clearly at healthcare clinics, physician offices and pharmacies where employment growth has been positive. In FY 2014-15, Glendale Adventist and Glendale Memorial Medical Centers continue to be ranked in the City of Glendale's top ten employers. Between 2012 and 2022, the fastest growing healthcare occupations will include personal care aides, orthotists, and prosthetists, home health aides, health specialties teachers and skincare specialists.

The entertainment industry is quickly growing as digital media and digital entertainment are rapidly becoming the norm. Digital entertainment is projected to surpass DVD and Blu-ray revenue for the first time in 2016; with this trend, shortages in the number of skilled and available technical workers are expected. Agents, business managers, musicians, singers, producers and directors will be among the highest demand occupations in Entertainment through 2022. DreamWorks Animation and Walt Disney Imagineering continue to be significant employers in the City of Glendale.

Glendale's retail sector continues to experience moderate growth as the region's economy continues to recover from the effects of the Great Recession. The Glendale Galleria and Americana at Brand retail complexes provide many of the retail employment opportunities in the area. Employment in retail has been buoyed by improving sales volumes and additional store openings. Recent sales tax revenues confirm Glendale's growth as a retail destination with big gains by department stores, new car dealerships and casual dining establishments. Similarly, recent openings boosted the restaurant and hotel sector revenues. About half of the overall rise in post-holiday sales in general consumer goods resulted from the impressive performance of electronics/appliance stores.

Housing - Based on the “2014 Annual Report” issued by the Los Angeles County Office of the Assessor, Glendale experienced a net taxable property value increase of 5.2%, which was slightly less than the increase experienced countywide at 5.47%. According to the City’s property tax consultant, HDL, Glendale’s housing market showed a slight decrease in sales volume and a slight increase in an average home price of \$787,382 in FY 2014-15, compared to \$716,784 in FY 2013-14. The condominium sales also showed a decrease in sales volume and an increase in an average price of \$413,706 for FY 2014-15, compared to \$380,627 for FY 2013-14.



Local Government Finance

The slow economic recovery in conjunction with the State's efforts to address its budget deficit by taking resources from cities have combined to make these past few years some of the most difficult budget years in recent history. In spite of the difficulty involved with balancing the budget each year, the City has approached the challenge in a professional and constructive manner. The focus clearly remains on how to best serve our diverse community - carefully balancing the myriad of needs with limited resources. Today Glendale is trimmer and more efficient than any time in the last two decades, yet still able to offer an exceptional quality of life and service profile that is comparable to or exceeds any municipality in the region. Glendale has led the way in the areas of pension reform and compensation reform in order to help ensure that operating costs do not crowd out service provision to the community.

With positive indicators such as rising consumer confidence, improvements in the housing market, increased construction activity, and reduced rate of unemployment, Glendale is forecasting modest growth in the key General Fund revenues such as property, sales, and utility users' taxes for the upcoming year. Long-term growth rates for General Fund revenues are projected to grow rather modestly, averaging about 2.8% annual growth over the next seven years. Although the City continues to face challenges such as the ongoing increase in pension costs, reduced grant funding, the significant fund deficit in the Compensation Insurance Fund, as well as aging infrastructure in the ISD funds, and the need to fund future replacement of vehicles in the Fleet/Equipment Management Fund, the financial forecasts factor in these challenges show that as long as the City continues to remain diligent and disciplined, the City is headed towards an operationally and structurally balanced organization in the years to come.

Long-term Financial Planning

Current Challenges - Despite the fact that the economy is improving and the economic indicators are all trending positive, the City still faces tremendous challenges in the coming years. One of the greatest challenges is the uncertainty of the Glendale Redevelopment Agency (GRA) loan repayment, since the City is relying on these funds to meet operation obligations. Other significant challenges on the horizon include: expected rise in pension costs due to changes in the PERS actuarial assumptions, shoring up the Internal Service Funds, and providing a stable funding source for General Fund Capital Improvement Projects.

During the FY 2015-16 first budget study session, a five-year General Fund Forecast was provided to the City Council. Based on the conservative assumptions, the forecast gives path towards achieving structural balance while outlining the challenges that lay ahead. The good news is that all of the costs – operational (day-to-day staffing and maintenance & operation), long-term employment obligations (PERS and OPEB), organizational infrastructure (internal service funds), and capital replacement – can largely be met by even modest and sustained growth in the revenues. The bad news is that the uncertainty of the GRA loan still exists. The uncertainty of the GRA loan repayment threatens the City's financial position in the out years since, as the City is relying on these funds to reduce the unfunded portion of the obligations.

The City has been looking to implement an alternate other postemployment benefits (OPEB) strategy to reduce the over \$200 million OPEB obligation by unblending the retirees' medical

premiums from the City's active employee plans. Historically, the City subsidized the retirees' medical premiums by including them with the active employees' medical plans. By including the retirees with the active employees, an "implied subsidy" was created where the risk is spread over an entire population versus a specific population, and thus creates an unfunded OPEB obligation. With the implementation of the Affordable Care Act, the retirees now have access to more affordable medical plans offered by the City's medical insurance broker or the State's exchange program. In October 2015, the City Council approved unblending medical insurance premium rates between active employees and retired employees effective June 1, 2016, and the authorized subsidies for existing retired employees currently participating in the City's retiree medical insurance plans who meet specific criteria. Accordingly, the City has projected that the OPEB obligation is going to be reduced to approximately \$20 million based on the preliminary actuarial calculation: \$4 million for the Lower Income Retiree Subsidy and \$16 million for the Medicare Part A reimbursement.

Moving forward, the City's continuing challenge is to minimize the negative impact on the community and customers from the past and future restructuring and ensure value to the taxpayers. Glendale's value proposition is the combination of the Council's priorities, the City's strategic goals and key performance indicators. Council ultimately sets the tone, the vision and the policy for the City. During the FY 2015-16 budget process, Council reaffirmed the following priorities:

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

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 City manages its pooled idle cash and investments under a formal investment policy that follow the guidelines of the State of California Government Code, which is then reviewed by the Investment Committee and adopted by the City Council.

The following table presents a comparison of the City's cash and investments for fiscal years 2012, 2013, 2014 and 2015.

Fiscal years ended June 30,

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|----------------------|---------------|---------------|---------------|---------------|
| Cash and investments | \$567,084,000 | \$533,308,000 | \$439,023,000 | \$378,274,000 |

Risk Management - The City is self-insured up to \$2 million for claims filed under the comprehensive general liability and Workers' Compensation insurance programs. The City purchases excess liability insurance policies for general liability claims to cover losses up to \$20 million, and an amount up to statutory limits for the Workers' Compensation program. The City also purchases Property/Casualty, Aviation, Employment Practices, Directors and Officers, and other smaller insurance policies for specific activities. Insurance coverage and the associated premiums are reviewed annually to ensure the City is properly covered.

The City's Risk Management program is comprised of Insurance Services and Employee Safety. The primary goal of Insurance Services is to effectively address potential risk factors that affect both the City and its employees. The Safety Section works with City Departments to evaluate and mitigate workplace hazards, assist in providing safety training, conduct accident investigations, and ensure compliance with Cal/OSHA regulations.

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

Independent Audit

The City's financial statements have been audited by the firm of Vavrinek, Trine, Day & Company, LLP, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Glendale, California for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Glendale, California's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. Their unmodified opinion on the City's basic financial statements is included within this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The

standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and other financial reporting and compliance with legal requirements, and on compliance and internal control over compliance for each major federal program selected. These reports are available in the City's separately issued *Single Audit Report*.

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 twenty fiscal years ended June 30, 1995 through June 30, 2014. 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 Department. Each member of the department has my sincere appreciation for their contribution in the preparation of this report.

A special commendation should be attributed to Ms. Lily Fang, Finance Administrator. For the past 32 years, she has been a big part of the success of the Finance Department, including the production of the CAFR and countless other projects. She is retiring in December 2015 and we thank her for all that she has contributed in her career to the success of the City of Glendale.

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

RESPECTFULLY SUBMITTED,

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

ROBERT ELLIOT, CPA
DIRECTOR OF FINANCE

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City of Glendale, California

Officials of the City of Glendale

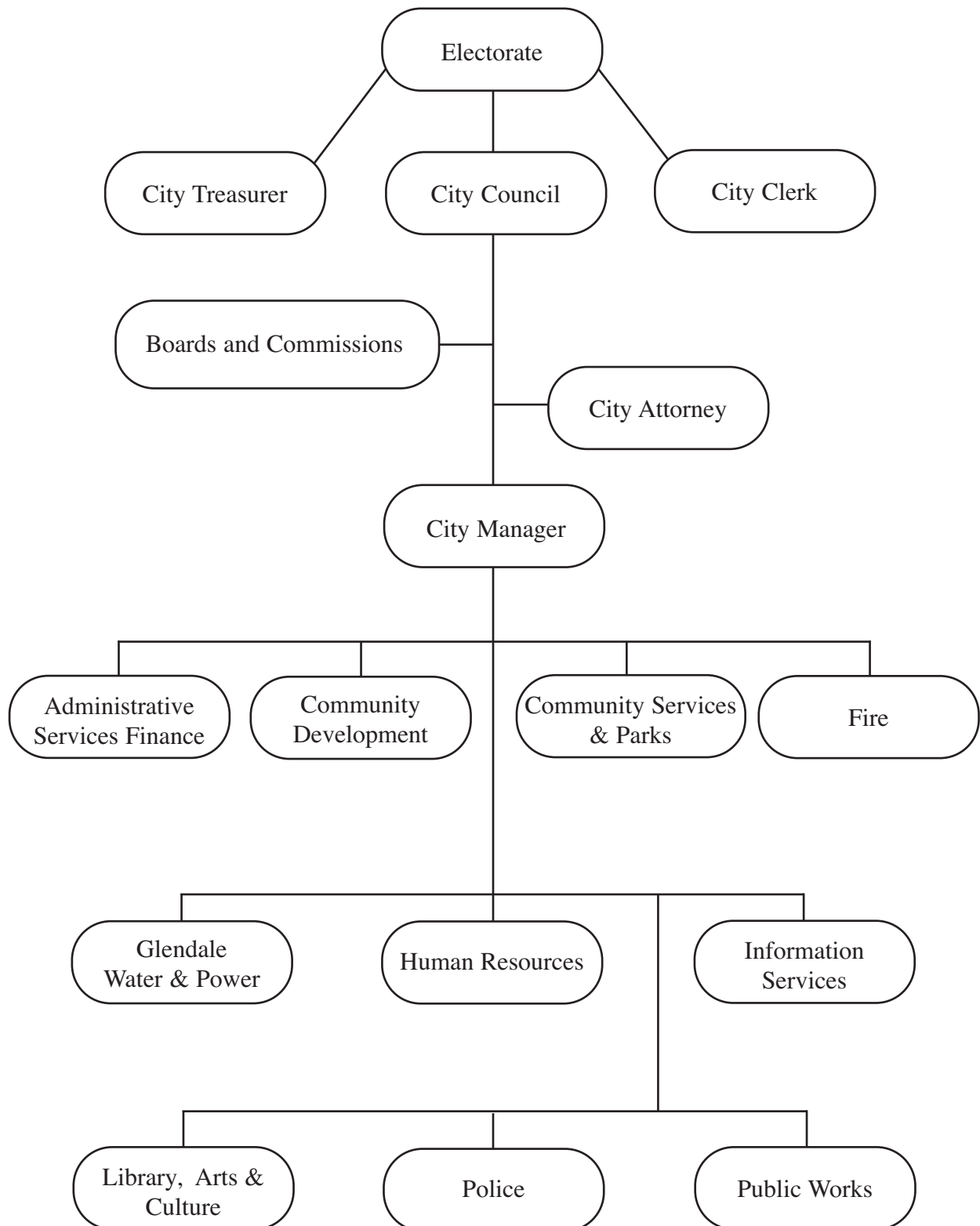
June 30, 2015

Administration and Executive Management Team

| | |
|--|-----------------------|
| City Manager | Scott Ochoa |
| Assistant City Manager | Yasmin K. Beers |
| Deputy City Manager | John Takhtalian |
| Police Chief | Robert M. Castro |
| Director of Library, Arts & Culture | Cindy Cleary |
| Director of Human Resources | Matthew Doyle |
| Director of Community Services & Parks | Jess Duran |
| Director of Finance | Robert P. Elliot, CPA |
| Interim Fire Chief | Gregory Fish |
| Chief Information Officer | Brian Ganley |
| City Attorney | Michael J. Garcia |
| Director of Public Works | Roubik Golanian |
| City Clerk | Ardashes Kassakhian |
| Director of Economic Development | Philip Lanza fame |
| Interim Director of Community Development | Philip Lanza fame |
| Director of Communications & Community Relations | Tom Lorenz |
| City Treasurer | Rafi Manoukian, CPA |
| General Manager of Glendale Water & Power | Stephen Zurn |

City of Glendale, California

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Glendale for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 20th consecutive year that the City of Glendale has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Glendale
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

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

Executive Director/CEO

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Financial Section

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

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





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Housing Assistance Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 19 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, effective July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and other schedules, and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Vavrinick, Trine, Day & Co. LLP

Rancho Cucamonga, California
November 30, 2015

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CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2015

(in thousands)

As management of the City of Glendale (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - ix of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY 2014-15 by \$1,244,111 (net position), which was comprised of net investment in capital assets of \$1,319,866, restricted net position of \$80,082 and unrestricted net deficit of (\$155,837). The unrestricted net position consists of a negative \$315,057 for governmental activities and \$159,220 for business-type activities. The negative unrestricted net position for governmental activities is due to the recognition of net pension liability.
- The City's total net position increased by \$47,495. Most of this increase is attributable to the increase in charges for services, taxes and transfers of capital assets from the Successor Agency.
- As of the close of FY 2014-15, the City's governmental funds reported combined ending fund balances of \$200,256, an increase of \$38,538 in comparison with the prior year. About 17.4% of this total amount, \$34,859 is unassigned and available for spending at the government's discretion.
- At the end of FY 2014-15, charter required stabilization reserve of \$23,433, and unassigned fund balance of \$40,819 for the General Fund totaled \$64,252, representing about 35.1% of FY 2015-16 adopted budget of \$182,891. The General Fund reserve levels have historically been maintained above 30.0% of General Fund appropriations, in accordance with the current reserve policy (a floor of 30.0% with a target of 35.0%) adopted by the City Council.
- The City's total debt increased by \$19,576 (4.0%) in FY 2014-15. The factors of this increase were a combination of items such as an increase of post-employment benefits of \$18,921; an increase of compensated absences of \$8,176; an increase of landfill postclosure care of \$1,108; as well as decreases such as debt retirements through regular annual payments.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2015

(in thousands)

time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

The government-wide financial statements can be found on pages 25-27 of this report.

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

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

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

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2015

(in thousands)

balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 41 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 General Fund, Housing Assistance Fund and the Capital Improvement Fund, all of which are considered to be major funds. Data from the other 38 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its General Fund, special revenue and debt service fund types. Budgetary comparison information has been provided for the above fund types to demonstrate compliance with the budget.

Effective June 30, 2015, Recreation Fund, Hazardous Disposal Fund and Parking Fund have been reclassified as special revenue funds from enterprise funds per Council approval in June 2015. The three funds' activities are presented in enterprise funds during the current fiscal year, and assets and deferred outflows of resources, liabilities and deferred inflows of resources, and equities have been transferred from enterprise fund type to special revenue fund type and governmental activities as of June 30, 2015.

The basic governmental fund financial statements can be found on pages 28-42 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 43-46 of this report.

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

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Management's Discussion and Analysis

June 30, 2015

(in thousands)

Since the resources of fiduciary fund are not available to support the City's own programs, it is not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on pages 47-48 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49-97 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, which can be found on pages 98-102 of this report. Combining and individual fund statements and schedules can be found on pages 103-171 of this report.

Government-wide Financial Analysis

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,244,111 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (106.1%) reflects its net investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2015

(in thousands)

**City of Glendale's Net Position
As of June 30,**

| | | Governmental activities | | Business-type activities | | Total | |
|--|----|------------------------------------|-----------|-------------------------------------|-----------|--------------|-----------|
| | | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Current and other assets | \$ | 361,186 | 319,726 | 326,366 | 326,309 | 687,552 | 646,035 |
| Capital assets | | 923,344 | 873,806 | 643,611 | 673,807 | 1,566,955 | 1,547,613 |
| Deferred outflows of resources | | 25,048 | - | 6,239 | 1,291 | 31,287 | 1,291 |
| Total assets and deferred outflows of resources | | 1,309,578 | 1,193,532 | 976,216 | 1,001,407 | 2,285,794 | 2,194,939 |
| Current liabilities | | 47,979 | 41,029 | 24,709 | 36,168 | 72,688 | 77,197 |
| Noncurrent liabilities | | 549,066 | 202,130 | 330,701 | 264,706 | 879,767 | 466,836 |
| Deferred inflows of resources | | 70,436 | - | 18,792 | - | 89,228 | - |
| Total liabilities and deferred inflows of resources | | 667,481 | 243,159 | 374,202 | 300,874 | 1,041,683 | 544,033 |
| Net investment in capital assets | | 882,741 | 829,862 | 437,125 | 484,467 | 1,319,866 | 1,314,329 |
| Restricted | | 74,413 | 73,323 | 5,669 | 5,669 | 80,082 | 78,992 |
| Unrestricted | | (315,057) | 47,188 | 159,220 | 210,397 | (155,837) | 257,585 |
| Total net position | \$ | 642,097 | 950,373 | 602,014 | 700,533 | 1,244,111 | 1,650,906 |

As noted above, 6.4% of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net deficit of (\$155,837) resulted from the recognition of net pension liability. Of this total, \$159,220 is in business-type activities such as electric, water, and sewer utilities.

Governmental activities. Governmental activities increased the City's net position by \$62,838. Key elements of this increase are as follows:

- Police and Fire expenses increased by \$3,297 (4.6%) and \$1,426 (3.0%) respectively. The increase is primarily due to the increase of compensation insurance and PERS rates.
- Transfers increased by \$38,889 (162.2%) during the current fiscal year mainly due to the reclassification of Recreation, Hazardous Disposal and Parking Funds from business-type activities to governmental activities.
- Transfers of capital assets increased by \$22,087 (100.0%) during the current fiscal year due to the transfer of Americana open space and Alex Theater from Glendale Successor Agency to the City.
- Capital grants and contributions decreased by \$4,165 (37.4%) during the current fiscal year due to less grant funding for capital projects.

CITY OF GLENDALE

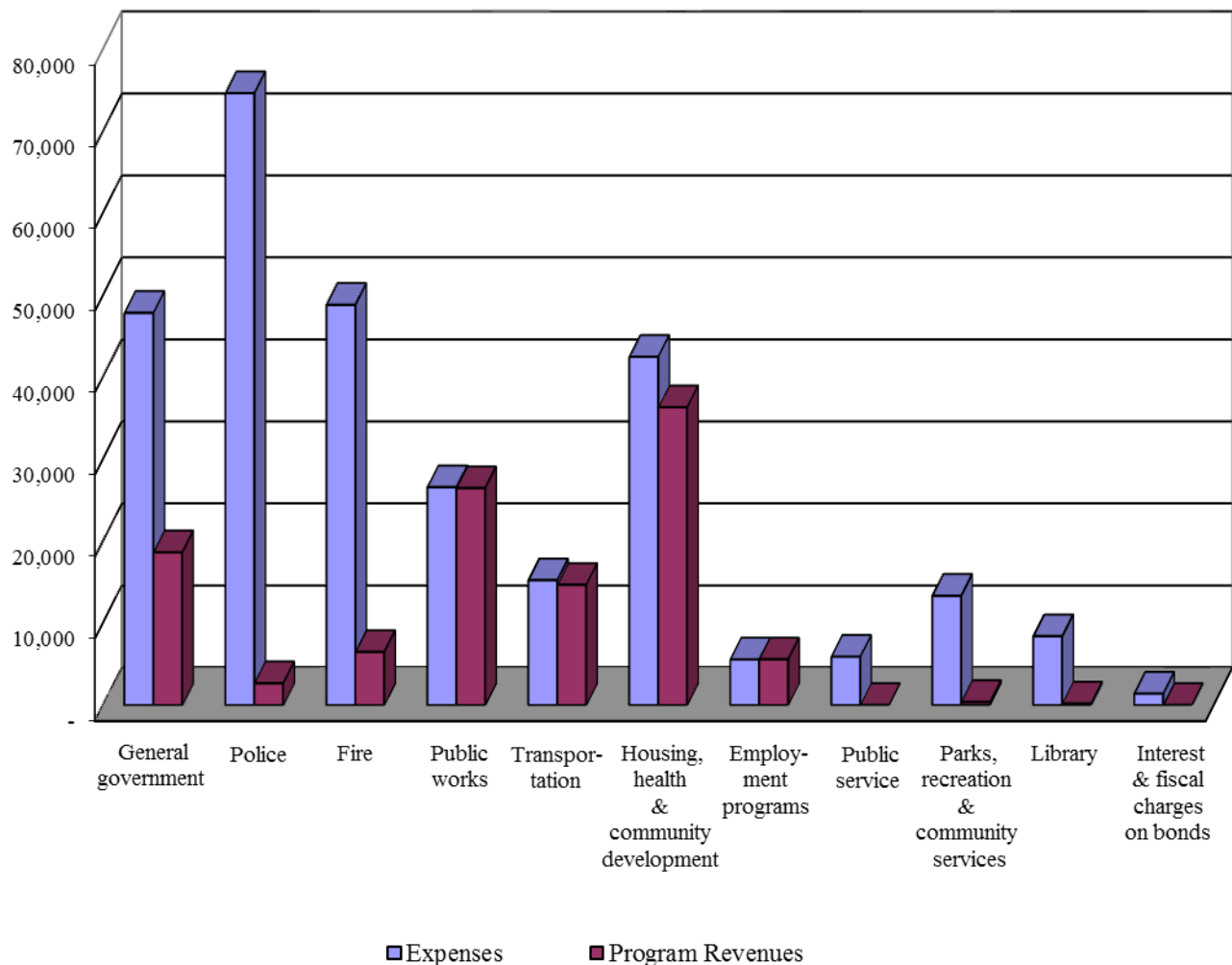
Management's Discussion and Analysis

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(in thousands)

- Investment income decreased by \$215 (12.1%) during the current fiscal year. In spite of better return on investments and overall increase in the market value of the portfolio investments during the current fiscal year for all governmental activities, investment income showed a decrease as a result of the reversal of the unrealized loss of the City investments recorded in FY 2013-14 per GASB 31.
- General government expense decreased by \$16,954 (26.2%) during the current fiscal year. There was a one-time reclassification of post employment benefit expenses to governmental activities from business-type activities in FY 2013-14, which resulted in more expenses in governmental activities relative to the current fiscal year. Also some of community development functions were moved to general government in the current fiscal year.

Expenses and Program Revenues – Governmental Activities



CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2015

(in thousands)

City of Glendale's Change in Net Position For the Fiscal Year Ended June 30,

| | Governmental activities | | Business-type activities | | Total | |
|---|-------------------------|----------|--------------------------|----------|-----------|-----------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 48,930 | 42,129 | 318,216 | 292,602 | 367,146 | 334,731 |
| Operating grants and contributions | 55,415 | 63,195 | 120 | 299 | 55,535 | 63,494 |
| Capital grants and contributions | 6,969 | 11,134 | 2,306 | 796 | 9,275 | 11,930 |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | 50,883 | 47,623 | - | - | 50,883 | 47,623 |
| Sales taxes | 36,330 | 35,408 | - | - | 36,330 | 35,408 |
| Utility users tax | 27,766 | 27,018 | - | - | 27,766 | 27,018 |
| Other taxes | 17,305 | 15,512 | - | - | 17,305 | 15,512 |
| Investment income | 1,561 | 1,776 | 1,915 | 2,725 | 3,476 | 4,501 |
| Other: | | | | | | |
| Reinstatement of loans | - | 13,613 | - | - | - | 13,613 |
| Miscellaneous | 22,766 | 16,484 | 8,593 | 11,505 | 31,359 | 27,989 |
| Total revenues | 267,925 | 273,892 | 331,150 | 307,927 | 599,075 | 581,819 |
| Expenses: | | | | | | |
| General government | 47,822 | 64,776 | - | - | 47,822 | 64,776 |
| Police | 74,596 | 71,299 | - | - | 74,596 | 71,299 |
| Fire | 48,796 | 47,370 | - | - | 48,796 | 47,370 |
| Public works | 26,558 | 41,126 | - | - | 26,558 | 41,126 |
| Transportation | 15,222 | - | - | - | 15,222 | - |
| Housing, health and community development | 42,472 | 38,536 | - | - | 42,472 | 38,536 |
| Employment program | 5,557 | 5,642 | - | - | 5,557 | 5,642 |
| Public service | 5,895 | 5,173 | - | - | 5,895 | 5,173 |
| Parks, recreation and community services | 13,325 | 12,372 | - | - | 13,325 | 12,372 |
| Library | 8,392 | 7,893 | - | - | 8,392 | 7,893 |
| Interest and fiscal charges | 1,398 | 2,553 | - | - | 1,398 | 2,553 |
| Recreation | - | - | 2,584 | 2,338 | 2,584 | 2,338 |
| Hazardous disposal | - | - | 1,511 | 1,170 | 1,511 | 1,170 |
| Fire communications | - | - | 2,965 | 2,521 | 2,965 | 2,521 |
| Parking | - | - | 7,702 | 6,317 | 7,702 | 6,317 |
| Sewer | - | - | 17,421 | 14,353 | 17,421 | 14,353 |
| Refuse disposal | - | - | 18,519 | 16,143 | 18,519 | 16,143 |
| Electric | - | - | 187,864 | 179,322 | 187,864 | 179,322 |
| Water | - | - | 45,068 | 42,927 | 45,068 | 42,927 |
| Total expenses | 290,033 | 296,740 | 283,634 | 265,091 | 573,667 | 561,831 |
| Excess (deficiency) before transfers and special item | (22,108) | (22,848) | 47,516 | 42,836 | 25,408 | 19,988 |
| Transfers | 62,859 | 23,970 | (62,859) | (23,970) | - | - |
| Special item: Transfers of capital assets | 22,087 | - | - | - | 22,087 | - |
| Change in net position | 62,838 | 1,122 | (15,343) | 18,866 | 47,495 | 19,988 |
| Net position – Beginning of the year, as restated | 579,259 | 949,251 | 617,357 | 681,667 | 1,196,616 | 1,630,918 |
| Net position – End of the year | \$ 642,097 | 950,373 | 602,014 | 700,533 | 1,244,111 | 1,650,906 |

CITY OF GLENDALE

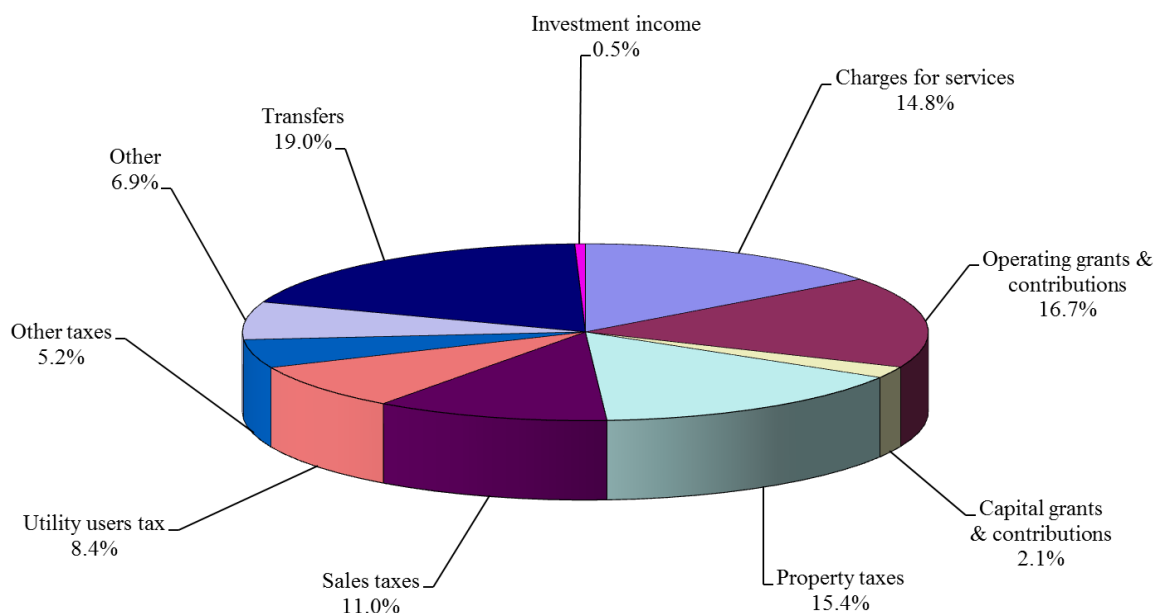
Management's Discussion and Analysis

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(in thousands)

Due to the implementation of the GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, the beginning net position of FY 2014-15 was restated. However, the FY 2013-14 net position was not restated because California Public Employees' Retirement System (CalPERS), the investment and administrative agent for the City's retirement system, did not provide the information, as such, it was not practicable to restate for all prior years.

Revenues & Transfers by Source – Governmental Activities



Business-type activities. Business-type activities net position decreased by \$15,343. Key elements of this decrease are as follows.

- Other revenues decreased by \$2,912 (25.3%) during the current fiscal year. The decrease is mainly due to a one-time receipt of Glendale's share of the surplus money from the Multiple Project Proceeds Account for the benefit of the SCPA Mead-Adelanto and Mead-Phoenix participants from the prior fiscal year.
- Investment income decreased by \$810 (29.7%) during the current fiscal year. In spite of better return on investment and overall increase in the market value of the portfolio investments during the current fiscal year for all business-type activities, investment income showed a decrease as a result of the reversal of the unrealized loss of City investments recorded in FY 2013-14 per GASB 31.
- Charges for services increased by \$25,614 (8.8%) during the current fiscal year. Higher domestic and commercial electric sales were the primary factor leading to an increase in charges for services in all business-type activities. The implementation of the drought surcharge that went effective in March 2015 as part of the mandatory water conservation mandates by the Glendale City Council also contributed to the increase in charges for services.

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2015

(in thousands)

- Operating and capital grants and contributions increased by \$1,331 (121.6%) during the current fiscal year. The net increase is mainly due to (i) a decrease in Recreation Fund operating grant for Sports Complex by \$175, (ii) an increase in Electric Fund capital grant for AMI Smart Grid by \$323 received from California Energy Commission, and (iii) an increase in Water Fund capital contributions by \$1,279 due to LADWP reimbursements for the Bette Davis Water Project recycled water pipeline extension.
- Electric expenses increased by \$8,542 (4.8%) during the current fiscal year. There was a one-time reclassification of post employment benefit expenses to governmental activities from business-type activities in FY 2013-14, which resulted in fewer expenses in business-type activities relative to the current fiscal year.
- Water expenses increased by \$2,141 (5.0%) during the current fiscal year. There was a one-time reclassification of post employment benefit expenses to governmental activities from business-type activities in FY 2013-14, which resulted in fewer expenses in business-type activities relative to the current fiscal year.
- Sewer expense increased by \$3,068 (21.4%) during the current fiscal year. There was a one-time reclassification of post employment benefit expenses to governmental activities from business-type activities in FY 2013-14, which resulted in fewer expenses in business-type activities relative to the current fiscal year.
- Other enterprise activities' expense increase by \$4,792 (16.8%) during the current fiscal year. There was a one-time reclassification of post employment benefit expenses to governmental activities from business-type activities in FY 2013-14, which resulted in fewer expenses in business-type activities relative to the current fiscal year.

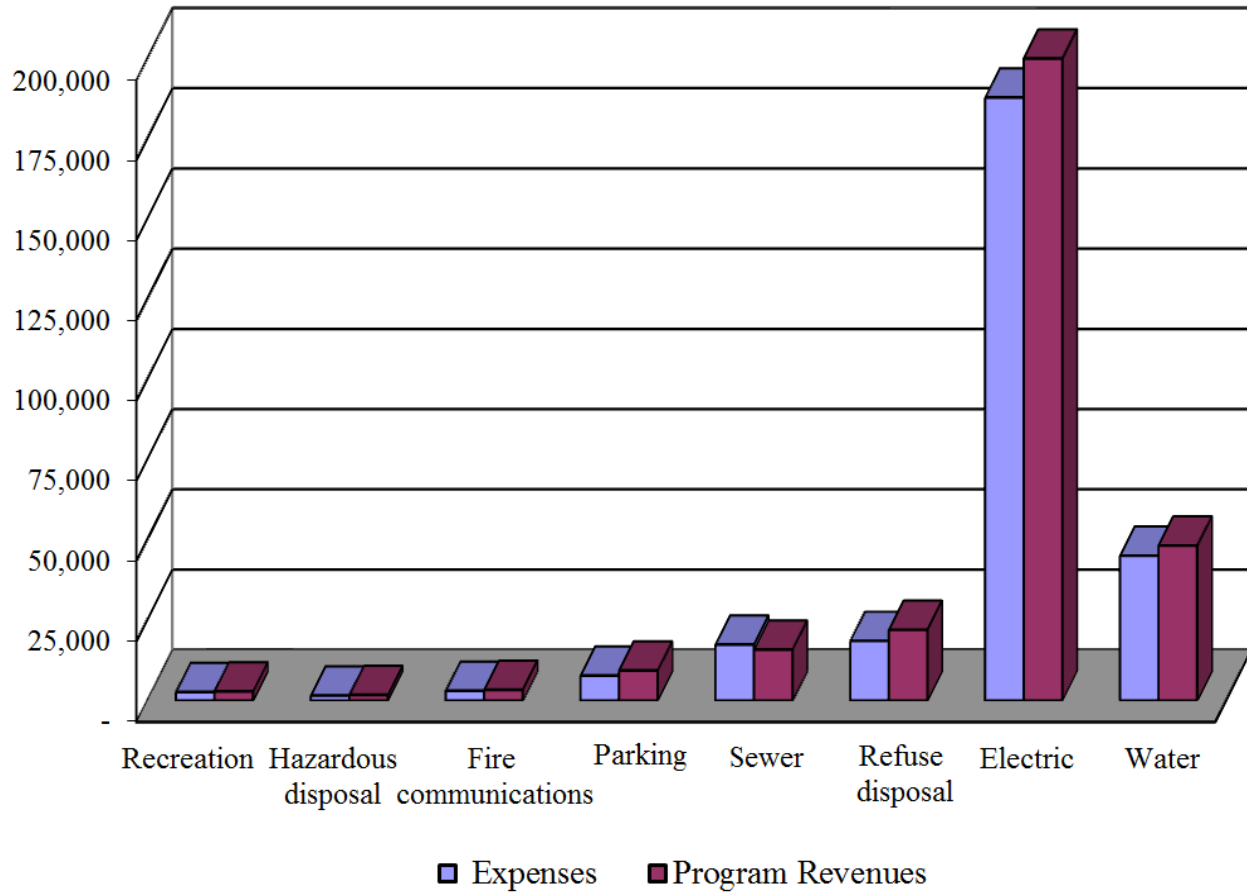
CITY OF GLENDALE

Management's Discussion and Analysis

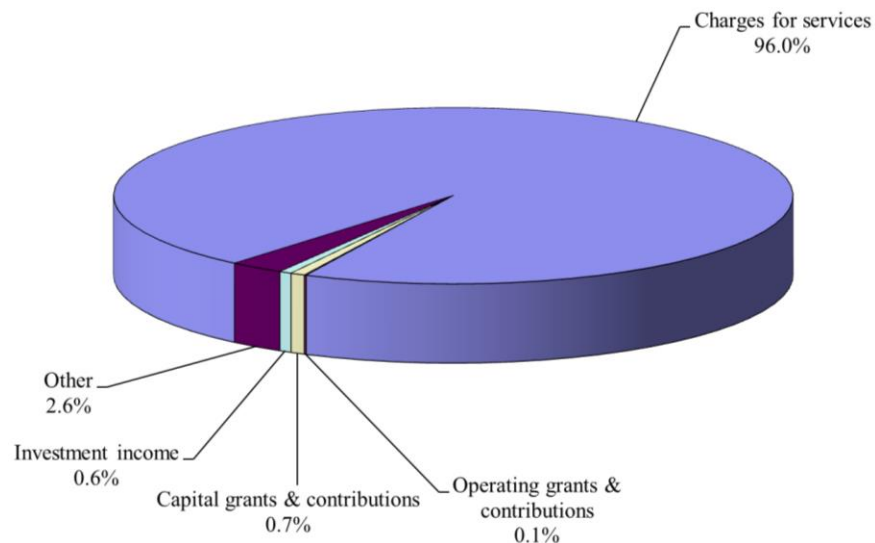
June 30, 2015

(in thousands)

Expenses and Program Revenues – Business-type Activities



Revenues By Source – Business-type Activities



CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2015

(in thousands)

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$200,256, an increase of \$38,538 in comparison with the prior year. About 17.4% of this total amount, \$34,859 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance in the amount of \$165,397 is not available for new spending because it is either nonspendable, restricted, committed or assigned. Nonspendable fund balance is \$5,682. Restricted fund balance is \$92,946, which is constrained by external creditors, grantors, laws or regulations of other governments and enabling legislation. Committed fund balance is \$61,551, and the assigned fund balance is \$5,218.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance and the charter-required reserve of the General Fund were \$40,819 and \$23,433, respectively, while total fund balance was \$71,975. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance and restricted fund balance which consists of the charter-required reserve, totaling \$64,252, represent about 35.1% of FY 2014-15 General Fund expenditures plus transfers.

The fund balance of the City's General Fund has a net increase of \$3,318 during the current fiscal year. This net increase is primarily due to the following reasons:

- Compared to prior fiscal year, property taxes revenues increased by \$3,260, which is mainly due to a large increase in AB 1X26 property tax increments.
- Compared to prior fiscal year, other taxes revenues increased by \$1,036, which is mainly due to higher transient occupancy tax and property transfer tax. The transient occupancy tax rate was raised to 12% from 10% in April 2015, and there were more property ownership transfers in the current fiscal year.
- Compared to prior fiscal year, revenue from other agencies revenue increased by \$1,041, which is mainly due to more SB90 reimbursements from the State for prior fiscal years' claims.
- Compared to prior fiscal year, license and permits revenue increased by \$1,430, which is mainly due to (i) some fee increases, and (ii) more building permits were issued during the fiscal year.
- The City also received the first loan repayment from Glendale Successor Agency, \$1,509, after the dissolution of the Glendale Redevelopment Agency.

CITY OF GLENDALE

Management's Discussion and Analysis

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(in thousands)

- Compared to prior fiscal year, the Police expenditures increased by \$2,823, which is mainly due to higher workers' comp and retirement benefit expenditures, resulting from higher rates.
- Compared to prior fiscal year, the Fire expenditures increased by \$1,311, which is mainly due to higher workers' comp and retirement benefit expenditures, resulting from higher rates.
- Compared to prior fiscal year, the Housing, health and community development expenditures increased by \$2,426, which is mainly due to re-categorizing some of the Community Development Department expenditures from General Government to Housing, Health and Community Development.

The Housing Assistance Fund (Section 8 grant) has a fund balance of \$4,615, an increase of \$300, compared to the prior fiscal year. The main reason is that the administrative expense is less than the administrative revenue earned because of efficient and effective administrative operations.

The Capital Improvement Fund has a positive fund balance of \$9,374. In comparison with the prior fiscal year, the fund balance increased by \$7,438. There are two main reasons for this increase. First, there was a one-time General Fund transfer of \$5,000 to Capital Improvement Fund for the Central Library renovation, and the project had not started by the end of the current fiscal year. Second, the reimbursement of prior year grant-funded projects, \$2,834, was received in the current fiscal year.

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

At the end of the year, unrestricted net position was composed of \$57,655 for the Sewer Fund, \$106,939 for the Electric Fund, (\$13,864) for the Water Fund, and \$20,986 for the nonmajor enterprise funds.

The net position of the Sewer Fund decreased by \$901 during the current fiscal year. The decrease is mainly attributable to additional project expenses.

The net position of the Electric Fund increased by \$12,486 during the current fiscal year. The increase in net position is due to an increase in electric retail sales as a result of rate increases and decrease in operating expenses. The decrease in operating expenses is primarily attributable to lower production costs related to (i) decreased participation in natural gas and wholesale activities, (ii) lower purchased power costs for Hoover, Intermountain Power Project, and Magnolia Power Project, and (iii) lower cost of landfill gas from Scholl Canyon.

The net position of the Water Fund increased by \$6,362 during the current fiscal year. The increase in net position is due to an increase in water retail sales as a result of rate increases and decrease in operating expenses. The decrease in operating expenses is primarily due to lower production costs as a result of a decrease in purchased water volume supplied by Metropolitan Water District (MWD) due to drought.

The net position of nonmajor enterprise funds decreased by \$35,136 during the current fiscal year. The decrease is primarily attributable to the reclassification of Recreation Fund, Hazardous Disposal Fund and Parking Fund from enterprise to special revenue funds.

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General Fund Budgetary Highlights

In comparison to the FY 2014-15 original General Fund budget, the final budget increased by \$6,997. The increase was primarily due to the following: \$533 for budget carryovers, \$800 for Central Library's radio frequency identification equipment, \$354 for Police memorandum of understanding generated expenses, \$200 for rose float, \$423 for election, and \$779 for gain share. The gainsharing concept is based on the organization's achievement of targeted performance goals and correlation and/or causational budget savings/surplus, wherein the City will "share" such financial gains with its employees, up to 1.0% of their annual salary.

Compared to the FY 2014-15 final General Fund budget, the actual expenditures was under spent by \$6,389. The variance was mainly due to salary savings from vacant positions and the expenditures in contractual services coming in less than forecasted. Although much of the vacant positions have been eliminated in the General Fund, vacancies still exist across almost every department as a result of employee turnover.

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, 2015, amounts to \$1,566,955 (net of \$776,935 accumulated depreciation, \$7,986 gas depletion and \$40,376 amortization). This investment in capital assets includes land, natural gas reserve, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 1.2%; this represents a 5.7% increase for governmental activities and a 4.5% decrease for business-type activities.

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

- Successor Agency transferred the following assets to the City: \$2,482 for 212 & 216 S. Brand, \$13,042 for Alex Theatre and \$6,563 for American Open Space. \$27,428 of capital assets from business-type activities, Recreation, Hazardous Disposal and Parking Funds, were reclassified to governmental activities.
- At the end of the year, Electric Fund increased its construction in progress by \$11,173. This increase is due to GWP's efforts in modernizing its electric grid through upgrades to reduce outage recovery time and improvements in the electric system reliability by installing new software and intelligent devices. The increase is also due to capital improvements such as the modernization and renovation of the Grandview Substation to upgrade its distribution lines; and the overhaul and replacement of the existing vibration monitoring system of the Unit No.1 turbine-generator at Grayson Power Plant. The increase of \$10 in building and improvements reflects GWP's efforts in improving its technology infrastructure through Geographic Information Systems (GIS). The decrease of \$9,378 in machinery and equipment was primarily due to the retirements of transmission and distribution equipment. Natural gas reserve increased by \$128 as a result of GWP's continuing effort in meeting the state wide renewable portfolio of acquiring and using qualified renewable energy resources for its Glendale residents.

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- Glendale Water and Power has adopted a multi-year capital improvement program for water works projects scheduled for three consecutive years that included fiscal years 2012-2013 through 2015-2016. At the end of the year, Water Fund increased its construction in progress by \$16,294. This increase primarily reflects GWP's efforts to improve the Supervisory Control and Data Acquisition (SCADA) system for the continuous remote monitoring and recording of water distribution operations. The increase is also due to capital improvements such as the GPPS Beaudry Hammer Issue pumping equipment upgrades, rehabilitation and replacement of Canada and Adams Hill water mains, and developments in the Bette Davis Park to provide recycled water to the park for irrigation purposes. Building and improvements increased by \$12 due to recycled water storage rehabilitations such as the Park Manor reservoir and recycled water tanks retrofit projects. The increase of \$42 in infrastructure reflects GWP's continuing effort in protecting and safeguarding the City's water system through its Cross-Connection program to prevent non-potable water ending up in the drinking water pipeline.
- Due to a change in presentation, \$93,476 of the prior years' building and improvements capital assets are reclassified to intangible assets in the business-type activities.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|-----------|-----------------------------|-----------|-----------|-----------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Land | \$ 414,298 | 398,869 | 9,490 | 15,120 | 423,788 | 413,989 |
| Natural gas reserve | - | - | 22,276 | 22,148 | 22,276 | 22,148 |
| Buildings and improvements | 357,037 | 297,093 | 260,939 | 389,109 | 617,976 | 686,202 |
| Machinery and equipment | 120,502 | 114,657 | 561,221 | 580,893 | 681,723 | 695,550 |
| Infrastructure | 306,837 | 299,830 | 140,976 | 140,934 | 447,813 | 440,764 |
| Construction in progress | 59,341 | 45,928 | 43,992 | 15,128 | 103,333 | 61,056 |
| Intangible | - | - | 95,343 | - | 95,343 | - |
| Total capital assets | 1,258,015 | 1,156,377 | 1,134,237 | 1,163,332 | 2,392,252 | 2,319,709 |
| Less: Accumulated depreciation | (334,671) | (282,571) | (442,264) | (482,543) | (776,935) | (765,114) |
| Less: Gas depletion | - | - | (7,986) | (6,982) | (7,986) | (6,982) |
| Less: Amortization | - | - | (40,376) | - | (40,376) | - |
| Net of depreciation, depletion, and amortization | \$ 923,344 | 873,806 | 643,611 | 673,807 | 1,566,955 | 1,547,613 |

Additional information on the City's capital assets can be found in Note 6 on pages 66-67 as well as pages 172-173 of this report.

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Long-term debt. The City's total debt increased by \$19,576 (4.0%) in FY 2014-15. The factors of this increase were a combination of items such as an increase of post-employment benefits of \$18,921; an increase of compensated absences of \$8,176; and an increase of landfill postclosure care of \$1,108; as well as decreases such as debt retirements through regular annual payments.

City of Glendale's Outstanding Debt

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|---------|-----------------------------|---------|---------|---------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Long-term debt: | | | | | | |
| Claims payable | \$ 43,202 | 44,497 | - | - | 43,202 | 44,497 |
| Post-employment benefits | 94,843 | 75,922 | - | - | 94,843 | 75,922 |
| Compensated absences | 20,430 | 13,848 | 6,138 | 4,544 | 26,568 | 18,392 |
| Landfill postclosure care | 42,918 | 41,810 | - | - | 42,918 | 41,810 |
| Certificates of Participation (COPs) | 38,400 | 41,195 | - | - | 38,400 | 41,195 |
| Bonds payable: | | | | | | |
| Electric Revenue Bonds, 2006 Refunding | - | - | 28,726 | 30,105 | 28,726 | 30,105 |
| Electric Revenue Bonds, 2008 Series | - | - | 61,284 | 61,341 | 61,284 | 61,341 |
| Electric Revenue Bonds, 2013 Refunding | - | - | 23,841 | 24,042 | 23,841 | 24,042 |
| Electric Revenue Bonds, 2013 Series | - | - | 63,766 | 64,490 | 63,766 | 64,490 |
| Water Revenue Bonds, 2008 Series | - | - | 47,829 | 49,138 | 47,829 | 49,138 |
| Water Revenue Bonds, 2012 Series | - | - | 35,575 | 35,597 | 35,575 | 35,597 |
| Total bonds payable | - | - | 261,021 | 264,713 | 261,021 | 264,713 |
| Other long-term liabilities: | | | | | | |
| Capital leases: | | | | | | |
| Fire equip't lease 2005 – BofA Public Capital Corp | - | 437 | - | - | - | 437 |
| Fire equip't lease 2009 – Wells Fargo | 757 | 989 | - | - | 757 | 989 |
| 2011 HUD Section 108 loan | 1,491 | 1,669 | - | - | 1,491 | 1,669 |
| Total other long-term liabilities | 2,248 | 3,095 | - | - | 2,248 | 3,095 |
| Total long-term debt | \$ 242,041 | 220,367 | 267,159 | 269,257 | 509,200 | 489,624 |

Credit ratings

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

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The City's bond ratings as of June 30, 2015 are as follows:

| Debt Issue | Moody's | Standard & Poor's (S & P) | Fitch Ratings' |
|--|----------------|--|---------------------------|
| Issuer credit rating (Implied General Obligation) | Aa2 | AA+ | AA+ |
| Certificates of Participation (COPs) | A1 | - | AA |
| Electric revenue bonds, 2006 refunding series | Aa3 | AA- | A+ |
| Electric revenue bonds, 2008 series | Aa3 | AA- | A+ |
| Electric revenue bonds, 2013 refunding series | Aa3 | AA- | A+ |
| Electric revenue bonds, 2013 series | Aa3 | AA- | A+ |
| Water revenue bonds, 2008 series | A1 | AA- | A+ |
| Water revenue bonds, 2012 series | A1 | A+ | A+ |

The Glendale Successor Agency's (Fiduciary Fund) bond ratings as of June 30, 2015 are as follows:

| Debt Issue | Moody's | Standard & Poor's (S & P) | Fitch Ratings' |
|--|----------------|--|---------------------------|
| 2010 GRA tax allocation bonds | Ba1 | A | - |
| 2011 GRA subordinate taxable tax allocation bonds | - | A- | - |
| 2013 GSA tax allocation bonds, refunding series | - | A- | - |

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

Legal Debt Margins

Under the City Charter, the total bonded debt of the city shall at no time exceed 15% of the net assessed value of all real and personal property within the City limits ("debt limit"). General obligation debt is debt secured by the City's property tax revenues. As of June 30, 2015, the City's net assessed value of taxable property was \$20.6 billion and has no general obligation debt.

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Management's Discussion and Analysis

June 30, 2015

(in thousands)

Debt Administration

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

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

Arbitrage Rebate

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

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

Finance monitors and documents investments and cash flows of the City's bond funds, and then annually reviews all arbitrage provisions of individual bond funds and computes arbitrage earnings. Arbitrage earnings are rebated to the United States Treasury on a five-year installment basis. The City conducts informal arbitrage rebate calculations to assure that the City stays current on compliance issues and to facilitate accountability for any potential rebate liability.

Finance engages a consultant to prepare periodic arbitrage calculations for all of the City's tax-exempt bonds. This calculation includes: (1) review the City's arbitrage compliance at five-year anniversary dates when rebate is actually due to the Federal Government; (2) compute annual and five-year installment arbitrage rebate liability on the more complex financings; and (3) provide technical assistance to the City in the area of arbitrage rebate compliance. This third-party review provides an added level of confidence that

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(in thousands)

the City is in compliance with the arbitrage regulations. Such review is particularly important given that the Internal Revenue Service has stepped-up its random audit and target audit programs for tax-exempt bond issues. As of June 30, 2015, only the electric revenue bonds 2006 refunding series of the City's revenue bonds has a positive arbitrage rebate liability of \$8. The Glendale Successor Agency's tax-exempt bond issues have no arbitrage rebate liability.

Continuing Disclosure

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

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

As of June 30, 2015, the City had 6 series of bonds subject to Continuing Disclosure requirements. The City prepares the Continuing Disclosure (financial and operating information) for its 6 series bonds and engaged a dissemination agent, the Trustee to disseminate such disclosures. The Glendale Successor Agency (Agency) had 2 tax-exempt tax allocation bonds and 1 subordinate taxable tax allocation bonds. The Agency engages a consultant to prepare and disseminate continuing disclosure for its 2 tax-exempt tax allocation bonds and 1 subordinate taxable tax allocation bonds. These disclosures are disseminated through the use of Electronic Municipal Market Access ("EMMA"), the Municipal Securities Rulemaking Board's ("MSRB") disclosure website. Timely and accurate communication with the municipal marketplace is vital in retaining the City's creditworthiness and market access. Continuing Disclosure and compliance reporting constitute a significant part of Debt Management's compliance activity for the life of each series of bonds.

Additional information on the City's long-term debt can be found in Note 8 on pages 68-74 of this report.

Economic Factors and Next Year's Budget and Rates

The slow economic recovery in conjunction with the State's efforts to address its budget deficit by taking resources from cities have combined to make these past few years some of the most difficult budget years in recent history. In spite of the difficulty involved in preparing this budget, however, the managers and staff from each department, as well as the City Council, have approached the challenge in a professional and constructive manner. The focus clearly remains on how to best serve our diverse community - carefully balancing the myriad of needs with limited resources.

The budget decrease in the General Fund in FY 2015-16, when compared to the revised budget in FY 2014-15, is mainly attributable to a one-time use of \$7,000 of fund balance to fund: \$2,000 for the Information Technology Data Center Upgrade and \$5,000 for the Central Library Renovation in FY 2014-15. Overall, there was an increase in the Salaries and Benefits budget relative to FY 2014-15, mainly as a result of the

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June 30, 2015

(in thousands)

increase in the PERS rate. Departments once again froze their discretionary Maintenance and Operation budget. Internal service fund rates for the Fleet/Equipment Management, ISD infrastructure, Liability Insurance, Compensation Insurance and Retiree Health Savings Plan Benefits Funds were adjusted. Fleet/Equipment Management Fund rates were increased to fund future replacement of existing vehicles, while ISD rates decreased due to less costs being allocated through the ISD Cost Allocation. Also, Liability Insurance, Compensation Insurance and Retiree Health Savings Plan Benefits Funds' rates were adjusted based on recent claims experience and the financial health of the funds.

Based on the revenue and appropriation estimates in the General Fund, it is anticipated a budget surplus of \$2,700 in FY 2015-16. This is a vast improvement relative to FY 2014-15 when it is estimated a use of fund balance of \$495 (not including one-time use of \$2,000 for ISD Data Center and \$5,000 for Central Library Renovation). The Great Recession wreaked havoc on this organization, however, in partnership with the employees and volunteers, the City has been able to sustain much of the service desired and expected by the community. Glendale has led the way in the areas of pension reform and compensation reform in order to help ensure that operating costs do not crowd out service provision to the community. This is not by accident, but rather it is a reflection of the employees' professionalism and dedication to the people they serve, through the City Council's vision, leadership, patience and discipline. And while the City is more streamlined and productive than it has been in nearly twenty years, and while the City continues to deliver on a value proposition that features exceptional customer service and an enviable quality of life, the City must reconcile with the fact that it can only run so fast, so far, for so long. Thus, the FY 2015-16 adopted budget incorporates limited program restoration across the organization, making the FY 2015-16 the truest and most structurally comprehensive budget Glendale has seen in many years.

With positive indicators such as rising consumer confidence, improvements in the housing market, increased construction activity, and reduced rate of unemployment, Glendale is forecasting modest growth in the key General Fund revenues such as property, sales, and utility user's taxes for the upcoming year. Long-term growth rates for General Fund revenues are projected to grow rather modestly, averaging about 2.8% annual growth over the next seven years. Although the City continues to face challenges such as the ongoing increase in pension costs, the significant fund deficit in the Compensation Insurance Fund, as well as aging infrastructure, the financial forecasts that factor in these challenges show that as long as the City continues to remain diligent and disciplined, the City is headed towards an operationally and structurally balanced organization in the years to come.

Requests for Information

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

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Exhibit A-1
CITY OF GLENDALE
Statement of Net Position
June 30, 2015 (in thousands)

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|-----------|
| Assets and deferred outflows of resources | | | |
| Current assets: | | | |
| Pooled cash and investments | \$ 273,026 | 153,058 | 426,084 |
| Cash and investments with fiscal agent | 17 | 12,197 | 12,214 |
| Investment-gas/electric commodity | - | 1,989 | 1,989 |
| Interest receivable | 892 | 477 | 1,369 |
| Accounts receivable, net | 27,046 | 51,224 | 78,270 |
| Internal balances | 4,645 | (4,645) | - |
| Inventories | 385 | 5,929 | 6,314 |
| Prepaid items | 2,916 | 5,093 | 8,009 |
| Total current assets | 308,927 | 225,322 | 534,249 |
| Noncurrent assets: | | | |
| Capital assets, net of depreciation: | | | |
| Land | 414,298 | 9,490 | 423,788 |
| Natural gas reserve | - | 14,290 | 14,290 |
| Buildings and improvements | 215,056 | 173,432 | 388,488 |
| Machinery and equipment | 34,134 | 252,058 | 286,192 |
| Infrastructure | 200,515 | 95,382 | 295,897 |
| Construction in progress | 59,341 | 43,992 | 103,333 |
| Intangible | - | 54,967 | 54,967 |
| Total capital assets | 923,344 | 643,611 | 1,566,955 |
| Designated cash and investments | 25,850 | 41,900 | 67,750 |
| Restricted cash | - | 59,047 | 59,047 |
| Prepaid energy | - | 97 | 97 |
| Loans receivable | 19,421 | - | 19,421 |
| Property held for resale | 6,988 | - | 6,988 |
| Total noncurrent assets | 975,603 | 744,655 | 1,720,258 |
| Total assets | 1,284,530 | 969,977 | 2,254,507 |
| Deferred outflows of resources: | | | |
| Loss on refunding | - | 1,158 | 1,158 |
| Deferred outflows of resources related to pensions | 25,048 | 5,081 | 30,129 |
| Total deferred outflows of resources | 25,048 | 6,239 | 31,287 |
| Total assets and deferred outflows of resources | \$ 1,309,578 | 976,216 | 2,285,794 |

(Continued)

Exhibit A-1
CITY OF GLENDALE
Statement of Net Position
June 30, 2015 (in thousands)

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|-----------|
| Liabilities, deferred inflows of resources and net position | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 18,737 | 10,323 | 29,060 |
| Accrued wages and withholding | 5,930 | - | 5,930 |
| Interest payable | 75 | 4,744 | 4,819 |
| Claims payable | 12,309 | - | 12,309 |
| Compensated absences | 2,837 | 863 | 3,700 |
| Certificates of participation | 2,795 | - | 2,795 |
| Bonds payable | - | 4,241 | 4,241 |
| Unearned revenues | 52 | - | 52 |
| Deposits | 4,816 | 4,538 | 9,354 |
| Other liabilities | 428 | - | 428 |
| Total current liabilities | 47,979 | 24,709 | 72,688 |
| Noncurrent liabilities: | | | |
| Claims payable | 30,893 | - | 30,893 |
| Post employment benefits | 94,843 | - | 94,843 |
| Compensated absences | 17,593 | 5,275 | 22,868 |
| Landfill postclosure | 42,918 | - | 42,918 |
| Net pension liability | 325,394 | 68,646 | 394,040 |
| Certificates of participation | 35,605 | - | 35,605 |
| Bonds payable | - | 256,780 | 256,780 |
| Other liabilities | 1,820 | - | 1,820 |
| Total noncurrent liabilities | 549,066 | 330,701 | 879,767 |
| Total liabilities | 597,045 | 355,410 | 952,455 |
| Deferred inflows of resources: | | | |
| Deferred inflows of resources related to pensions | 70,436 | 18,792 | 89,228 |
| Total liabilities and deferred inflows of resources | 667,481 | 374,202 | 1,041,683 |
| Net position: | | | |
| Net investment in capital assets | 882,741 | 437,125 | 1,319,866 |
| Restricted | | | |
| City Charter - stabilization | 23,433 | - | 23,433 |
| Federal and state grants | 5,129 | - | 5,129 |
| Public safety | 1,465 | - | 1,465 |
| Youth employment | 4 | - | 4 |
| Transportation | 19,965 | - | 19,965 |
| Landscaping district | 99 | - | 99 |
| Low and moderate housing | 16,536 | - | 16,536 |
| Air quality improvement | 293 | - | 293 |
| SCAQMD emission controls | - | 5,669 | 5,669 |
| Cable access | 1,833 | - | 1,833 |
| Electric public benefit AB1890 | 2,788 | - | 2,788 |
| State gas tax mandates | 2,868 | - | 2,868 |
| Unrestricted | (315,057) | 159,220 | (155,837) |
| Total net position | \$ 642,097 | 602,014 | 1,244,111 |

CITY OF GLENDALE

Statement of Activities

Fiscal Year Ended June 30, 2015 (in thousands)

| | Program Revenues | | | | Net (Expenses) Revenues and Changes in Net Position | | |
|---|------------------|-------------------------|--|--|--|---------------------------------|-----------|
| | Expenses | Charges for services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business- type Activities | Total |
| Governmental Activities: | | | | | | | |
| General government | \$ 47,822 | 18,554 | 80 | - | (29,188) | - | (29,188) |
| Police | 74,596 | 1,087 | 1,574 | - | (71,935) | - | (71,935) |
| Fire | 48,796 | 6,330 | 138 | 5 | (42,323) | - | (42,323) |
| Public works | 26,558 | 14,469 | 5,013 | 6,964 | (112) | - | (112) |
| Transportation | 15,222 | 6,849 | 7,807 | - | (566) | - | (566) |
| Housing, health and community development | 42,472 | 55 | 36,252 | - | (6,165) | - | (6,165) |
| Employment programs | 5,557 | 1,401 | 4,173 | - | 17 | - | 17 |
| Public service | 5,895 | - | - | - | (5,895) | - | (5,895) |
| Parks, recreation and community services | 13,325 | 11 | 354 | - | (12,960) | - | (12,960) |
| Library | 8,392 | 174 | 24 | - | (8,194) | - | (8,194) |
| Interest and fiscal charges | 1,398 | - | - | - | (1,398) | - | (1,398) |
| Total governmental activities | 290,033 | 48,930 | 55,415 | 6,969 | (178,719) | - | (178,719) |
| Business-type activities: | | | | | | | |
| Recreation | 2,584 | 2,773 | 10 | 3 | - | 202 | 202 |
| Hazardous disposal | 1,511 | 1,632 | 54 | - | - | 175 | 175 |
| Fire communications | 2,965 | 3,253 | 56 | - | - | 344 | 344 |
| Parking | 7,702 | 9,303 | - | - | - | 1,601 | 1,601 |
| Sewer | 17,421 | 15,790 | - | - | - | (1,631) | (1,631) |
| Refuse disposal | 18,519 | 21,989 | - | - | - | 3,470 | 3,470 |
| Electric | 187,864 | 215,956 | - | 325 | - | 28,417 | 28,417 |
| Water | 45,068 | 47,520 | - | 1,978 | - | 4,430 | 4,430 |
| Total business-type activities | 283,634 | 318,216 | 120 | 2,306 | - | 37,008 | 37,008 |
| Total primary government | \$ 573,667 | 367,146 | 55,535 | 9,275 | (178,719) | 37,008 | (141,711) |

General revenues:

Taxes:

| | | | |
|--|------------|----------|-----------|
| Property taxes | \$ 50,883 | - | 50,883 |
| Sales taxes | 36,330 | - | 36,330 |
| Utility users tax | 27,766 | - | 27,766 |
| Other taxes | 17,305 | - | 17,305 |
| Investment income | 1,561 | 1,915 | 3,476 |
| Other | 22,766 | 8,593 | 31,359 |
| Transfers | 62,859 | (62,859) | - |
| Special item: Transfers of capital assets from Successor Agency | 22,087 | - | 22,087 |
| Total general revenues, transfers, and special item | 241,557 | (52,351) | 189,206 |
| Change in net position | 62,838 | (15,343) | 47,495 |
| Net position, July 1, as restated | 579,259 | 617,357 | 1,196,616 |
| Net position, June 30 | \$ 642,097 | 602,014 | 1,244,111 |

Exhibit B-1
CITY OF GLENDALE
Balance Sheet
Governmental Funds
June 30, 2015 (in thousands)

| | Major Funds | | | | |
|---|--------------|-------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| | General Fund | Housing Assistance Fund | Capital Improvement Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| Assets | | | | | |
| Pooled cash and investments | \$ 70,171 | 2,206 | 8,714 | 86,672 | 167,763 |
| Investments with fiscal agent | - | - | - | 17 | 17 |
| Designated cash and investments | - | - | - | 25,850 | 25,850 |
| Interest receivable | 207 | 5 | - | 194 | 406 |
| Accounts receivable, net | 14,588 | 260 | 931 | 11,067 | 26,846 |
| Due from other funds | 8,560 | - | - | - | 8,560 |
| Advance to other funds | 1,946 | - | - | - | 1,946 |
| Inventories | 385 | - | - | - | 385 |
| Prepaid items | 174 | 2,154 | - | 42 | 2,370 |
| Loans receivable | 12,104 | - | - | - | 12,104 |
| Property held for resale | - | - | - | 6,988 | 6,988 |
| Total assets | 108,135 | 4,625 | 9,645 | 130,830 | 253,235 |
| Liabilities, deferred inflows of resources and fund balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 13,955 | 10 | 271 | 2,938 | 17,174 |
| Due to other funds | - | - | - | 8,560 | 8,560 |
| Advance from other funds | - | - | - | 1,946 | 1,946 |
| Interest payable | - | - | - | 17 | 17 |
| Wages and benefits payable | 5,930 | - | - | - | 5,930 |
| Unearned revenues | 18 | - | - | 34 | 52 |
| Deposits | 4,153 | - | - | 663 | 4,816 |
| Total liabilities | 24,056 | 10 | 271 | 14,158 | 38,495 |
| Deferred inflows of resources: | | | | | |
| Unavailable revenues | 12,104 | - | - | 2,380 | 14,484 |
| Total liabilities and deferred inflows of resources | \$ 36,160 | 10 | 271 | 16,538 | 52,979 |

(Continued)

Exhibit B-1
CITY OF GLENDALE
Balance Sheet
Governmental Funds
June 30, 2015 (in thousands)

| | Major Funds | | | | |
|--|--------------|-------------------------|--------------------------|-----------------------------|--------------------------|
| | General Fund | Housing Assistance Fund | Capital Improvement Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| Fund balances: | | | | | |
| Nonspendable: | | | | | |
| Inventory | \$ 385 | - | - | - | 385 |
| Advance to other funds | 1,946 | - | - | - | 1,946 |
| Property held for resale | - | - | - | 981 | 981 |
| Prepaid | 174 | 2,154 | - | 42 | 2,370 |
| Restricted for: | | | | | |
| City Charter - stabilization | 23,433 | - | - | - | 23,433 |
| Federal and state grants | - | 2,461 | - | 2,668 | 5,129 |
| Public safety | - | - | - | 1,465 | 1,465 |
| Youth employment | - | - | - | 4 | 4 |
| Transportation | - | - | - | 19,965 | 19,965 |
| Landscaping district | - | - | - | 99 | 99 |
| Low and moderate housing | - | - | - | 9,219 | 9,219 |
| Air quality improvement | - | - | - | 293 | 293 |
| Cable access | - | - | - | 1,833 | 1,833 |
| Electric public benefit AB1890 | - | - | - | 2,788 | 2,788 |
| State gas tax mandates | - | - | - | 2,868 | 2,868 |
| Landfill postclosure | - | - | - | 25,850 | 25,850 |
| Committed to: | | | | | |
| Debt service | - | - | - | 21,522 | 21,522 |
| Urban art | - | - | - | 4,283 | 4,283 |
| Public safety | - | - | - | 121 | 121 |
| Impact fee funded projects | - | - | - | 14,227 | 14,227 |
| Capital projects | - | - | 9,374 | - | 9,374 |
| Recreation | - | - | - | 3,602 | 3,602 |
| Hazardous materials | - | - | - | 1,646 | 1,646 |
| Parking | - | - | - | 6,776 | 6,776 |
| Assigned to: | | | | | |
| Economic development | 3,418 | - | - | - | 3,418 |
| Capital | 800 | - | - | - | 800 |
| Building maintenance | 1,000 | - | - | - | 1,000 |
| Unassigned: | 40,819 | - | - | (5,960) | 34,859 |
| Total fund balances | 71,975 | 4,615 | 9,374 | 114,292 | 200,256 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 108,135 | 4,625 | 9,645 | 130,830 | 253,235 |

Exhibit B-2

CITY OF GLENDALE

Reconciliation of Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2015 (in thousands)

| | |
|-------------------------------------|------------|
| Fund balances of governmental funds | \$ 200,256 |
|-------------------------------------|------------|

Amounts reported for governmental activities in the statement
of net position are different because:

Capital assets are not included as financial resources in
governmental fund activity:

| | | |
|----------------------------|---------------|---------|
| Land | \$ 414,298 | |
| Buildings and improvements | 215,056 | |
| Equipment | 17,446 | |
| Infrastructure | 200,515 | |
| Construction in progress | <u>52,487</u> | 899,802 |

Long-term debt is not included in the governmental funds:

Due within one year:

| | | |
|-------------------------------|--------------|---------|
| Certificates of participation | (2,795) | |
| 2011 HUD Section 108 loan | <u>(186)</u> | (2,981) |

Due more than one year:

| | | |
|-------------------------------|----------------|----------|
| Certificates of participation | (35,605) | |
| Landfill postclosure | (42,918) | |
| 2011 HUD Section 108 loan | <u>(1,305)</u> | (79,828) |

Accrued interest payable for the current portion of interest due is
not included in the governmental funds:

| | | |
|---------------------------|--|------|
| 2011 HUD Section 108 loan | | (11) |
|---------------------------|--|------|

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

14,484

| | |
|---|-------|
| Loans receivable housing long-term - non-forgiven portion | 7,317 |
|---|-------|

| | |
|--|--------|
| Deferred outflows of resources related to pensions | 25,048 |
|--|--------|

| | |
|---|----------|
| Deferred inflows of resources related to pensions | (70,436) |
|---|----------|

| | |
|-----------------------|-----------|
| Net pension liability | (325,394) |
|-----------------------|-----------|

Internal service funds are used to charge the cost of certain activities to
individual funds, such as self insurance, and post employment
benefits. The assets and liabilities of the internal service funds
are included in the governmental activities in the statement of net position:

| | | |
|--|-----------------|-----------------|
| Equipment | 16,688 | |
| Construction in progress | 6,854 | |
| Accrued interest - Fire Equipment Lease 2009 | (47) | |
| Fire Equipment Lease 2009 - Due within one year | (242) | |
| Fire Equipment Lease 2009 - Due more than one year | (515) | |
| Other assets and liabilities, net | <u>(48,898)</u> | <u>(26,160)</u> |

| | |
|---|-------------------|
| Net position of governmental activities | <u>\$ 642,097</u> |
|---|-------------------|

Exhibit C-1

CITY OF GLENDALE

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Major Funds | | | | |
|--|-----------------|-------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| | General Fund | Housing Assistance Fund | Capital Improvement Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| Revenues: | | | | | |
| Property taxes | \$ 50,883 | - | - | - | 50,883 |
| Sales tax | 34,199 | - | - | 2,131 | 36,330 |
| Utility users tax | 27,766 | - | - | - | 27,766 |
| Other taxes | 10,601 | - | - | 6,704 | 17,305 |
| Revenue from other agencies | 1,313 | 28,852 | 2,743 | 36,769 | 69,677 |
| Licenses and permits | 10,617 | - | - | 10,975 | 21,592 |
| Fines and forfeitures | 802 | - | - | 611 | 1,413 |
| Charges for services | 3,218 | - | 3,596 | 14,927 | 21,741 |
| Use of money and property | 5,343 | 17 | 2 | 608 | 5,970 |
| Interfund revenue | 16,577 | - | - | - | 16,577 |
| Miscellaneous revenue | 1,883 | 49 | - | 4,610 | 6,542 |
| Total revenues | 163,202 | 28,918 | 6,341 | 77,335 | 275,796 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 27,236 | - | 14 | - | 27,250 |
| Police | 69,024 | - | - | 2,575 | 71,599 |
| Fire | 42,555 | - | 386 | 4,960 | 47,901 |
| Public works | 17,547 | - | 116 | 2,375 | 20,038 |
| Transportation | - | - | - | 13,780 | 13,780 |
| Housing, health and community development | 3,042 | 28,618 | - | 10,804 | 42,464 |
| Employment programs | - | - | - | 5,589 | 5,589 |
| Public service | - | - | - | 5,896 | 5,896 |
| Parks, recreation and community services | 9,703 | - | 193 | 555 | 10,451 |
| Library | 7,900 | - | 182 | 370 | 8,452 |
| Capital outlay | 65 | - | 1,359 | 14,630 | 16,054 |
| Debt service: | | | | | |
| Interest | - | - | - | 242 | 242 |
| Principal | - | - | - | 2,973 | 2,973 |
| Total expenditures | 177,072 | 28,618 | 2,250 | 64,749 | 272,689 |
| Excess (deficiency) of revenues over (under) expenditures | (13,870) | 300 | 4,091 | 12,586 | 3,107 |
| Other financing sources (uses): | | | | | |
| Transfers in | 23,407 | - | 5,347 | 14,896 | 43,650 |
| Transfers out | (6,219) | - | (2,000) | - | (8,219) |
| Total other financing sources | 17,188 | - | 3,347 | 14,896 | 35,431 |
| Net change in fund balances | 3,318 | 300 | 7,438 | 27,482 | 38,538 |
| Fund balances, July 1 | 68,657 | 4,315 | 1,936 | 86,810 | 161,718 |
| Fund balances, June 30 | \$ 71,975 | 4,615 | 9,374 | 114,292 | 200,256 |

Exhibit C-2

CITY OF GLENDALE

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Fiscal Year Ended June 30, 2015 (in thousands)

| | | | |
|---|----|-----------------|----------------------|
| Net change in fund balances - total governmental funds | | \$ | 38,538 |
| Amounts reported for governmental activities in the statement of activities are different because: | | | |
| Governmental funds report capital outlays as expenditures | | | 17,469 |
| In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense | | | (20,352) |
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position: | | | |
| Certificates of participation | \$ | 2,795 | |
| 2011 HUD Section 108 loan | | <u>178</u> | 2,973 |
| Landfill postclosure care liability increased from prior year | | | (1,108) |
| Unavailable revenues in the governmental funds are recognized as revenues in the statement of activities | | | (6,361) |
| Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represent the net change in pension related amounts. | | | 332 |
| Transfer of capital assets to governmental activities from business-type activities due to change in fund type | | | 27,428 |
| Loan repayment from Successor Agency | | | (1,509) |
| Transfers of capital assets from Successor Agency | | | 22,087 |
| Change in net position of internal service funds allocated to governmental activities: | | | |
| Capital assets | | 2,416 | |
| Depreciation | | (1,152) | |
| Interest - Fire Equipment Lease 2009 | | (47) | |
| Other revenues (expenses) | | <u>(17,876)</u> | <u>(16,659)</u> |
| Change in net position for governmental activities | | \$ | <u><u>62,838</u></u> |

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources- Budget and Actual

General Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | Original Budget | Final Budget | Actual | Variance With Final Budget Over/(Under) |
|--|-----------------|--------------|--------|---|
| Revenues: | | | | |
| Property taxes | \$ 48,466 | 49,216 | 50,883 | 1,667 |
| Sales taxes: | | | | |
| Sales tax | 24,700 | 25,800 | 24,619 | (1,181) |
| ERAF in lieu of sales tax | 8,200 | 7,825 | 7,824 | (1) |
| State 1/2% sales tax | 1,800 | 1,800 | 1,756 | (44) |
| Total | 34,700 | 35,425 | 34,199 | (1,226) |
| Utility users tax | 27,746 | 27,746 | 27,766 | 20 |
| Other taxes: | | | | |
| Franchise tax | 3,040 | 2,800 | 2,780 | (20) |
| Occupancy tax | 3,700 | 4,100 | 4,467 | 367 |
| Property transfer tax | 600 | 700 | 1,132 | 432 |
| Landfill host assessment | 2,000 | 2,000 | 2,222 | 222 |
| Total | 9,340 | 9,600 | 10,601 | 1,001 |
| Licenses and permits: | | | | |
| Dog licenses | 145 | 145 | 152 | 7 |
| Building permits | 4,200 | 5,200 | 6,622 | 1,422 |
| Green building initiative SB 1473 | - | - | 1 | 1 |
| American Disability Act SB 1186 | - | - | 2 | 2 |
| Plan check fees | 350 | 350 | 379 | 29 |
| Planning permits | 1,150 | 1,150 | 1,646 | 496 |
| Grading permits | 30 | 100 | 123 | 23 |
| Street permits | 500 | 730 | 969 | 239 |
| Business license permits | 500 | 500 | 569 | 69 |
| Business registration license | 50 | 100 | 154 | 54 |
| Total | 6,925 | 8,275 | 10,617 | 2,342 |
| Fines and forfeitures-traffic safety fines | 950 | 950 | 802 | (148) |
| Use of money and property: | | | | |
| Interest and investment revenue | 500 | 500 | 871 | 371 |
| Interest and investment GASB 31 | - | - | 78 | 78 |
| Landfill gas royalties | 2,475 | 2,475 | 2,473 | (2) |
| Rental income | 503 | 503 | 412 | (91) |
| Loan repayment | 1,200 | 1,502 | 1,509 | 7 |
| Total | \$ 4,678 | 4,980 | 5,343 | 363 |

(Continued)

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources- Budget and Actual

General Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | Original Budget | Final Budget | Actual | Variance With Final Budget Over/(Under) |
|---|-----------------|--------------|--------|---|
| Revenue from other agencies: | | | | |
| Disaster relief reimbursement | \$ - | - | 24 | 24 |
| Mutual aid reimbursement | - | - | 54 | 54 |
| Historic preservation grant | - | 24 | 24 | - |
| State SB 90 | 100 | 300 | 1,095 | 795 |
| Motor vehicle in lieu fee | - | - | 85 | 85 |
| Local grants | - | 20 | 31 | 11 |
| Total | 100 | 344 | 1,313 | 969 |
| Miscellaneous revenue: | | | | |
| Donations and contributions | 38 | 38 | 9 | (29) |
| Developer revenue | - | - | 10 | 10 |
| Sponsorships | - | - | 70 | 70 |
| Advertising revenue | 100 | 100 | 110 | 10 |
| Miscellaneous revenue | 1,026 | 1,126 | 1,684 | 558 |
| Total | 1,164 | 1,264 | 1,883 | 619 |
| Charges for services: | | | | |
| Zoning-subdivision fees | 60 | 185 | 231 | 46 |
| City Clerk fees | - | - | 3 | 3 |
| Map and publication fees | 65 | 65 | 77 | 12 |
| Filing-certification fee | 5 | 5 | 21 | 16 |
| Film rentals of city property | 10 | 50 | 71 | 21 |
| Special event fees | 95 | 95 | 87 | (8) |
| Special police fees | 400 | 400 | 654 | 254 |
| Vehicle tow admin cost recovery (VTACR) | 165 | 285 | 395 | 110 |
| Fire fees | 450 | 600 | 830 | 230 |
| Code enforcement fees | 50 | 50 | 30 | (20) |
| Administrative citations | - | - | 26 | 26 |
| Outreach revenue | 55 | 55 | 30 | (25) |
| Express plan check fees | 100 | 250 | 369 | 119 |
| Final map checking fees | - | - | 1 | 1 |
| Excavation fees | 150 | 150 | 212 | 62 |
| Construction inspection fees | 50 | 100 | 92 | (8) |
| Collectible jobs | 100 | 100 | (27) | (127) |
| Library fines and fees | 105 | 105 | 90 | (15) |
| Program/registration revenue | 12 | 12 | 11 | (1) |
| Graphics fees | - | - | 15 | 15 |
| Total | \$ 1,872 | 2,507 | 3,218 | 711 |

(Continued)

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources- Budget and Actual

General Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | Original Budget | Final Budget | Actual | Variance With Final Budget Over/(Under) |
|----------------------------------|-----------------|--------------|---------|---|
| Interfund revenue: | | | | |
| Charges to enterprise funds for: | | | | |
| Benefits cost recovery | \$ 600 | 600 | 488 | (112) |
| Cost allocation revenue | 15,923 | 15,923 | 16,089 | 166 |
| Total | 16,523 | 16,523 | 16,577 | 54 |
| Other financing sources: | | | | |
| Transfers in | 23,407 | 23,407 | 23,407 | - |
| Total revenues and transfers | \$ 175,871 | 180,237 | 186,609 | 6,372 |

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures and Other

Financing Uses - Budget and Actual

General Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | | Salaries and Benefits | | | |
|--|----|-----------------------|--------------|---------|---|
| | | Original Budget | Final Budget | Actual | Variance With Final Budget (Over)/Under |
| General government: | | | | | |
| City clerk | \$ | 663 | 667 | 612 | 55 |
| Elections | | 33 | 65 | 97 | (32) |
| City treasurer | | 560 | 564 | 547 | 17 |
| City manager | | 3,517 | 3,587 | 3,396 | 191 |
| Legal | | 2,995 | 3,055 | 2,980 | 75 |
| Finance | | 3,373 | 3,396 | 3,087 | 309 |
| Planning | | 6,555 | 6,595 | 6,680 | (85) |
| Personnel | | 1,504 | 1,514 | 1,337 | 177 |
| Non-departmental | | 898 | 1,123 | 1,097 | 26 |
| Total | | 20,098 | 20,566 | 19,833 | 733 |
| Police | | 57,076 | 57,834 | 58,817 | (983) |
| Fire | | 37,387 | 37,560 | 37,294 | 266 |
| Public works | | 8,305 | 8,669 | 8,350 | 319 |
| Housing, health and community development: | | | | | |
| Economic development | | 489 | 493 | 503 | (10) |
| Neighborhood services | | - | - | - | - |
| Community development administration | | 2,139 | 2,171 | 1,842 | 329 |
| Total | | 2,628 | 2,664 | 2,345 | 319 |
| Parks, recreation and community services | | 6,283 | 6,376 | 6,085 | 291 |
| Library | | 5,641 | 5,680 | 5,419 | 261 |
| Total expenditures and transfers | | \$ 137,418 | 139,349 | 138,143 | 1,206 |

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures and Other

Financing Uses - Budget and Actual

General Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | | Maintenance and Operation | | | |
|--|----|---------------------------|--------------|--------|---|
| | | Original Budget | Final Budget | Actual | Variance With Final Budget (Over)/Under |
| General government: | | | | | |
| City clerk | \$ | 255 | 255 | 219 | 36 |
| Elections | | 192 | 679 | 626 | 53 |
| City treasurer | | 90 | 90 | 82 | 8 |
| City manager | | 1,065 | 1,161 | 1,001 | 160 |
| Legal | | 296 | 296 | 234 | 62 |
| Finance | | 1,502 | 1,502 | 1,354 | 148 |
| Planning | | 1,166 | 1,342 | 996 | 346 |
| Personnel | | 977 | 1,012 | 884 | 128 |
| Non-departmental | | 2,000 | 2,007 | 2,007 | - |
| Total | | 7,543 | 8,344 | 7,403 | 941 |
| Police | | | | | |
| | | 10,102 | 10,239 | 10,207 | 32 |
| Fire | | | | | |
| | | 5,274 | 5,508 | 5,261 | 247 |
| Public works | | | | | |
| | | 9,398 | 10,680 | 9,197 | 1,483 |
| Housing, health and community development: | | | | | |
| Economic development | | 694 | 894 | 432 | 462 |
| Neighborhood services | | 26 | 26 | 26 | - |
| Community development administration | | 198 | 469 | 239 | 230 |
| Total | | 918 | 1,389 | 697 | 692 |
| Parks, recreation and community services | | | | | |
| | | 3,408 | 3,639 | 3,618 | 21 |
| Library | | | | | |
| | | 2,602 | 2,602 | 2,481 | 121 |
| Total expenditures and transfers | | \$ 39,245 | 42,401 | 38,864 | 3,537 |

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures and Other

Financing Uses - Budget and Actual

General Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | | Capital Outlay | | | |
|--|----|-----------------|--------------|--------|---|
| | | Original Budget | Final Budget | Actual | Variance With Final Budget (Over)/Under |
| General government: | | | | | |
| City clerk | \$ | - | - | - | - |
| Elections | | - | - | - | - |
| City treasurer | | 3 | 3 | 3 | - |
| City manager | | - | 34 | 34 | - |
| Legal | | - | - | - | - |
| Finance | | - | - | - | - |
| Planning | | - | 46 | 22 | 24 |
| Personnel | | - | - | - | - |
| Non-departmental | | - | - | - | - |
| Total | | 3 | 83 | 59 | 24 |
| Police | | | | | |
| | | - | - | - | - |
| Fire | | | | | |
| | | 100 | 100 | 6 | 94 |
| Public works | | | | | |
| | | - | - | - | - |
| Housing, health and community development: | | | | | |
| Economic development | | - | 728 | - | 728 |
| Neighborhood services | | - | - | - | - |
| Community development administration | | - | - | - | - |
| Total | | - | 728 | - | 728 |
| Parks, recreation and community services | | | | | |
| | | - | - | - | - |
| Library | | | | | |
| | | - | 800 | - | 800 |
| Total expenditures and transfers | | \$ 103 | 1,711 | 65 | 1,646 |

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures and Other

Financing Uses - Budget and Actual

General Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | | Transfers | | | |
|--|----|-----------------|--------------|--------|---|
| | | Original Budget | Final Budget | Actual | Variance With Final Budget (Over)/Under |
| General government: | | | | | |
| City clerk | \$ | - | - | - | - |
| Elections | | - | - | - | - |
| City treasurer | | - | - | - | - |
| City manager | | - | - | - | - |
| Legal | | - | - | - | - |
| Finance | | - | - | - | - |
| Planning | | - | - | - | - |
| Personnel | | - | - | - | - |
| Non-departmental | | 5,917 | 6,219 | 6,219 | - |
| Total | | 5,917 | 6,219 | 6,219 | - |
| Police | | | | | |
| | | - | - | - | - |
| Fire | | | | | |
| | | - | - | - | - |
| Public works | | | | | |
| | | - | - | - | - |
| Housing, health and community development: | | | | | |
| Economic development | | - | - | - | - |
| Neighborhood services | | - | - | - | - |
| Community development administration | | - | - | - | - |
| Total | | - | - | - | - |
| Parks, recreation and community services | | | | | |
| | | - | - | - | - |
| Library | | | | | |
| | | - | - | - | - |
| Total expenditures and transfers | \$ | 5,917 | 6,219 | 6,219 | - |

(Continued)

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures and Other

Financing Uses - Budget and Actual

General Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | Total | | | |
|--|-----------------|--------------|---------|---|
| | Original Budget | Final Budget | Actual | Variance With Final Budget (Over)/Under |
| General government: | | | | |
| City clerk | \$ 918 | 922 | 831 | 91 |
| Elections | 225 | 744 | 723 | 21 |
| City treasurer | 653 | 657 | 632 | 25 |
| City manager | 4,582 | 4,782 | 4,431 | 351 |
| Legal | 3,291 | 3,351 | 3,214 | 137 |
| Finance | 4,875 | 4,898 | 4,441 | 457 |
| Planning | 7,721 | 7,983 | 7,698 | 285 |
| Personnel | 2,481 | 2,526 | 2,221 | 305 |
| Non-departmental | 8,815 | 9,349 | 9,323 | 26 |
| Total | 33,561 | 35,212 | 33,514 | 1,698 |
| Police | 67,178 | 68,073 | 69,024 | (951) |
| Fire | 42,761 | 43,168 | 42,561 | 607 |
| Public works | 17,703 | 19,349 | 17,547 | 1,802 |
| Housing, health and community development: | | | | |
| Economic development | 1,183 | 2,115 | 935 | 1,180 |
| Neighborhood services | 26 | 26 | 26 | - |
| Community development administration | 2,337 | 2,640 | 2,081 | 559 |
| Total | 3,546 | 4,781 | 3,042 | 1,739 |
| Parks, recreation and community services | 9,691 | 10,015 | 9,703 | 312 |
| Library | 8,243 | 9,082 | 7,900 | 1,182 |
| Total expenditures and transfers | \$ 182,683 | 189,680 | 183,291 | 6,389 |

Exhibit D-3

CITY OF GLENDALE

Statement of Revenues - Budget and Actual

Housing Assistance Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | | Original Budget | Final Budget | Actual | Variance With Final Budget Over/(Under) |
|-----------------------------|----|-----------------|--------------|--------|---|
| <hr/> | | | | | |
| Revenues: | | | | | |
| Use of money and property | \$ | 10 | 10 | 17 | 7 |
| Revenue from other agencies | | 30,885 | 30,885 | 28,852 | (2,033) |
| Miscellaneous revenue | | 41 | 41 | 49 | 8 |
| <hr/> | | | | | |
| Total revenues | \$ | 30,936 | 30,936 | 28,918 | (2,018) |
| <hr/> <hr/> | | | | | |

Exhibit D-4

CITY OF GLENDALE

Statement of Expenditures - Budget and Actual

Housing Assistance Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | | Original Budget | Final Budget | Actual | Variance With Final Budget (Over)/Under |
|---|----|-----------------|--------------|--------|---|
| <hr/> | | | | | |
| Current: | | | | | |
| Housing, health and community development: | | | | | |
| Salaries and benefits | \$ | 2,196 | 2,209 | 1,920 | 289 |
| Maintenance and operations | | 28,698 | 28,698 | 26,698 | 2,000 |
| | | <hr/> | | | |
| Total expenditures | \$ | 30,894 | 30,907 | 28,618 | 2,289 |
| | | <hr/> | | | |

Exhibit E-1
CITY OF GLENDALE
Statement of Net Position
Proprietary Funds
June 30, 2015 (in thousands)

| Business-type Activities - Enterprise Funds | | | | | | |
|--|---------------|------------------|---------------|---------------------------------|-----------|------------------------------|
| | Sewer Fund | Electric Fund | Water Fund | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| Assets and deferred outflows of resources | | | | | | |
| Current assets: | | | | | | |
| Pooled cash and investments | \$ 59,572 | 59,759 | - | 33,727 | 153,058 | 105,263 |
| Cash with fiscal agent | - | 4,610 | 5,123 | - | 9,733 | - |
| Investments with fiscal agent | - | 2,464 | - | - | 2,464 | - |
| Interest receivable | 167 | 237 | - | 73 | 477 | 486 |
| Investment-gas/electric commodity | - | 1,989 | - | - | 1,989 | - |
| Accounts receivable, net | 1,951 | 39,331 | 7,417 | 2,525 | 51,224 | 200 |
| Due from other funds | - | 6,375 | - | - | 6,375 | - |
| Inventories | - | 5,929 | - | - | 5,929 | - |
| Prepaid items | - | 5,093 | - | - | 5,093 | 546 |
| Total current assets | 61,690 | 125,787 | 12,540 | 36,325 | 236,342 | 106,495 |
| Noncurrent assets: | | | | | | |
| Capital assets: | | | | | | |
| Land | 578 | 6,239 | 1,034 | 1,639 | 9,490 | - |
| Natural gas reserve | - | 22,276 | - | - | 22,276 | - |
| Buildings and improvements | 128,161 | 65,503 | 60,476 | 6,798 | 260,938 | - |
| Machinery and equipment | 2,059 | 505,984 | 30,410 | 22,767 | 561,220 | 40,007 |
| Infrastructure | - | - | 140,976 | - | 140,976 | - |
| Intangible | 95,343 | - | - | - | 95,343 | - |
| Accumulated depreciation | (32,038) | (314,113) | (75,925) | (20,186) | (442,262) | (23,319) |
| Natural gas depletion | - | (7,986) | - | - | (7,986) | - |
| Amortization | (40,376) | - | - | - | (40,376) | - |
| Construction in progress | 2,375 | 13,722 | 27,880 | 15 | 43,992 | 6,854 |
| Total capital assets | 156,102 | 291,625 | 184,851 | 11,033 | 643,611 | 23,542 |
| Designated cash and investments | - | 41,900 | - | - | 41,900 | - |
| Restricted cash | - | 46,970 | 12,077 | - | 59,047 | - |
| Advances to other funds | 1,713 | - | - | - | 1,713 | - |
| Prepaid Energy | - | 97 | - | - | 97 | - |
| Total noncurrent assets | 157,815 | 380,592 | 196,928 | 11,033 | 746,368 | 23,542 |
| Total assets | 219,505 | 506,379 | 209,468 | 47,358 | 982,710 | 130,037 |
| Deferred outflows of resources: | | | | | | |
| Loss on refunding | - | 1,158 | - | - | 1,158 | - |
| Deferred outflows of resources related to pensions | 308 | 2,982 | 986 | 805 | 5,081 | - |
| Total deferred outflows of resources | 308 | 4,140 | 986 | 805 | 6,239 | - |
| Total assets and deferred outflows of resources | \$ 219,813 | 510,519 | 210,454 | 48,163 | 988,949 | 130,037 |

(Continued)

Exhibit E-1
CITY OF GLENDALE
Statement of Net Position
Proprietary Funds
June 30, 2015 (in thousands)

| | Business-type Activities - Enterprise Funds | | | | | |
|---|---|------------------|---------------|---------------------------------|----------|------------------------------|
| | Sewer Fund | Electric Fund | Water Fund | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| Liabilities, deferred inflows of resources and net position | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | \$ 753 | 5,014 | 3,696 | 860 | 10,323 | 1,563 |
| Due to other funds | - | - | 6,375 | - | 6,375 | - |
| Advance from other funds | - | - | - | - | - | 1,713 |
| Interest payable | - | 3,316 | 1,428 | - | 4,744 | 47 |
| Claims payable | - | - | - | - | - | 12,309 |
| Compensated absences | - | - | - | - | - | 3,700 |
| Bonds payable | - | 2,870 | 1,371 | - | 4,241 | - |
| Capital leases | - | - | - | - | - | 242 |
| Deposits | 306 | 3,036 | 901 | 295 | 4,538 | - |
| Total current liabilities | 1,059 | 14,236 | 13,771 | 1,155 | 30,221 | 19,574 |
| Noncurrent liabilities: | | | | | | |
| Claims payable | - | - | - | - | - | 30,893 |
| Compensated absences | - | - | - | - | - | 22,868 |
| Bonds payable | - | 174,747 | 82,033 | - | 256,780 | - |
| Net pension liability | 3,923 | 41,187 | 11,768 | 11,768 | 68,646 | - |
| Capital leases | - | - | - | - | - | 515 |
| Total noncurrent liabilities | 3,923 | 215,934 | 93,801 | 11,768 | 325,426 | 54,276 |
| Total liabilities | 4,982 | 230,170 | 107,572 | 12,923 | 355,647 | 73,850 |
| Deferred inflows of resources: | | | | | | |
| Deferred inflows of resources related to pensions | 1,074 | 11,275 | 3,222 | 3,221 | 18,792 | - |
| Total liabilities and deferred inflows of resources | 6,056 | 241,445 | 110,794 | 16,144 | 374,439 | 73,850 |
| Net position: | | | | | | |
| Net investment in capital assets | 156,102 | 156,466 | 113,524 | 11,033 | 437,125 | 21,338 |
| Restricted | | | | | | |
| SCAQMD emission controls | - | 5,669 | - | - | 5,669 | - |
| Unrestricted (deficits) | 57,655 | 106,939 | (13,864) | 20,986 | 171,716 | 34,849 |
| Total net position | \$ 213,757 | 269,074 | 99,660 | 32,019 | 614,510 | 56,187 |
| Some amounts reported for business-type activities in the statement of net position are different because the net adjustment pertains to items on the statement of net position of certain internal service funds reported with business-type activities. | | | | | (12,496) | |
| Total net position of business-type activities | | | | \$ | 602,014 | |

Exhibit E-2

CITY OF GLENDALEStatement of Revenues, Expenses and
Changes in Net Position

Proprietary Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Business-type Activities - Enterprise Funds | | | | | Internal Service Funds |
|--|---|------------------|---------------|---------------------------------|----------|------------------------------|
| | Sewer Fund | Electric Fund | Water Fund | Nonmajor Enterprise Funds | Total | |
| Operating revenues: | | | | | | |
| Charges for services | \$ 15,790 | 215,956 | 47,520 | 38,951 | 318,217 | 92,113 |
| Miscellaneous revenue | 255 | 4,622 | 2,244 | 1,315 | 8,436 | 186 |
| Total operating revenue | 16,045 | 220,578 | 49,764 | 40,266 | 326,653 | 92,299 |
| Operating expenses: | | | | | | |
| Maintenance and operation | 11,987 | 154,086 | 36,706 | 30,068 | 232,847 | 30,053 |
| Claims and settlement | - | - | - | - | - | 56,158 |
| Equipment purchased | - | - | - | - | - | 339 |
| Depreciation | 2,649 | 26,691 | 5,818 | 3,177 | 38,335 | 2,551 |
| Gas depletion | - | 1,004 | - | - | 1,004 | - |
| Amortization | 2,895 | - | - | - | 2,895 | - |
| Total operating expenses | 17,531 | 181,781 | 42,524 | 33,245 | 275,081 | 89,101 |
| Operating income (loss) | (1,486) | 38,797 | 7,240 | 7,021 | 51,572 | 3,198 |
| Non operating revenues (expenses): | | | | | | |
| Use of money and property | 585 | 1,043 | 15 | 465 | 2,108 | 974 |
| Intergovernmental grants | - | - | - | 120 | 120 | 20 |
| Loss on disposal of capital asset | - | - | - | (243) | (243) | - |
| Interest expense | - | (7,322) | (2,871) | - | (10,193) | (84) |
| Total non operating revenues (expenses) | 585 | (6,279) | (2,856) | 342 | (8,208) | 910 |
| Income before capital contributions and transfers | (901) | 32,518 | 4,384 | 7,363 | 43,364 | 4,108 |
| Capital grants and contributions | - | 325 | 1,978 | 3 | 2,306 | - |
| Transfers out | - | (20,357) | - | (42,502) | (62,859) | - |
| Change in net position | (901) | 12,486 | 6,362 | (35,136) | (17,189) | 4,108 |
| Net position, July 1, as restated | 214,658 | 256,588 | 93,298 | 67,155 | | 52,079 |
| Net position, June 30 | \$ 213,757 | 269,074 | 99,660 | 32,019 | | 56,187 |

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.

1,846

Changes in net position of business-type activities

\$ (15,343)

Exhibit E-3
CITY OF GLENDALE
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015 (in thousands)

| | Business-type Activities - Enterprise Funds | | | | | |
|--|---|---------------|------------|---------------------------|-----------|------------------------|
| | Sewer Fund | Electric Fund | Water Fund | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| Cash flows from operating activities: | | | | | | |
| Cash from customers | \$ 16,067 | 209,050 | 49,459 | 40,416 | 314,992 | 92,850 |
| Cash paid to employees | (3,414) | (31,184) | (7,443) | (14,764) | (56,805) | (15,405) |
| Cash paid to suppliers | (8,044) | (129,172) | (36,469) | (15,993) | (189,678) | (65,423) |
| Net cash provided by operating activities | 4,609 | 48,694 | 5,547 | 9,659 | 68,509 | 12,022 |
| Cash flows from noncapital financing activities: | | | | | | |
| Amounts received from other funds | 7,693 | - | 6,375 | - | 14,068 | - |
| Amounts paid to other funds | - | (6,375) | (7,144) | - | (13,519) | (549) |
| Transfers out | - | (20,357) | - | (15,074) | (35,431) | - |
| Operating grants received | - | - | - | 120 | 120 | 20 |
| Net cash provided (used) by noncapital financing activities | 7,693 | (26,732) | (769) | (14,954) | (34,762) | (529) |
| Cash flows from capital and related financing activities: | | | | | | |
| Interest on long-term debt | - | (7,819) | (2,886) | - | (10,705) | (100) |
| Principal payments and premiums | - | (2,361) | (1,331) | - | (3,692) | (669) |
| Capital grants and contributions | - | 325 | 1,978 | 3 | 2,306 | - |
| Acquisition of property, plant, gas and equipment | (11,290) | (14,852) | (9,868) | (3,700) | (39,710) | (5,458) |
| Net cash provided (used) by capital and related financing activities | (11,290) | (24,707) | (12,107) | (3,697) | (51,801) | (6,227) |
| Cash flows by investing activities | | | | | | |
| Investment - gas/electric commodity | - | (901) | - | - | (901) | - |
| Interest received | 646 | 1,088 | 15 | 517 | 2,266 | 1,030 |
| Net cash provided by investing activities | 646 | 187 | 15 | 517 | 1,365 | 1,030 |
| Net increase (decrease) in cash and cash equivalents | 1,658 | (2,558) | (7,314) | (8,475) | (16,689) | 6,296 |
| Cash and cash equivalents at July 1 | 57,914 | 155,797 | 24,514 | 42,202 | 280,427 | 98,967 |
| Cash and cash equivalents at June 30 | 59,572 | 153,239 | 17,200 | 33,727 | 263,738 | 105,263 |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | | | | | |
| Operating income (loss) | (1,486) | 38,797 | 7,240 | 7,021 | 51,572 | 3,198 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | | |
| Depreciation | 2,649 | 26,691 | 5,818 | 3,177 | 38,335 | 2,551 |
| Amortization | 2,895 | - | - | - | 2,895 | - |
| Gas depletion | - | 1,004 | - | - | 1,004 | - |
| (Increase) Decrease Accounts receivable net | 22 | (11,528) | (305) | 150 | (11,661) | 551 |
| (Increase) Inventories | - | (173) | - | - | (173) | - |
| (Increase) Prepaid expenses | - | (1,276) | - | - | (1,276) | (40) |
| Decrease Deferred charges | - | 133 | - | - | 133 | - |
| Increase Compensated absences | - | - | - | - | - | 8,176 |
| Increase (Decrease) Accounts payable | 541 | (2,195) | (6,988) | (462) | (9,104) | (1,119) |
| (Decrease) Net pension liability | (64) | (426) | (255) | (75) | (820) | - |
| Increase (Decrease) Deposits | 52 | (2,333) | 37 | (152) | (2,396) | - |
| (Decrease) Claims payable | - | - | - | - | - | (1,295) |
| Total adjustments | 6,095 | 9,897 | (1,693) | 2,638 | 16,937 | 8,824 |
| Net cash provided by operating activities | \$ 4,609 | 48,694 | 5,547 | 9,659 | 68,509 | 12,022 |
| Noncash investing, capital and financing activities: | | | | | | |
| Increase in fair value of investments | 86 | 147 | - | 45 | 278 | 143 |

Exhibit F-1
CITY OF GLENDALE
Statement of Net Position
Fiduciary Fund
June 30, 2015 (in thousands)

| | Glendale Successor Agency Private Purpose Trust Fund |
|--|--|
| Assets and deferred outflows of resources | |
| Current Assets: | |
| Pooled cash and investments | \$ 84,135 |
| Investments with fiscal agent | 17,488 |
| Restricted cash | 29 |
| Interest receivable | 314 |
| Accounts receivable, net | 3 |
| Loans receivable | 1,655 |
| Property held for resale | <u>3,632</u> |
| Total current assets | <u>107,256</u> |
| Noncurrent assets: | |
| Land | 155 |
| Buildings and improvements | 377 |
| Accumulated depreciation | (226) |
| Construction in progress | <u>13,297</u> |
| Total noncurrent assets | <u>13,603</u> |
| Total assets | <u>120,859</u> |
| Deferred outflows of resources: | |
| Loss on refunding | <u>1,695</u> |
| Total assets and deferred outflows of resources | <u>122,554</u> |
| Liabilities and net position | |
| Liabilities: | |
| Accounts payable and accrued liabilities | 921 |
| Interest payable | 549 |
| Bonds payable, due in one year | 8,360 |
| Bonds payable, due in more than one year | 104,135 |
| Loans payable to the City | <u>12,104</u> |
| Total liabilities | <u>126,069</u> |
| Net position held in trust (deficit) | <u>\$ (3,515)</u> |

CITY OF GLENDALE

Statement of Changes in Net Position

Fiduciary Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | <u>Glendale Successor Agency Private Purpose Trust Fund</u> |
|---|---|
| Additions: | |
| Property tax | \$ 10,709 |
| Interest income | 217 |
| Rental income | 85 |
| Miscellaneous revenues | 19 |
| Contribution from the City | <u>243</u> |
| Total additions | <u>11,273</u> |
| Deductions: | |
| Interest and amortization expense on bonds | 5,896 |
| Depreciation | 438 |
| Operating expenses | 1,879 |
| Loss on disposal of capital assets | <u>17,597</u> |
| Total deductions | <u>25,810</u> |
| Change in net position before special item | <u>(14,537)</u> |
| Special item: | |
| Transfers of capital assets to the City | <u>(22,087)</u> |
| Change in net position | (36,624) |
| Net position held in trust, July 1 | <u>33,109</u> |
| Net position held in trust (deficit), June 30 | <u><u>\$ (3,515)</u></u> |

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2015

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CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Housing Authority (the Authority), the City of Glendale Financing Authority (the Financing Authority), and the Glendale Economic Development Corporation (the Corporation). The City Council serves as the Board of the Housing Authority, the Financing Authority and the Glendale Economic Development Corporation. Management of the City has operational responsibility for the Authority, the Financing Authority and the Corporation as these component units are managed in an essentially the same manner as other City departments. In addition, the Financing Authority provides financial services entirely to the City. Therefore, these entities are reported as blended component units within the City's comprehensive annual financial report (CAFR). Both the City and its blended component units have a June 30 year-end.

Component Units

The Housing Authority was established by the Glendale City Council in 1975. The Authority is responsible for the administration of Department of Housing and Urban Development (HUD) funded Housing Choice Voucher rental assistance program (often called "Section 8"), which is funded annually. The Housing Authority also administers 4 other affordable housing program funds on behalf of the City including the HUD HOME entitlement grant, the HUD Supportive Housing grant, the HUD Shelter Plus Care grant, the Low Moderate Income Housing Asset Fund (former 20% Redevelopment Set Aside funds program income dollars), and the state funded BEGIN grant for First Time Home Buyers in the Doran Gardens homeownership development. The Housing Authority's mission is to provide decent, safe and sanitary dwellings for low to moderate income families, to preserve existing affordable housing, and to increase the supply and quality of new affordable housing. The Authority's financial data and transactions are included within the special revenue funds; no separate financial report is issued for the Authority.

The Financing Authority was established on December 7, 1999 by a joint powers authority between the City of Glendale and the Glendale Redevelopment Agency. The stated purpose was to provide financial assistance to the City of Glendale in connection with the construction and improvement of a Police Services Building located at west side of Isabel Street between Wilson and Broadway in the City of Glendale. On July 11, 2000, the Financing Authority issued \$64,200 in variable rate demand certificates of participation for the construction of the Police Services Building. The Financing Authority's financial data and transactions are included within the debt service funds; no separate financial report is issued for the Financing Authority.

The Glendale Economic Development Corporation, formed in July 2014, is tasked with implementing the City's economic development program. It provides physical, economic and educational development, redevelopment, and revitalization efforts within the City of Glendale. These efforts will assist and support the City in the expansion of job opportunities; stimulation of economic development; contribute to the physical improvement of the City; and to implement, assist and support the City in development activities and programs that will lessen neighborhood tensions, and combat community deterioration. The overarching objectives of the Glendale Economic Development Corporation is to further expand business opportunities, increase employment and foster economic prosperity for businesses and residents alike. As of June 30, 2015, there are no financial transactions to be reported and no separate financial report is issued for the Corporation.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City except for the fiduciary fund. The effect of inter-fund activity has been removed from these statements except for the inter-fund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Effective February 1, 2012, due to AB 1x 26, - the dissolution of Redevelopment Agencies throughout California, the activities of the dissolved Glendale Redevelopment Agency are recorded in the Glendale Successor Agency Private Purpose Trust Fund.

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

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

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures or expenses, as appropriate. The City reports a total of 64 funds comprised of the General Fund, 1 fiduciary fund, 32 special revenue funds, 1 debt service funds, 7 capital project funds, 8 enterprise funds and 14 internal service funds.

Effective June 30, 2015, Recreation Fund, Hazardous Disposal Fund and Parking Fund are reclassified as special revenue funds from enterprise funds per Council approval in June 2015. The three funds' activities are presented in enterprise funds during the current fiscal year, and assets and deferred outflows of resources, liabilities and deferred inflows of resources, and equities have been transferred from enterprise fund type to special revenue fund type and governmental activities as of June 30, 2015.

Governmental Fund Types

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and deferred outflows, liabilities and deferred inflows, is fund balance.

The following comprise the City's major governmental funds:

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

Housing Assistance Special Revenue Fund: Used to account for monies received and expended by the City under Section 8 of the Federal Housing and Urban Development Act for housing assistance to low and moderate income families.

Capital Improvement Capital Project Fund: Used to account for financial resources used for major capital projects of the general government operations. The City has categorized the capital improvement fund as a major fund for public interest reasons. The City believes that this judgmentally determined major fund is particularly important to the financial statements users.

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

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.

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

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

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

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

Other nonmajor enterprise funds consist of Recreation, Hazardous Disposal, Parking, Refuse Disposal and Fire Communication Funds. Recreation Fund mainly accounts for the recreation programs of the Parks, Recreation and Community Services department on a user fee basis. Hazardous Disposal Fund is for the operations of the toxic waste disposal of the City. Parking Fund accounts for operations of City-owned public parking lots and garages. Refuse Disposal Fund is for operations of the City-owned refuse collection and disposal services. Fire Communication Fund is for monies received and expended, as the lead City, for the tri-city (Burbank, Glendale and Pasadena) fire communication operations.

Additionally, internal service funds are used to finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City.

Fiduciary Fund Type

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

Since the resources of the fiduciary fund are not available to support the City's own programs, it is not reflected in the City's Government-wide financial statements. The accounting used for fiduciary fund is based on the economic measurement focus and the accrual basis of accounting.

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 and fiduciary 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 60 days of the end of the current fiscal period, except for the sales tax, landfill host assessment and landfill loyalty tipping fee collected within 90 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, Other Post Employment Benefits (OPEB), claims and judgments, are recorded only when payment is due.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Intergovernmental revenues are recognized in the period when all eligibility requirements imposed by the provider are met, and amounts are available.

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

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

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance or Net Position

Cash and Investments

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

The City values its cash and investments at fair value in the statement of net position and recognizes the corresponding change in the fair value of investments in the year in which the change occurred. Fair value is determined using published market prices.

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

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

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

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

CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2015
(in thousands)

Designated Cash and Investments

The cash reserve policies for the Electric Fund and Water Fund were adopted by the City Council in 2003, and subsequently revised in 2006 in order to ensure a long-term sustainable financial health for electric and water operations. Its provisions call for an annual review of the cash reserves to determine if the recommended levels are sufficient. The currently approved cash reserve levels are \$124,100 for the Electric Fund and \$11,300 for the Water Fund as adopted by the City Council on August 29, 2006. The annual review of the Electric Fund's cash reserve policy for fiscal year ending June 30, 2015, established a target of \$66,400 of designated cash in the following categories: \$40,400 for contingency reserve; \$10,000 for rate stabilization reserve; \$16,000 for reserve for gas reserve project; and \$0 for operating reserve. As of June 30, 2015, \$41,900 was designated for the Electric Fund with the goal of meeting the remaining balance of \$24,500 with future available cash. The annual review of the Water Fund's cash reserve policy for fiscal year ending June 30, 2015, established a target of \$7,500 of designated cash in the following categories: \$6,500 for contingency reserve; \$1,000 for rate stabilization reserve; and \$0 for operating reserve. As of June 30, 2015, no reserve was designated for the Water Fund with the goal of meeting the target of \$7,500 with future available cash.

The designated cash of \$25,850 in Landfill Postclosure capital project fund is for the postclosure maintenance cost of Scholl Canyon landfill.

Restricted Cash

The restricted cash balance includes unspent bond proceeds of the 2013 Electric Revenue Bonds and the 2012 Water Revenue Bonds as well as the environmental compliance funds mandated by South Coast Air Quality Management District (SCAQMD). In the Electric Surplus Fund, the SCAQMD restricted cash is for the environmental projects that comply with reductions in nitrogen oxides for the utility boilers and the gas turbines and in the Electric – SCAQMD State Sales Fund, the restricted cash is for the environmental projects that reduce emission and improve public health in Glendale.

Receivables

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

Accounts Receivables – These are comprised primarily of revenues that have been earned but not yet received by the City as of June 30 from individual customers, private entities and government agencies. In addition, this account includes accrued revenues due from other agencies for expenditure driven types of grants whereby the City accrues grant revenues for expenditures/expenses incurred but not yet reimbursed by the grantors. Also, property taxes earned but not received from the County of Los Angeles as of June 30 and unbilled services for utility and other services delivered to customers but not billed as of June 30, are included in this account. Management determines the allowance for doubtful accounts by evaluating individual customer accounts. Utility customer closed accounts are written off when deemed uncollectible. Recoveries to utility customer receivables previously written off are recorded when received. For non utility accounts receivable, delinquent notices for 30 days are sent out to customers with outstanding balances. After 60 days, accounts still outstanding are forwarded to a collection company.

Housing Loans Receivable – The Housing Authority uses Community Development Block Grant (CDBG grant), HOME grant, Low and Moderate Income Housing Asset Fund (LMIHA) program income and Building Equity and Growth in Neighborhoods Grant (BEGIN grant) funds to make various loans to create and maintain affordable housing for low and moderate income people. Certain Housing Authority loans will be forgiven or restructured when all requirements are met. Because of the uncertainty of collectability, the City has established a policy to not record forgivable and contingent loans on the financial statements. The non-forgivable loans are recorded on the financial statements. See Note 4 for more information.

Inter-fund Transactions

Inter-fund services provided and used would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues (seller funds) and expenditures or expenses (purchaser funds) in the funds involved. For the fiscal year ended June 30, 2015, the General Fund recorded \$16,577 as inter-fund revenue for general government services provided to other funds.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

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

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

Inventories and Prepaid Items

Inventories, consisting primarily of construction and maintenance materials as well as tools held by the Electric and Water enterprise funds are stated at lower of cost or market, using the weighted average cost method or disposal value. Inventory shown in the General Fund consists of expendable supplies held for consumption. The consumption method of accounting is used where inventory acquisitions are recorded in inventory accounts initially and charged as expenditures when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method, such as insurance, energy purchases, rent, etc.

Capital Assets

Capital assets including land, buildings, improvements, equipment and infrastructure assets (e.g. roads, sidewalks, traffic lights and signals, street lights and etc), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the respective proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the General Fund, special revenue and capital project funds and as assets in the government-wide financial statements to the extent the City’s capitalization is met. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest costs are capitalized as part of the historical cost of acquiring certain assets. Interest costs capitalized in the Electric and Water Funds for the fiscal year ended June 30, 2015 are as follows:

| | | Capitalized Interest | Total Interest Incurred |
|---------------|----|-------------------------|-------------------------------|
| Electric Fund | \$ | 239 | 7,561 |
| Water Fund | | 490 | 3,361 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

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

| Assets | Years |
|--|-------|
| Building and Improvements | |
| General Structure & Parking Lot Landscaping Improvements | 10 |
| Building and Parking Lot Improvements | 20 |
| Land Improvements | 30 |
| Parks and Wastewater Capacity Upgrades | 40 |
| Transmission-Off System | 50 |
| Machinery and Equipment | |
| Police Patrol Vehicles | 3 |
| Computer Systems and Software | 5 |
| Passenger Cars, Pickup/Refuse | 6 |
| Cargo Vans, Street Sweepers | 7 |
| Dump/Tractor/Trailer Trucks | 10 |
| Helicopters | 20 |
| Emergency Response Engines | 20 |
| Sewer Improvements (Intangible) | 40 |
| Infrastructure (non-sewer) | |
| Traffic Signals | 15 |
| Potable-Services | 20 |
| Supply-Mains and Wells | 25 |
| Supply-Structure Improvements | 30 |
| Supply-Springs & Tunnels & Potable-Hydrants | 40 |
| Streets, Paved Streets, Paved Alleys & Sidewalks | 50 |
| Potable-Mains | 75 |

In June 2005, the City elected to participate in the Natural Gas Reserve Project through SCPPA and entered into a 25 year Gas Sales Agreement with SCPPA for up to 2,000 MMBtu per day. The project calls for the acquisition and development of gas resources, reserves, fields, wells, and related facilities to provide a long-term supply of natural gas for its participants. The first acquisition was completed on July 1, 2005 with the total cost to the participants at \$306.1 million. The City's initial share in the project was \$13.1 million or 4.28%, with estimated peak daily volume between 1,600 to 1,800 MMBtu. As of June 30, 2015, the net balance for Natural Gas Reserve Project, including drilling program capitalization was \$14,290.

Long-term Debt

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund and fiduciary fund statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred. In the governmental funds statement of revenues, expenditures and changes in fund balances, issuance of debt is recorded as other financing source (use) in the respective fund. Issuance costs and payment of principal are reported as debt service expenditures.

Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 9 for more information.

Compensated Absences

The City records a liability for its employees' earned but unused accumulated vacation and overtime in government-wide and proprietary fund financial statements. The unused accumulated vacation and overtime are expensed in the Employee Benefits Fund, an Internal Service Fund, which incurs the liability. As of June 30, 2015, the total liability is \$12,937 and the City has \$11,121 cash available in the Employee Benefits Fund dedicated to this liability.

The City also provides sick leave conversion benefits through the Retiree Health Savings Plan (RHSP). Employees earn one day of sick leave per month and the unused sick leave hours are converted to a dollar amount and deposited in the employee's RHSP account at retirement or termination with 20 years of City service for Glendale Police Officers Association (GPOA), Glendale City Employee Association (GCEA), Glendale Management Association (GMA), and International Brotherhood of Electrical Workers (IBEW). The account is used to pay healthcare premiums for the retiree and beneficiaries. After the account is exhausted, the retirees can terminate coverage or elect to continue paying the healthcare premiums from personal funds. The sick leave conversion rates range from \$0.022 to \$0.03 for each hour of sick leave balance, based on the memoranda of understanding agreements between the City and the unions. Total benefits paid by the City under the RHSP for the fiscal year ended June 30, 2015 is \$1,805.

Based on the most recent actuarial valuation dated June 30, 2013, the actuarial accrued liability for the RHSP is \$13,815. The City has a cash reserve of \$6,657 in the RHSP Benefits Fund, an internal service fund, dedicated to provide benefits, so the unfunded actuarial accrued liability is \$7,158 as of June 30, 2013. The City has \$10,952 cash reserve for RHSP as of June 30, 2015, and the actuarial accrued liability is \$13,631, so the unfunded actuarial accrued liability is \$2,679. The actuarial accrued liability takes into account an estimate of future sick leave usage, additional sick leave accumulation for current active employees, and investment return of 4% and no increase for sick leave conversion hourly rate.

Post-Employment Benefits

For Glendale City Employees Association (GCEA) and Glendale Management Association (GMA) employees who retired prior to July 2001, Glendale Police Officers Association (GPOA) employees who retired prior to December 2001 and Glendale Fire Fighters Association (GFFA) employees who retired prior to September 2002, the accumulated unused sick leave upon their retirement may be converted to the number of months that the City will contribute all or partial of these retirees' monthly medical insurance premiums. The conversion calculations are based on the respective bargaining units' MOU or Benefit Ordinance. Currently, there are 8 retirees receiving this City paid benefit. These 8 retirees may also elect at any time to receive a one-time cash payment of a maximum of 50% of the value of the remainder of their unused sick leave conversion for the insurance plan for which they qualify. After all the accumulated unused sick leaves are exhausted or cashed out, the retirees can terminate coverage or elect to continue paying the medical insurance premiums from personal funds.

The City also has a Retiree Healthcare Plan which is a single-employer defined benefit healthcare plan administered by the City. The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established by and may be amended by the City. The premiums collected from the retirees and payments to the insurance companies are recorded in the Medical Insurance Fund, which is an internal service fund. The City does not have a separate audited report for this defined benefit plan. See Note 10 for more information.

Unearned Revenue

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

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. Property held for resale is carried at the lower of cost or net realizable value (realizable value less cost to sell).

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Fund Balance

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

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

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation and deferred outflows of resources, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, excluding unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation externally adopted by the citizens of the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Deferred Outflows and Inflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources, or expenses, until then. For current or advance refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debts (i.e., deferred charges) is reported as a deferred outflow of resources and amortized to interest expense based on the effective interest method over the remaining life of the old debt or the life of the new debt, whichever is shorter. When the City pays the pension contributions subsequent to the measurement date, the City reports deferred outflows of resources. The City's deferred outflows of resources at June 30, 2015 is \$31,287, which consists of \$1,158 loss on refunding, and \$30,129 for pension contribution made after the measurement date of the net pension liability.

In addition to liabilities, the statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

to a future period and will not be recognized as an inflow of resources, or revenues, until then. When there is a decrease in pension expense arising from the recognition of differences between projected and actual earnings on pension plan investments, the City reports a deferred inflow of resources until such time as the decrease is recognized in expense. The City's deferred inflow of resources related to pension is \$89,228 as of June 30, 2015. When a receivable is recorded in governmental fund financial statements but the revenue is not available, the City reports a deferred inflow of resources until such time as the revenue becomes available. The City has recorded deferred inflows of resources – unavailable revenues, of \$12,104 in the General Fund, and \$2,380 in the nonmajor governmental funds.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City Council is required to adopt an annual budget for the general, debt service, special revenue, enterprise and internal service fund types. The City Council annually adopts the capital improvement program for the capital projects funds. The City of Glendale budget presents the Capital Improvement Projects on a ten year plan basis, with the "Future Years" column representing a cumulative of five years projections. The City Council only approves and authorizes one year of the Capital Improvement Projects. Prior year unspent Capital Improvement Projects budget is carried forward into the new fiscal year. Therefore, annual budget comparison on multi-year projects is impractical.

All proprietary fund types are accounted for on a cost of service method (net income). As a result, budget comparisons are impractical. Additionally, the City is not legally mandated to report the results of operations for these enterprise fund and internal service fund types on a budget comparison basis; therefore, budgetary data related to these funds have not been presented.

The City utilizes an "encumbrance system". Under this procedure, encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Appropriations in the General Fund lapse at the end of the year. Therefore, encumbrances are not reserved for commitments made and budget carryovers may be submitted for remaining encumbrance. All commitments incurred in the General Fund will be paid with the new budget and approved budget carryovers in the following year. Open capital project appropriations carry over to the next year.

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

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

The following operating units over expended their appropriations by \$25 or more as of June 30, 2015:

| General Fund | Amount Over Expended |
|--------------------------------|----------------------|
| Police | |
| Salaries and Benefits | \$ 983 |
| General Government - Elections | |
| Salaries and Benefits | 32 |
| General Government - Planning | |
| Salaries and Benefits | 85 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

NOTE 3 – CASH AND INVESTMENTS

Governmental and Business-type activities:

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

| | | |
|--|----|-----------------------|
| Investments | \$ | 512,867 |
| Cash and investments with fiscal agents | | <u>12,214</u> |
| | | 525,081 |
| Cash held in financial institutions and imprest cash | | <u>42,003</u> |
| Total | \$ | <u><u>567,084</u></u> |

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

| | | |
|---|----|-----------------------|
| Pooled cash and investments | \$ | 426,084 |
| Restricted cash | | 59,047 |
| Cash and investments with fiscal agents | | 12,214 |
| Restricted investments – gas/electric commodity | | 1,989 |
| Designated cash and investments | | <u>67,750</u> |
| Total | \$ | <u><u>567,084</u></u> |

Authorized Investments

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

| | Maximum Maturity | Maximum % of Portfolio | Maximum Investment in one Issuer |
|---|---------------------|--------------------------------------|-------------------------------------|
| U.S. Treasury Securities | 5 years | 100% | None |
| Federal Agencies Securities | 5 years | 100% | None |
| State of California and California Local Agencies | N/A | 15% | 5% per issuer |
| Obligation of Other States | N/A | 10% | 5% per issuer |
| Medium Term Corporate Notes | 5 years | 20% | 5% per issuer |
| Commercial Paper (A1, P1, F1 minimum rating) | 270 days | 25% | None |
| Bankers' Acceptances | 180 days | 30% | 10% per bank |
| Time Deposits (FDIC Insured) | 1 year | 10% | 5% per issuer |
| Negotiable Certificates of Deposit | 1 year | 30% | 5% per issuer |
| Local Agency Investment Fund (State Pool) | N/A | LAIF maximum (\$50MM per account) | None |
| Money Market Mutual Funds | 90 days | 20% | None |
| Los Angeles County Treasury Pool | N/A | 10% | None |

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

Investments Authorized by Debt Agreements

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

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

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.

Governmental and Business-type activities:

| | | Remaining Maturity (in Months) | | | |
|----------------------------------|----|--------------------------------|-------------------|-----------------|-----------------|
| | | Total | 12 Months or Less | 13 to 24 Months | 25 to 60 Months |
| Federal Agency Term Notes | \$ | 46,091 | 5,007 | 3,492 | 37,592 |
| Federal Agency Callable Bonds | | 93,268 | 5,007 | - | 88,261 |
| Medium Term Notes | | 83,127 | 10,012 | 12,830 | 60,285 |
| Obligations of Other States | | 26,543 | - | - | 26,543 |
| State and Municipal Bonds | | 45,358 | 2,006 | 7,785 | 35,567 |
| State Investment Pool | | 160,609 | 160,609 | - | - |
| Los Angeles County Pool | | 38,052 | 38,052 | - | - |
| Money Market Mutual Fund | | 19,819 | 19,819 | - | - |
| Held by Fiscal Agents: | | | | | |
| Guaranteed Investment Contracts* | | 2,398 | - | - | 2,398 |
| U.S. Treasury Notes | | 2,258 | 2,258 | - | - |
| Money Market Mutual Fund | | 7,558 | 7,558 | - | - |
| | \$ | 525,081 | 250,328 | 24,107 | 248,248 |

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 purchases investments only in the most risk-adverse instruments, such as Aaa rated government securities, Aaa, Aa or A rated corporate securities, A1,P1,F1 rated commercial paper, negotiable certificates of deposit, and banker's acceptance securities. The City's Investment Policy requires the City to sell medium term notes with a credit rating below S&P's and Fitch's BBB grade or Moody's Baa2, unless the City Council approves the City Treasurer's recommendation that the security should be retained.

Governmental and Business-type activities:

| | | Moody's Rating as of June 30, 2015 | | | | | | | | |
|----------------------------------|----|------------------------------------|---------|--------|--------|--------|--------|-------|-------|---------|
| | | Total | Aaa | Aa1 | Aa2 | Aa3 | A1 | A2 | A3 | Baa1 |
| Federal Agency Term Notes | \$ | 46,091 | 46,091 | - | - | - | - | - | - | - |
| Federal Agency Callable Bonds | | 93,268 | 88,261 | 5,007 | - | - | - | - | - | - |
| Medium Term Notes | | 83,127 | 8,990 | 3,012 | - | 33,746 | 20,362 | 6,019 | 5,006 | 5,992 |
| Obligations of Other States | | 26,543 | 1,823 | 3,996 | 9,164 | 11,560 | - | - | - | - |
| State and Municipal Bonds | | 45,358 | - | - | 19,365 | 24,476 | - | - | - | 1,517 |
| State Investment Pool | | 160,609 | - | - | - | - | - | - | - | 160,609 |
| Los Angeles County Pool | | 38,052 | - | - | - | - | - | - | - | 38,052 |
| Money Market Mutual Fund | | 19,819 | 43 | - | - | - | - | - | - | 19,776 |
| Held by Fiscal Agents: | | | | | | | | | | |
| Guaranteed Investment Contracts* | | 2,398 | - | - | - | - | - | - | - | 2,398 |
| U.S. Treasury Notes | | 2,258 | 2,258 | - | - | - | - | - | - | - |
| Money Market Mutual Fund | | 7,558 | 7,558 | - | - | - | - | - | - | - |
| | \$ | 525,081 | 155,024 | 12,015 | 28,529 | 69,782 | 20,362 | 6,019 | 5,006 | 5,992 |

*The Counterparty rating of Trinity Plus Funding Company, LLC is "A1".

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Concentration Risk

The investment policy of the City limits the amounts that may be invested in any one issuer to 5% or 10%. This limit excludes investments in U.S. Treasury securities, federal agencies securities, commercial paper, Local Agency Investment Fund, money market mutual funds, and Los Angeles County Pool. Investments in any one issuer that represent 5% or more of total City investments are as follows:

| Issuer | Investment Type | Reported Amount |
|--------|-------------------------------|------------------|
| FHLMC | Federal Agency Callable Bonds | \$ 45,549 |
| | Federal Agency Term Bonds | 14,429 |
| | Total | <u>\$ 59,978</u> |
| FNMA | Federal Agency Callable Bonds | \$ 12,000 |
| | Federal Agency Term Notes | 13,903 |
| | Total | <u>\$ 25,903</u> |

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of the failure of a depository financial institution, a government agency will not be able to recover its deposits or will not be able to recover investment securities that are in the possession of an outside party. All of a depositor's accounts at an insured depository institution, including noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250 for each deposit insurance ownership category. The amounts of deposits are collateralized under California law. The Code requires that a financial institution secures 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).

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

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

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

Investment in State Investment Pool

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

Investment in Los Angeles County Pool

The City is a voluntary participant in the Los Angeles County Pooled Surplus Investment Fund (LACPIF) that is regulated by California Government Code Section 27136 and managed by the Los Angeles County Treasurer. The City's investment in this pool is reported in the accompanying financial statements of net position and prepared on the accrual basis of accounting. Investments are reported at fair value, which is based on quoted market prices. The cash flow needs of the Pool

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of participants. The balance available for withdrawal is based on the accounting records maintained by LACPIF.

NOTE 4 – LOANS RECEIVABLE

Successor Agency

When the California Supreme Court upheld Assembly Bill 1x 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California that took effect February 1, 2012, the former Glendale Redevelopment Agency’s (“the former Agency”) Advances from the City was invalidated. As a result, the City had written off the former Agency’s Advances’ outstanding balance of \$71,758 in fiscal year 2012.

However, when legislature approved Assembly Bill 1484, the Host Agency was eligible to reinstate the City/Agency loans pursuant to California Health & Safety Code section 34191.4. The Host Agency and the Successor Agency received approval from its Oversight Board and from the State Department of Finance to reinstate the City/Agency loans. However, the reinstated loan is limited by H&SC section 34191.4 which allows the Successor Agency to repay the loan pursuant to a formula that prescribes the maximum payment per fiscal year as equal to one-half of the increase between the amount distributed to the taxing entities pursuant to H&SC section 34183, and the amount distributed to the taxing entities pursuant to that paragraph in the 2012-2013 base year. In addition, the accumulated interest on the remaining principal loan balance is required to be recalculated from loan origination at the interest rate earned by funds deposited into the Local Agency Investment Fund (LAIF). The loans are required to be repaid in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into LAIF. Furthermore, twenty percent (20%) of any loan repayment is required to be deducted and transferred to the City’s Low and Moderate Income Housing Asset Fund. As of June 30, 2015, the reinstated loan receivable amount is \$12,104.

Housing

The Housing Authority offers various housing loans to the residents of the City. Four different types of housing loans are funded from Community Development Block Grant (CDBG grant), HOME grant, Low and Moderate Income Housing Asset Fund (LMIHA) program income, and Building Equity and Growth in Neighborhoods Grant (BEGIN grant) funds.

- ***Single Family Home Rehabilitation Loan***

The program was funded by CDBG grant, HOME grant and LMIHA, and provided funds for moderate rehabilitation of owner-occupied homes for low and moderate income households. The deferred payment loan was interest bearing with rate ranging from 0% to 4% annually (simple interest) for up to 10 years, and with a loan amount up to \$25. Generally, the loan is repaid at the time of sale or transfer of the property. The loan is secured by a deed of trust on the property. This program was eliminated in February 2012; however, there are existing loans receivable. As of June 30, 2015, \$1,934 is outstanding, which is recorded in governmental activities in the government-wide financial statement.

- ***First Time Home Buyer Loan***

The program is funded by HOME grant, LMIHA and BEGIN grant, and has two categories.

Down Payment Assistance – Resale Homes Purchase. The program provided funds for down payment and affordability gap assistance for the purchase of a resale home by a low or moderate income first time home buyer household. Loan terms vary from 30 to 45 years. Loans require either 5% simple annual interest payments (paid monthly), or 0% interest rate with no monthly payments. All loans are second mortgage deferred payment, forgivable loans up to \$75. If the property is sold or transferred, or if the property is no longer owner-occupied before the term expires, the borrower must repay the original principal amount plus an appreciation share. This program was eliminated in February 2012; however, there are existing loans receivable. As of June 30, 2015, \$3,033 is outstanding. Because all these loans are forgivable, they are not recorded on the financial statements.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Down Payment Assistance – New Construction Homes Purchase. For new construction units, the amount of the loan is based upon the amount of the affordability gap. The loan is secured by a deed of trust on the property and affordable housing covenants. Loans fall into two types. One type is the deferred payment, forgivable loan with a loan term of 30 to 45 years. The loan is forgiven at the end of the loan term. If the property is sold or transferred, or if the property is no longer owner-occupied before the term expires, the borrower must repay the original principal amount plus an appreciation share. A small set of loans funded through the American Dream Down Payment Assistance Program are forgiven at a set percentage of the principal amount each year. A second type of loan is a deferred payment loan with resale restrictions. More recent HOME funded loans are subject to resale restrictions and must be resold to low income home buyers if sold before the end of the term. As of June 30, 2015, the forgivable loan amount is \$3,308, and the amount is not recorded on the financial statements. The Doran Gardens project loans funded through the BEGIN Grant are deferred loans and are to be repaid at the end of the 30-year term. As of June 30, 2015, the non-forgivable amount is \$5,383, and is recorded in governmental activities in the government-wide financial statement.

- *Multi-Family Apartment Rehabilitation Loan*

The program is funded by LMIHA, and provides funds for moderate rehabilitation of rental properties owned by private or nonprofit owners. Units must be rented to low and moderate income tenants at an affordable rent for the term of the loan. The loan is secured by a deed of trust and affordable housing covenants on the property. The loan is an interest bearing (4% simple interest), deferred payment, forgivable loan. The maximum loan amount is \$10 per unit for a 5 year loan. In target neighborhoods, the maximum per unit is up to \$15 per unit for a 7 year loan for repairs and rehab. The maximum amount per project is up to \$100. The owner needs to contribute at least 10% of the total project cost. Repayments are due on an annual basis. If the property is in compliance with the terms of the loan agreement, the annual payment is forgiven. As of June 30, 2015, \$29 is outstanding. Because all these loans are forgivable, they are not recorded on the financial statements.

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

The program is funded by HOME grant and LMIHA, and provides funds for new construction or acquisition/rehabilitation of affordable rental housing. Loan terms and loan underwriting requirements are negotiated with the developer on a project by project basis. The loan is secured by a deed of trust and affordable housing covenants on the property. Loans provide gap assistance to make housing units affordable to low and moderate income households, and units must be rented at an affordable rent. Leveraging of funds with other sources and contribution of developer equity is required. Loans may be second mortgage deferred payment loans, which generally require loan principal plus interest to be repaid at the end of the loan term. Residual receipt payments are required on the deferred loans. Loans may also be permanent financing first mortgage loans at below market interest rate, and monthly amortized payments are required. Such loans would be provided when credit conditions or loan costs are not feasible for the project. As of June 30, 2015, the amount of forgivable or contingent loans is \$92,968, which is not recorded on the financial statements.

NOTE 5 – INTER-FUND TRANSACTIONS

The composition of inter-fund balances consists of due to/from other funds, advances to/from other funds and transfers. Due to/from other funds are temporary cash overdrafts between funds. Advances to/from other funds are the movement of money representing an inter-fund loan extending beyond one year. Some advances are formal lending agreements between funds.

Due to/from other funds as of June 30, 2015 consisted of the following:

| | | |
|-----------------------------|----|-------|
| Due to General Fund from: | | |
| Nonmajor governmental funds | \$ | 8,560 |
| Due to Electric Fund from: | | |
| Water Fund | \$ | 6,375 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Advances to/from other funds as of June 30, 2015 consisted of the following:

- \$1,946 of advance in the Emergency Medical Services Fund was the seed money from the General Fund to start the paramedic program. The Glendale Fire Department has restructured the EMS program to provide Basic Life Support (BLS) services, which has reduced the cost of the EMS program. The fund is projected to have sufficient resources to pay back General Fund in three years.
- \$1,713 of advance in the ISD Wireless Fund was a 5 year loan with 2.0% annual interest, from the Sewer Fund to upgrade City's radio infrastructure. Interest accrued started on September 1, 2012 and annual payment is due every September 1st. The final payment will be due on September 1, 2017.

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

| | Amount | Purpose |
|---|------------------|--|
| Transfer to General Fund from: | | |
| Electric Fund | \$ 20,357 | Fund general fund operations per Charter |
| Nonmajor enterprise funds | 3,050 | Fund general fund operations |
| | <u>23,407</u> | |
| Transfers to nonmajor governmental funds from: | | |
| General Fund | 70 | Nutritional Meals Grant Matching |
| General Fund | 500 | Fund Police Building Project Debt Service |
| Capital Improvement Fund | 2,000 | Fund Scholl Canyon Landfill reserve |
| | <u>2,570</u> | |
| Transfers to Capital Improvement Fund from: | | |
| General Fund | 5,347 | Fund capital improvement projects |
| | <u>5,347</u> | |
| Transfers to nonmajor governmental funds from: | | |
| General Fund | 302 | 20% of City GSA Loan Payment |
| | <u>302</u> | |
| Transfers to nonmajor governmental funds from: | | |
| Nonmajor enterprise fund | 3,602 | Recreation Fund type change from Enterprise to Special Revenue Fund |
| Nonmajor enterprise fund | 1,646 | Hazardous Disposal Fund type change from Enterprise Fund to Special Revenue Fund |
| Nonmajor enterprise fund | 6,776 | Parking Fund type change from Enterprise Fund to Special Revenue Fund |
| | <u>12,024</u> | |
| Transfer of capital assets to governmental activities from: | | |
| Nonmajor enterprise fund | 2,018 | Transfer of Recreation Fund capital assets due to fund type change |
| Nonmajor enterprise fund | 25,410 | Transfer of Parking Fund capital assets due to fund type change |
| | <u>27,428</u> | |
| Total Interfund Transfers | \$ <u>71,078</u> | |

CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2015
(in thousands)

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

| | Balance at July 1 | Increases | Decreases | Reclass | Adjustments - transferred from business type | Adjustments - transferred from fiduciary* | Balance at June 30** |
|---|----------------------|-----------|-----------|---------|---|--|-------------------------|
| Governmental activities | | | | | | | |
| Capital assets not being depreciated | | | | | | | |
| Land | \$ 398,869 | - | - | - | 5,547 | 9,882 | 414,298 |
| Construction in progress | 45,928 | 11,634 | - | (1,118) | 2,897 | - | 59,341 |
| Total assets not being depreciated | 444,797 | 11,634 | - | (1,118) | 8,444 | 9,882 | 473,639 |
| Depreciable capital assets | | | | | | | |
| Building and improvements | 297,093 | 598 | - | 903 | 42,306 | 16,137 | 357,037 |
| Machinery and equipment | 114,657 | 2,830 | (1,342) | 199 | 3,212 | 946 | 120,502 |
| Infrastructure | 299,831 | 7,863 | (857) | - | - | - | 306,837 |
| Total other capital assets at cost | 711,581 | 11,291 | (2,199) | 1,102 | 45,518 | 17,083 | 784,376 |
| Less accumulated depreciation: | | | | | | | |
| Building and improvements | 106,428 | 7,628 | - | - | 23,937 | 3,988 | 141,981 |
| Machinery and equipment | 76,992 | 7,247 | (1,342) | (16) | 2,597 | 890 | 86,368 |
| Infrastructure | 99,152 | 8,027 | (857) | - | - | - | 106,322 |
| Total accumulated depreciation | 282,572 | 22,902 | (2,199) | (16) | 26,534 | 4,878 | 334,671 |
| Total assets being depreciated, net | 429,009 | (11,611) | - | 1,118 | 18,984 | 12,205 | 449,705 |
| Governmental activities capital assets, net | \$ 873,806 | 23 | - | - | 27,428 | 22,087 | 923,344 |

*Includes \$2,482 of land that was transferred to the governmental activities from fiduciary fund.

**\$42,183 and \$46,861 of machinery and equipment and construction in progress for 2014 and 2015 respectively from internal service funds are included in governmental activities. \$21,548 and \$23,319 of accumulated depreciation for 2014 and 2015 respectively from internal service funds are included in governmental activities.

Depreciation expense was charged to functions of the City's governmental activities for the year ended June 30, 2015 as follows:

| | |
|---|-----------|
| Governmental Activities: | |
| General Government | \$ 2,100 |
| Police | 3,293 |
| Fire | 1,628 |
| Public Works | 12,682 |
| Parks, Recreation and Community Services | 2,588 |
| Library | 173 |
| Housing, Health and Community Development | 438 |
| Total depreciation expense | \$ 22,902 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

| | Balance at July 1 | Increases | Decreases | Reclass | Adjustments - transferred to fiduciary | Adjustments - transferred to governmental activities | Balance at June 30 |
|---|----------------------|-----------|-----------|-----------|--|---|-----------------------|
| Business-type activities | | | | | | | |
| Capital assets not being depreciated | | | | | | | |
| Land | \$ 15,120 | - | - | - | (83) | (5,547) | 9,490 |
| Construction in progress | 15,128 | 22,640 | - | 9,121 | - | (2,897) | 43,992 |
| Drilling in progress | - | 511 | (511) | - | - | - | - |
| Total assets not being depreciated | 30,248 | 23,151 | (511) | 9,121 | (83) | (8,444) | 53,482 |
| Depreciable capital assets | | | | | | | |
| Building and improvements | 389,109 | 7,989 | - | (93,476) | (377) | (42,306) | 260,939 |
| Machinery and equipment | 580,893 | 6,181 | (14,382) | (8,259) | - | (3,212) | 561,221 |
| Infrastructure | 140,934 | 904 | - | (862) | - | - | 140,976 |
| Total other capital assets at cost | 1,110,936 | 15,074 | (14,382) | (102,597) | (377) | (45,518) | 963,136 |
| Depletable capital assets | | | | | | | |
| Natural gas reserve | 22,148 | 128 | - | - | - | - | 22,276 |
| Amortizable intangible assets | | | | | | | |
| Intangible assets | - | 1,867 | - | 93,476 | - | - | 95,343 |
| Less accumulated depreciation: | | | | | | | |
| Building and improvements | 142,326 | 6,816 | - | (37,481) | (217) | (23,937) | 87,507 |
| Machinery and equipment | 297,915 | 28,227 | (14,382) | - | - | (2,597) | 309,163 |
| Infrastructure | 42,302 | 3,292 | - | - | - | - | 45,594 |
| Total accumulated depreciation | 482,543 | 38,335 | (14,382) | (37,481) | (217) | (26,534) | 442,264 |
| Less allowance for gas depletion | | | | | | | |
| Natural gas reserve | 6,982 | 1,004 | - | - | - | - | 7,986 |
| Less amortization | | | | | | | |
| Intangible assets | - | 2,895 | - | 37,481 | - | - | 40,376 |
| Total assets being depreciated, depleted, and amortized, net | 643,559 | (25,165) | - | (9,121) | (160) | (18,984) | 590,129 |
| Business-type activities capital assets, net | \$ 673,807 | (2,014) | (511) | - | (243) | (27,428) | 643,611 |

Depreciation and depletion expense was charged to functions of the City's business-type activities for the year ended June 30, 2015 as follows:

Business-type Activities:

Depreciation

| | |
|---|-----------|
| Sewer | \$ 2,649 |
| Electric | 26,691 |
| Water | 5,818 |
| Hazardous Disposal | 6 |
| Parking | 1,206 |
| Refuse Disposal | 1,732 |
| Recreation | 9 |
| Fire Communication | 224 |
| Total depreciation expense | 38,335 |
| Depletion - Electric | 1,004 |
| Amortization - Sewer | 2,895 |
| Total depreciation, depletion, and amortization expense | \$ 42,234 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

NOTE 7 – PROPERTY HELD FOR RESALE

Governmental activities – Home Grant Fund property held for resale at June 30, 2015:

| Acquisition Date | Location | | Carrying Value |
|------------------|---------------------|----|----------------|
| May 2015 | 634 & 700 E. Lomita | \$ | <u>981</u> |

Governmental activities – Low and Moderate Income Housing Asset Fund property held for resale at June 30, 2015:

| Acquisition Date | Location | | Carrying Value |
|------------------|----------------|----|----------------|
| October 2008 | Fifth & Sonora | \$ | <u>6,007</u> |

NOTE 8 – LONG-TERM DEBT AND OTHER LIABILITIES

The City's long-term debt as of June 30, 2015 consists of the following:

| | Issuance Amount | Balance at June 30, 2014 | Additions | Retirements | Balance at June 30, 2015 | Due within one year |
|--|-----------------|--------------------------|-----------|-------------|--------------------------|---------------------|
| Governmental Activities | | | | | | |
| Claims payable | \$ - | 44,497 | 54,863 | 56,158 | 43,202 | 12,309 |
| Post-employment benefits | - | 75,922 | 18,921 | - | 94,843 | - |
| Compensated absences | - | 13,848 | 16,139 | 9,557 | 20,430 | 2,837 |
| Landfill postclosure care | - | 41,810 | 1,108 | - | 42,918 | - |
| Certificates of Participation Police building project (COPs) | 64,200 | 41,195 | - | 2,795 | 38,400 | 2,795 |
| Total Governmental Activities long-term liabilities | \$ 64,200 | 217,272 | 91,031 | 68,510 | 239,793 | 17,941 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

| | Issuance Amount | Balance at June 30, 2014 | Additions | Retirements | Balance at June 30, 2015 | Due within one year |
|--|--------------------|--------------------------------|-----------|-------------|--------------------------------|---------------------------|
| Business-type Activities | | | | | | |
| Compensated absences | \$ - | 4,544 | 4,031 | 2,437 | 6,138 | 863 |
| Bonds payable: | | | | | | |
| Electric Revenue Bonds, 2006 Refunding Series | 38,830 | 30,280 | - | 1,350 | 28,930 | 1,415 |
| Electric Revenue Bonds, 2008 Series | 60,000 | 60,000 | - | - | 60,000 | - |
| Electric Revenue Bonds, 2013 Refunding Series | 20,510 | 20,510 | - | - | 20,510 | - |
| Electric Revenue Bonds, 2013 Series | 60,000 | 60,000 | - | 570 | 59,430 | 1,045 |
| Electric Revenue Bonds premium | - | 9,188 | - | 441 | 8,747 | 410 |
| Water Revenue Bonds, 2008 Series | 50,000 | 47,615 | - | 1,245 | 46,370 | 1,285 |
| Water Revenue Bonds, 2012 Series | 35,000 | 35,000 | - | - | 35,000 | - |
| Water Revenue Bonds premium | | 2,120 | | 86 | 2,034 | 86 |
| Total bonds payable | 264,340 | 264,713 | - | 3,692 | 261,021 | 4,241 |
| Total Business-type Activities long-term liabilities | \$ 264,340 | 269,257 | 4,031 | 6,129 | 267,159 | 5,104 |

| | Issuance Amount | Balance at June 30, 2014 | Additions | Retirements | Balance at June 30, 2015 | Due within one year |
|--|--------------------|--------------------------------|-----------|-------------|--------------------------------|---------------------------|
| Governmental Activities | | | | | | |
| Other long-term liabilities: | | | | | | |
| Capital leases: | | | | | | |
| Fire equip't lease 2005- BofA Public Capital Corp | \$ 3,743 | 437 | - | 437 | - | - |
| Fire equip't lease 2009- Wells Fargo | 2,299 | 989 | - | 232 | 757 | 242 |
| Section 108 loan - Housing and Urban Development (HUD) (2011 Series) | 2,000 | 1,669 | - | 178 | 1,491 | 186 |
| Total other long-term liabilities | 8,042 | 3,095 | - | 847 | 2,248 | 428 |
| Total Governmental Activities other long-term liabilities | \$ 336,582 | 489,624 | 95,062 | 75,486 | 509,200 | 23,473 |

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

CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2015
(in thousands)

Governmental Activities:

The City Of Glendale Financing Authority

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

The COPs were issued pursuant to the resolutions adopted by the City Council and the board of directors of the Glendale Financing Authority on June 6, 2000. The proceeds of the COPs were used to (a) finance for the acquisition, construction and improvement of a police building (the "Police Building"), (b) establish a reserve fund of \$5,000 in accordance with the trust agreement, and (c) pay for the costs incurred to issue the COPs. Since the issuance of the COPs in 2000 until July 8, 2013, the COPs were subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on five days' notice and delivery to the City's Remarketing Agent.

On May 28, 2013, the City and the Financing Authority adopted Resolution No. 13-76 and Resolution GFA-13-02 respectively, accepting Bank of America's proposal for a Direct Purchase Index Floater (Direct Purchase Agreement) of the Glendale COPs to replace the SBPA. The direct purchase loan with Bank of America relating to the Certificates of Participation for the Police Building is subject to a mandatory tender for purchase at a price of par plus accrued interest on the earliest of the: (i) mandatory tender date of three years from closing, (ii) date on which the Certificates are converted to another interest rate mode, (iii) or occurrence of an event of default.

The variable interest rates are based on 70.0% of monthly LIBOR Index plus a fixed spread of 0.400%. Under the Direct Purchase Agreement, the COPs mature in annual installments ranging from \$2,795 to \$15,730 annually from FY 2016-2030. As of June 30, 2015, the principal balance was \$38,400 and the interest rate was 0.529%. Accordingly, the Certificates of Participation are classified as long-term debt in the City's financial statements.

The Financing Authority has leased the Police building back to the City pursuant to a lease agreement dated July 1, 2000. The bond indebtedness is secured by a lease to the City and is payable from rental payments received under terms of the lease agreement. The annual lease payments from the City are to be at a rate sufficient to meet debt service requirements of the outstanding bond indebtedness on the leased premises.

The City of Glendale Housing Authority

HUD Section 108 Loan (Series 2011-A)

Section 108 Loan of \$2,000 was used to acquire and rehabilitate an Emergency Shelter and Homeless Access Center at 1948 Gardena Avenue, Glendale for the S.H. Ho Hope and Compassion Center, a non-profit organization. HUD administers the Section 108 Loan Guarantee program, and the program's purpose is to fill funding gaps on major community / economic development projects throughout the country. The Section 108 Loan Guarantee program was created as part of the original Housing and Community Development Act of 1974. Section 108 obligations are permanently financed through underwritten public offerings. This was the City's second time receiving a Section 108 loan. The City received the loan in November 2011. The term of the loan is ten years with an interest rate of 2.56% and the total interest is \$210. The City has pledged current and future CDBG funds as principal security for the loan. The principal amounts range from \$186 to \$474 for fiscal year 2016 to 2022. The Section 108 loan payment is budgeted as a CDBG project each year based on the payment schedule.

Capital Improvement Projects

Landfill 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 postclosure maintenance and to establish a financial mechanism to demonstrate the availability of funding to conduct 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 (Sanitation District) to operate Scholl Canyon and as part of this contract, the County is responsible for the closure cost of Scholl Canyon. The City is responsible for the postclosure maintenance cost of Scholl Canyon. According to Los Angeles County Sanitation District's records, the permitted capacity filled between August 18, 1989 and July 11, 2014 was 10.46 million tons. The

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

permitted capacity filled between July 11, 2013 and July 11, 2015 was 0.24 million tons. The total permitted capacity as of August 18, 1989 remains 14.75 million tons. Therefore, the City has 4.05 million tons unfilled capacity remaining. Using an inflation factor from the Sanitation Districts of 1.015, the total estimated care postclosure cost is \$59,163. Using the data above, the amount of \$42,918 is recognized as a long-term liability on the Statement of Net Position. Accordingly, the portion of the estimated total obligation for landfill postclosure costs that has not been recognized in the financial statements is \$16,245. The City records the annual provision for the required landfill deposits as designated cash in the Landfill Postclosure Fund. At the end of June 30, 2015, the City has set aside \$25,850 of this in the Landfill Postclosure Fund. The total current cost of landfill postclosure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

Capital Leases

The City entered into a Master Lease Agreement with SunTrust Leasing Corporation to provide funds for acquisition of fire equipment, which includes two 2004 Pierce Quantum Tiller Trucks, four Pierce Quantum Pumper Trucks with CAFS Foam System, four fabrication and installation of equipment brackets to Pierce Pumper Trucks, two fabrication and installation of equipment brackets into Pierce Ladder Trucks, one Brush Patrol Truck 2005 GMC Sierra, and one Battalion Chief Command Vehicle 2005 GMC Yukon. The cost of the equipment funded was \$3,743 with an annual interest rate of 3.65%. The City will make lease payments each consisting of principal and interest for a term of ten years. The annual lease payment is \$453. Payments are due on April 20 annually. The lease was assigned by SunTrust Leasing Corporation to Bank of America Public Capital Corp. As of June 30, 2015, the lease has been paid off.

In December 2008, the City entered into a Master Governmental Lease-Purchase Agreement (the "Master Lease") with Wells Fargo Equipment Finance, Inc. to provide funds for acquisition of fire apparatus, which include one new Pierce Heavy Duty Rescue System mounted on a new 2009 International 7400 Chassis together with all attachments and accessories and four new Pierce 2000 GPM Quantum Triple Combination Pumper Truck Systems mounted on new 2008 Quantum Chassis together with all attachments and accessories. The total cost of the equipment funded was \$2,299 with an annual interest rate of 4.04%. The City makes lease payments each year consisting of principal and interest for a term of ten years commencing in fiscal year 2008-09. The annual lease payment is \$273. Payments are due on December 15 annually. As of June 30, 2015, the outstanding balance of this lease was \$757.

Business-type Activities:

Enterprise Funds

Electric Revenue Bonds, 2006 Refunding Series

The Electric utility of Glendale Water & Power issued \$38,830 in revenue bonds in April 2006 to provide moneys for the refunding of all of the City's outstanding Electric Revenue Bonds, 2000 Series. The bond proceeds were deposited in an escrow account and were 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, 2015 for \$1,021 is recognized and reported in the financial statements as a deferred outflow of resources and is being amortized through February 1, 2030. At June 30, 2009, \$37,000 of the 2000 series bonds outstanding is considered defeased. Liabilities for defeased bonds are not included in the City's financial statements.

The terms of the Electric Revenue Bonds, 2006 Refunding Series' (2006 Refunding Bonds) indenture require the trustee to establish and maintain a reserve fund equal to the reserve fund requirement. The reserve fund requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. Up to 50% of the reserve fund requirement amount may be held in an unrestricted fund or account. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$1,394.

The bonds mature in regularly increasing amounts ranging from \$1,415 to \$2,570 annually from 2016 to 2030. The 2006 Refunding Bonds maturing on or prior to February 1, 2016 are not subject to redemption prior to maturity. The 2006 Refunding Bonds maturing on and after February 1, 2017 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2016, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2006 Refunding Bonds to be redeemed, together with accrued interest to the redemption date.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Electric Revenue Bonds, 2008 Series

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

The terms of the 2008 Electric Revenue Bonds' (2008 Bonds) indenture require the trustee to establish and maintain a reserve fund equal to the reserve fund requirement. The reserve fund requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. Up to 50% of the reserve fund requirement amount may be held in an unrestricted fund or account. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$2,241.

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

Electric Revenue Bonds, 2013 Refunding Series

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

The current refunding resulted in the recognition of a deferred outflow of resources of \$137 as of June 30, 2015 and is being amortized through year 2032. The City in effect reduced its aggregate debt service payments by \$4,070 over the next nineteen years and obtained an economic gain (difference between the present value of the old and new debt service payments) of \$3,695 (2.478%). The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$2,783. The bonds mature in regularly increasing amounts ranging from \$900 to \$1,805 annually from 2017 to 2032.

Electric Revenue Bonds, 2013 Series

The Electric utility of Glendale Water & Power issued \$60,000 in revenue bonds in December 2013 to finance (1) the costs of acquisition and construction of certain improvements to the City's electric public utility (the "Electric System"), (2) making a deposit to the parity reserve fund, and (3) paying the cost of issuance of the 2013 Bonds.

The terms of the 2013 Electric Revenue Bonds' (2013 Bonds) indenture require the trustee to establish and maintain a reserve fund equal to the reserve fund requirement. The reserve fund requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. Up to 50% of the reserve fund requirement amount may be held in an unrestricted fund or account. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$656. The bonds mature in regularly increasing amounts ranging from \$1,045 to \$3,795 annually from 2016 to 2043.

Water Revenue Bonds, 2008 Series

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

The terms of the 2008 Water Revenue Bonds' (2008 Bonds) indenture require the trustee to establish and maintain a reserve fund equal to the reserve fund requirement. The reserve fund requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$3,485.

The bonds mature in regularly increasing amounts ranging from \$1,285 to \$3,060 annually from 2016 to 2038. The 2008 Bonds maturing on or prior to February 1, 2018 are not subject to redemption prior to maturity. The 2008 bonds maturing on and after February 1, 2019 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2018,

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Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2008 Bonds to be redeemed, together with accrued interest to the redemption date.

Water Revenue Bonds, 2012 Series

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

The terms of the 2012 Water Revenue Bonds' (2012 Bonds) indenture require the trustee to establish and maintain a reserve fund equal to the reserve fund requirement. The reserve fund requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$1,638.

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

Annual Debt Service Requirement Schedule

The annual debt service requirement schedule for governmental and business-type activities is as follows:

| Fiscal Year | Police Building Project (COPs) Governmental Activities | | Capital Leases Governmental Activities | |
|-------------|---|---------------|---|------------|
| | Interest | Principal | Interest | Principal |
| 2016 | \$ 207 | 2,795 | 31 | 242 |
| 2017 | 192 | 1,820 | 21 | 252 |
| 2018 | 182 | 1,905 | 10 | 263 |
| 2019 | 172 | 1,985 | - | - |
| 2020 | 161 | 2,070 | - | - |
| 2021-2025 | 627 | 12,095 | - | - |
| 2026-2030 | 265 | 15,730 | - | - |
| | <u>\$ 1,806</u> | <u>38,400</u> | <u>62</u> | <u>757</u> |

| Fiscal Year | Section 108 (2011 Series) Loan Governmental Activities | | Electric and Water Revenue Bonds Business-type Activities | |
|-------------|---|--------------|---|----------------|
| | Interest | Principal | Interest | Principal |
| 2016 | \$ 27 | 186 | 11,386 | 3,745 |
| 2017 | 24 | 194 | 11,238 | 4,795 |
| 2018 | 22 | 203 | 11,055 | 7,260 |
| 2019 | 18 | 212 | 10,744 | 7,545 |
| 2020 | 14 | 222 | 10,394 | 7,870 |
| 2021-2025 | 12 | 474 | 46,409 | 44,860 |
| 2026-2030 | - | - | 35,131 | 55,970 |
| 2031-2035 | - | - | 23,753 | 49,335 |
| 2036-2040 | - | - | 12,241 | 36,855 |
| 2041-2045 | - | - | 2,584 | 32,005 |
| | <u>\$ 117</u> | <u>1,491</u> | <u>174,935</u> | <u>250,240</u> |

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Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

| Fiscal Year | Total Governmental Activities | | Total Business-type Activities | | Total Debt Service |
|-------------|----------------------------------|-----------|-----------------------------------|-----------|-----------------------|
| | Interest | Principal | Interest | Principal | |
| 2016 | \$ 265 | 3,223 | 11,386 | 3,745 | 18,619 |
| 2017 | 237 | 2,266 | 11,238 | 4,795 | 18,536 |
| 2018 | 214 | 2,371 | 11,055 | 7,260 | 20,900 |
| 2019 | 190 | 2,197 | 10,744 | 7,545 | 20,676 |
| 2020 | 175 | 2,292 | 10,394 | 7,870 | 20,731 |
| 2021-2025 | 639 | 12,569 | 46,409 | 44,860 | 104,477 |
| 2026-2030 | 265 | 15,730 | 35,131 | 55,970 | 107,096 |
| 2031-2035 | - | - | 23,753 | 49,335 | 73,088 |
| 2036-2040 | - | - | 12,241 | 36,855 | 49,096 |
| 2041-2045 | - | - | 2,584 | 32,005 | 34,589 |
| | \$ 1,985 | 40,648 | 174,935 | 250,240 | 467,808 |

NOTE 9 –PENSION PLANS**California Public Employees’ Retirement System*****General Information about the Pension Plans*****Plan Description**

All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at: <http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports/home.xml>

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The death benefit is as followed:

If eligible to retire, the *Pre-retirement Option 2W Death Benefit*; or the *Basic Death Benefit* of a refund of contributions, plus interest; and up to six months’ pay (one month’s salary rate for each year of current service to a maximum of six months); and *Level 4 1959 Survivor Benefit** (may not be payable if the Special Death Benefit is elected).

If not eligible to retire, the *Basic Death Benefit* of a refund of contributions, plus interest; and up to six months’ pay (one month’s salary rate for each year of current service to a maximum of six months); and *Level 4 1959 Survivor Benefit** (may not be payable if the Special Death Benefit is elected).

**Level 4 1959 Survivor Benefit* may not be applicable if there is no surviving spouse, no surviving domestic partner, or no surviving dependent unmarried child under age 22.

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Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

| | Miscellaneous | | |
|--|-----------------------------|---|--------------------------------|
| | Prior to January 1, 2011 | Between January 1, 2011 and December 31, 2012 | On or after January 1, 2013 |
| Hire date | | | |
| Benefit formula | 2.5% @ 55 | 2% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years of service | 5 years of service | 5 years of service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Retirement age | 50-55+ | 50-63+ | 52-67+ |
| Monthly benefits, as a % of eligible compensation | 2.0% to 2.5% | 1.426% to 2.418% | 1.0% to 2.5% |
| Safety | | | |
| | Prior to January 1, 2011 | Between January 1, 2011 and December 31, 2012 | On or after January 1, 2013 |
| | | | |
| Hire date | | | |
| Benefit formula | 3% @ 50 | 3% @ 55 | 2.7% @ 57 |
| Benefit vesting schedule | 5 years of service | 5 years of service | 5 years of service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Retirement age | 50-55+ | 50-55+ | 50-57+ |
| Monthly benefits, as a % of eligible compensation | 3.0% | 2.4% to 3.0% | 2.0% to 2.7% |

Employees Covered

At June 30, 2015, the following employees were covered by the benefit terms for each plan based on CalPERS annual valuation reports as of June 30, 2013:

| | Miscellaneous | Safety |
|--|---------------|--------|
| Inactive employees or beneficiaries currently receiving benefits | 1,546 | 569 |
| Inactive employees entitled to but not yet receiving benefits | 1,380 | 101 |
| Active employees | 1,348 | 384 |
| Total | 4,274 | 1,054 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

The City's member contribution rates and employer contribution rates for FY 2014-15, including the employees' cost sharing toward the employer rates, are shown in the table below:

| Employee Group | CalPERS Membership | Retirement Formula | Member Contribution Rate | Employer Contribution Rate | | |
|---|--------------------|--------------------|--------------------------|----------------------------|-----------------|---------|
| | | | | Employees' Cost Sharing | City Portion | Total |
| Miscellaneous Employees | | | | | | |
| GCEA * (Glendale City Employee Association) | Classic (1st Tier) | 2.5% @ 55 | 11.00% | 0.00% | 14.464% | 14.464% |
| | Classic (2nd Tier) | 2.0% @ 55 | 10.00% | 0.00% | 14.464% | 14.464% |
| | PEPRA (3rd Tier) | 2.0% @ 62 | 9.75% | 0.00% | 14.464% | 14.464% |
| IBEW (International Brotherhood of Electrical Workers) | Classic (1st Tier) | 2.5% @ 55 | 8.00% | 0.50% | 16.964% | 17.464% |
| | Classic (2nd Tier) | 2.0% @ 55 | 7.00% | 0.50% | 16.964% | 17.464% |
| | PEPRA (3rd Tier) | 2.0% @ 62 | 6.75% | 0.50% | 16.964% | 17.464% |
| GMA (Glendale Management Association) | Classic (1st Tier) | 2.5% @ 55 | 8.00% | 3.00% | 14.464% | 17.464% |
| | Classic (2nd Tier) | 2.0% @ 55 | 7.00% | 3.00% | 14.464% | 17.464% |
| | PEPRA (3rd Tier) | 2.0% @ 62 | 6.75% | 3.00% | 14.464% | 17.464% |
| Safety Employees | | | | | | |
| GPOA (Glendale Police Officer Association) | Classic (1st Tier) | 3.0% @ 50 | 9.00% | 3.50% | 31.468% | 34.968% |
| | Classic (2nd Tier) | 3.0% @ 55 | 9.00% | 3.50% | 31.468% | 34.968% |
| | PEPRA (3rd Tier) | 2.7% @ 57 | 12.00% | 3.50% | 31.468% | 34.968% |
| GFFA (Glendale Fire Fighter Association) | Classic (1st Tier) | 3.0% @ 50 | 9.00% | 3.00%-3.50% | 31.468%-31.968% | 34.968% |
| | Classic (2nd Tier) | 3.0% @ 55 | 9.00% | 3.00%-3.50% | 31.468%-31.968% | 34.968% |
| | PEPRA (3rd Tier) | 2.7% @ 57 | 12.00% | 3.00%-3.50% | 31.468%-31.968% | 34.968% |
| GMA - Police | Classic (1st Tier) | 3.0% @ 50 | 9.00% | 3.50% | 31.468% | 34.968% |
| | Classic (2nd Tier) | 3.0% @ 55 | 9.00% | 3.50% | 31.468% | 34.968% |
| | PEPRA (3rd Tier) | 2.7% @ 57 | 12.00% | 3.50% | 31.468% | 34.968% |
| GMA - Fire | Classic (1st Tier) | 3.0% @ 50 | 9.00% | 3.00%-3.50% | 31.468%-31.968% | 34.968% |
| | Classic (2nd Tier) | 3.0% @ 55 | 9.00% | 3.00%-3.50% | 31.468%-31.968% | 34.968% |
| | PEPRA (3rd Tier) | 2.7% @ 57 | 12.00% | 3.00%-3.50% | 31.468%-31.968% | 34.968% |

* Effective May 2013, GCEA members' cost sharing rate (3%) became part of their member contribution rate.

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Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Employer contributions to the Miscellaneous and Safety plans were \$13,357 and \$16,772, respectively, for the year ended June 30, 2015. The breakdown of the employer contribution is as followed:

| Plan | Annual Required Employer Contribution | City Contribution | Employees' Cost Sharing |
|---------------|---|----------------------|----------------------------|
| Miscellaneous | \$ 13,357 | 12,371 | 986 |
| Safety | | | |
| Police | 9,939 | 8,950 | 989 |
| Fire | 6,833 | 6,204 | 629 |
| | 16,772 | 15,154 | 1,618 |
| Total | \$ 30,129 | 27,525 | 2,604 |

Net Pension Liability

The City's net pension liability for each plan was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013.

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

| | Miscellaneous | Safety |
|----------------------------------|---|---------------------------------|
| Valuation date | June 30, 2013 | June 30, 2013 |
| Measurement date | June 30, 2014 | June 30, 2014 |
| Actuarial cost method | Entry Age Normal Cost Method | Entry Age Normal Cost Method |
| Actuarial assumptions: | | |
| Discount rate | 7.50% | 7.50% |
| Inflation | 2.75% | 2.75% |
| Salary increase | Varies by Entry Age and Service | Varies by Entry Age and Service |
| Investment rate of return | 7.5% Net of Pension Plan Investment and Administrative Expenses; includes inflation | |
| Mortality rate table | Derived using CalPERS' Membership Data for all funds | |
| Post-retirement benefit increase | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter | |

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the experience study can be found on the CalPERS website at: <http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports.xml>

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

| Asset Class | New Strategic Allocation | Real Return Years 1 - 10 * | Real Return Years 11+ ** |
|-------------------------------|--------------------------|----------------------------|--------------------------|
| Global Equity | 47.0% | 5.25% | 5.71% |
| Global Fixed Income | 19.0 | 0.99 | 2.43 |
| Inflation Sensitive | 6.0 | 0.45 | 3.36 |
| Private Equity | 12.0 | 6.83 | 6.95 |
| Real Estate | 11.0 | 4.50 | 5.13 |
| Infrastructure and Forestland | 3.0 | 4.50 | 5.09 |
| Liquidity | 2.0 | (0.55) | (1.05) |
| Total | 100% | | |

*An expected inflation of 2.5% used for this period.

**An expected inflation of 3.0% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the agent multiple-employer plan.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Changes in the Net Pension Liability

The changes in the Net Pension Liability measured as of June 30, 2014 for each plan follows:

Miscellaneous Plan:

| | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|--------------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| | (a) | (b) | (c) = (a) - (b) |
| Balance at June 30, 2014 | \$ 940,974 | 688,897 | 252,077 |
| Changes in the year: | | | |
| Service cost | 14,951 | - | 14,951 |
| Interest on the total pension liability | 69,351 | - | 69,351 |
| Changes in benefit terms | - | - | - |
| Differences between actual and expected experience | - | - | - |
| Changes in assumptions | - | - | - |
| Contribution from the employer | - | 14,431 | (14,431) |
| Contribution from the employees | - | 8,202 | (8,202) |
| Net investment income | - | 117,615 | (117,615) |
| Benefit payments, including refunds of employee contributions | (47,552) | (47,552) | - |
| Net changes | 36,750 | 92,696 | (55,946) |
| Balance at June 30, 2015 | 977,724 | 781,593 | 196,131 |

Safety Plan:

| | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|--------------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| | (a) | (b) | (c) = (a) - (b) |
| Balance at June 30, 2014 | 683,809 | 452,278 | 231,531 |
| Changes in the year: | | | |
| Service cost | 13,249 | - | 13,249 |
| Interest on the total pension liability | 50,558 | - | 50,558 |
| Changes in benefit terms | - | - | - |
| Differences between actual and expected experience | - | - | - |
| Changes in assumptions | - | - | - |
| Contribution from the employer | - | 14,887 | (14,887) |
| Contribution from the employees | - | 4,716 | (4,716) |
| Net investment income | - | 77,826 | (77,826) |
| Benefit payments, including refunds of employee contributions | (32,654) | (32,654) | - |
| Net changes | 31,153 | 64,775 | (33,622) |
| Balance at June 30, 2015 | 714,962 | 517,053 | 197,909 |
| Total for both plans at June 30, 2015 | \$ 1,692,686 | 1,298,646 | 394,040 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of each Plan, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | | Miscellaneous | Safety | Total |
|-----------------------|----|---------------|---------|---------|
| 1% Decrease | | 6.50% | 6.50% | 6.50% |
| Net Pension Liability | \$ | 325,253 | 294,666 | 619,919 |
| Current Discount Rate | | 7.50% | 7.50% | 7.50% |
| Net Pension Liability | \$ | 196,131 | 197,909 | 394,040 |
| 1% Increase | | 8.50% | 8.50% | 8.50% |
| Net Pension Liability | \$ | 89,456 | 118,433 | 207,889 |

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$28,978. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|----|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date | \$ | 30,129 | - |
| Net differences between projected and actual earnings on plan investments | | - | 89,228 |
| Total | \$ | 30,129 | 89,228 |

The amount of \$30,129 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| | Year ended June 30, | |
|-------|---------------------|----------|
| 2016 | \$ | (22,307) |
| 2017 | | (22,307) |
| 2018 | | (22,307) |
| 2019 | | (22,307) |
| Total | \$ | (89,228) |

Pension Plan Fiduciary Net Position

Detailed information about each pension plans' fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Supplemental Retirement Plan

In May 2012, in an effort to substantially reduce staffing levels to address a projected \$15.4 million General Fund shortfall for FY 2012-13, the City contracted with Public Agency Retirement Services (PARS) to offer an early retirement incentive plan to provide supplemental retirement benefit payments to eligible employees in addition to the benefit payments the employees will receive from the California Public Employees' Retirement System (CalPERS). To be eligible to participate in the plan, the employees must have been a Glendale City Employee Association (GCEA) or Glendale Management Association (GMA) employee, be at least 50 years of age as of September 1, 2012, and have a minimum 5 years of CalPERS service credit. The employees needed to resign from the City by August 31, 2012. The plan offered 5% of the employees' final pay, which the employees could choose various options to receive the payment, such as unmodified lifetime monthly payment, or higher fixed monthly payment for a fixed number of years. There were 122 employees who participated in the plan.

In October 2012, the City provided the same early retirement incentive plan to the employees represented by International Brotherhood of Electrical Workers Association (IBEW), and also offered an extension of the incentive program to employees represented by GCEA and GMA. The same parameters were applied for the extension of the incentive program, with the exception of the retirement eligibility date and date of separation advancing to October 31, 2012. There were 30 additional employees participating in the second phase. The plan is closed, and \$1,987 was paid to PARS in FY 2014-15.

Public Agency Retirement Services (PARS)

The PARS Trust, created in 1991, is a trust arrangement established to provide economies of scale and efficiencies of administration to public agencies that adopt it to hold the assets of their agency retirement plans maintained for the benefit of their employees. The Omnibus Budget Reconciliation Act of 1990 (OBRA 90) amended the Internal Revenue Code to mandate that employees of public agencies, who are not members of their employer's existing retirement system as of January 1, 1992, be covered under Social Security or an alternate plan. The PARS ARS Plan satisfies the OBRA 90 Federal Requirements. It is intended that this plan and the trust established to hold the assets of the plan shall be qualified under Section 401(a) and tax-exempt under Section 501(a) of the Internal Revenue Code of 1986, as amended, and meet the requirements of California Government Code Sections 53215 through 53224 providing how pension trusts must be established by public agencies. Through PARS, agencies have the ability to design and control retirement plans according to their own specific needs, including specific collective bargaining requirements. The City adopted the PARS ARS Plan, effective September 1, 1999 as an alternate plan to Social Security for the hourly employees who are not eligible for participation in the City's CalPERS retirement plan.

All City's hourly employees who are not eligible to enroll in CalPERS retirement plan are enrolled in PARS-ARS instead of social security. After completing 1,000 work hours within a fiscal year, hourly employees are eligible to enroll in CalPERS retirement plan. For each pay period, employees contribute 6.2%, and the City contributes 1.3% of employee earnings into employees' PARS account. Both contributions are made on pre-tax basis. For FY 2014-15, PARS payments were \$230 and \$48 for employee portion and employer portion, respectively. The amount of the City's outstanding liability is zero, since the plan is fully funded, and it's a defined contribution plan. A participant in the PARS ARS Plan becomes eligible to receive his/her funds when one of the following events occurs: separation, retirement, permanent and total disability, and change of employment status to a position covered by another retirement system or death.

NOTE 10 – POST EMPLOYMENT BENEFITS

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

The City's contribution is currently based on a pay-as-you-go funding method, that is, benefits are payable when due. For FY 2014-15, the City contributed \$3,133 in benefit payments (\$47 for the premium subsidy and \$3,086 for the implied subsidy). No assets were invested in an irrevocable plan trust.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

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

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

| | Amount |
|---|-----------|
| Annual required contribution | \$ 25,271 |
| Interest on net OPEB obligation | 2,974 |
| Amortization of net OPEB obligation | (6,191) |
| Annual OPEB cost (expense) | 22,054 |
| Benefit payments | (3,133) |
| Increase in net OPEB obligation | 18,921 |
| Net OPEB obligation – beginning of year | 75,922 |
| Net OPEB obligation – end of year | \$ 94,843 |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------|------------------|--|---------------------|
| 6/30/2013 | \$ 22,412 | 11% | \$ 57,997 |
| 6/30/2014 | 20,742 | 14% | 75,922 |
| 6/30/2015 | 22,054 | 14% | 94,843 |

The funded status of the plan as of June 30, 2013, the plan's most recent actuarial valuation date, was:

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (B) | Unfunded Actuarial Accrued Liability (B-A) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a Percentage of Covered Payroll ((B-A)/C) |
|--------------------------|-------------------------------|---------------------------------|--|--------------------|---------------------|---|
| 6/30/2013 | \$ 0 | 214,014 | 214,014 | 0% | \$ 121,029 | 177% |

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

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

In the June 30, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), which is the expected long-term investment return on the City's investments, a 3% general inflation assumption, an annual pre-Medicare eligible medical cost trend rate of 8.5% for 2014 decreasing to 5.0% after 7 years. The post-Medicare eligible medical cost trend rate started 0.4% higher for 2014. The June 30, 2009 UAAL is being amortized as a level percentage of projected payroll over a 30 years closed period (26 years remaining for fiscal year 2013/14 ARC). Subsequent increases/decreases in UAAL due to actuarial gains/losses or changes

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

in assumptions are amortized over 15 year closed periods. The remaining average amortization period at June 30, 2013 was 17 years.

NOTE 11 - RESTRICTED NET POSITION

The government-wide statement of net position reports \$80,082 of restricted net position, of which \$39,969 is restricted by enabling legislation. The City Charter requires \$23,433 in restricted net position to be set aside to meet the legal demands against the treasury during the beginning of the new budget period prior to the receipt of ad valorem taxes. Pursuant to redevelopment laws of the State of California, \$16,536 is restricted for low and moderate housing.

NOTE 12 - NET DEFICITS OF INDIVIDUAL FUNDS

As of June 30, 2015, the following funds have negative fund balances or net position:

Governmental funds:

Special revenue funds:

| | | |
|---------------------------------|----|-------|
| Supportive Housing Grant Fund | \$ | 28 |
| Grant Fund | | 2 |
| PW Special Grants Fund | | 1,296 |
| Measure R Regional Return Fund | | 771 |
| Fire Grant Fund | | 232 |
| Emergency Medical Services Fund | | 3,388 |

Capital projects funds:

| | | |
|------------------------|----|-----|
| CIP Reimbursement Fund | \$ | 201 |
|------------------------|----|-----|

Proprietary funds:

Internal service funds:

| | | |
|---|----|--------|
| Compensation Insurance Fund | \$ | 14,446 |
| Medical Insurance Fund | | 342 |
| Employee Benefits Fund | | 1,792 |
| Retiree Health Savings Plan Benefits Fund | | 2,655 |

Reimbursement Type Grants – The Supportive Housing Grant Fund, Grant Fund, PW Special Grants Fund, Measure R Regional Return Fund, Fire Grant Fund and CIP Reimbursement Fund are reimbursement type grants. Revenues are drawn down based on expenditures. As such, there will always be a timing difference between revenues and expenditures resulting in a deficit, as revenues do not represent available resources.

Emergency Medical Services Fund – The Glendale Fire Department has restructured the EMS program to provide Basic Life Support (BLS) services, which is expected to reduce the cost of the EMS program. The deficit decreased by \$1,472 during FY 2014-15 as a result of cost savings.

Compensation Insurance Fund – The deficit has been decreasing due to the premium increases in FY 2014-15 and prior fiscal years. The City will continue to increase the premiums in the future to eliminate the deficit.

Medical Insurance Fund – The IBNR (incurred, but not yet reported) claims payable liabilities increased by \$645 for the City's self-insured PPO health plan. The City will increase the premiums in the future to eliminate the deficit.

Employee Benefits Fund – The deficit has been decreasing due to the premium increases in FY 2014-15 and prior fiscal years. The City will continue to increase the premiums in the future to eliminate the deficit.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Retiree Health Savings Plan Benefits Fund – The deficit is the result of an increase to the actuarial accrued liability. The City will increase the premiums in the future to eliminate the deficit.

NOTE 13 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City retains risks for the following types of liabilities: workers' compensation, unemployment insurance, general auto, dental, medical and vision as well as public liability through separate internal service funds. The City purchased several commercial insurance policies from third-party insurance companies for errors and omissions of its officers and employees, and destruction of assets as well as excess workers' compensation and general public liability claims. The City also purchases property, aviation and employee dishonesty insurance. There were no significant settlements or reductions in insurance coverage from settlements for the past three years. The insurance schedule for fiscal year 2015-16 is as follows:

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

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

Claims payable liability has been established in these funds based on estimates of incurred but not reported and litigated claims. Management believes that provisions for claims at June 30, 2015 are adequate to cover the cost of claims incurred to date. However, such liabilities are, by necessity, based upon estimates and there can be no assurance that the ultimate cost will not exceed such estimates. A reconciliation of the changes in the aggregate liabilities for Liability Insurance Fund, Compensation Insurance Fund and Medical Insurance Fund for claims for the current fiscal and the prior fiscal year are as follows:

| Fiscal Year | Beginning Balance | Claims and Changes | Claim Payments | Ending Balance |
|-------------|-------------------|--------------------|----------------|----------------|
| 2013-14 | \$ 43,650 | 44,225 | 43,378 | 44,497 |
| 2014-15 | \$ 44,497 | 54,863 | 56,158 | 43,202 |

The City has numerous claims and pending legal proceedings that generally involve accidents regarding its citizens on City property and employment issues. These proceedings are, in the opinion of management, ordinary routine matters incidental to the normal business conducted by the City. In the opinion of management, such proceedings are substantially covered by insurance, and the ultimate disposition of such proceedings are not expected to have a material adverse effect on the City's financial position, results of operations, or cash flows.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

NOTE 14 - CONTINGENT LIABILITIES AND COMMITMENTS

Power Purchase Agreements

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

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

In January 1987, the City renewed the contract with the United States Bureau of Reclamation providing for the advancement of funds for the Hoover Uprating Project and Western Area Power Administration for the purchase of power from the project. The renewed contract is for a term of 30-years from 1987 to 2017. The Bureau of Reclamation also assumed control of operation and maintenance of the plant in 1987. Under this renewed contract, the City is entitled to 21 megawatts or 1.03% of the capacity and 1.59% of the firm energy.

In August 2003, the City entered into a 25-year contract, cancelable after 20 years, with PPM Energy, Inc. for the purchase of 9 megawatts of capacity from wind-powered resources in California. The City began taking delivery of the energy on September 1, 2003.

In June 2005, the City entered into a 25-year power sales agreement with the Southern California Public Power Authority (SCPPA) for the Ormat Geothermal Energy Project for purchase of up to 3 megawatts of the project electric energy. The project began commercial operation in January 2006.

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

In November 2007, City Council approved a purchase power agreement with SCPPA for the purchase of 20 megawatts of renewable energy from Pebble Springs Wind Generation Facility for a term of 18-years. The project began commercial operation in January 2009.

In September 2014, City Council approved a purchase power agreement with the Skylar Resources L.P. for the procurement of 50 megawatts of firmed renewable solar power for a term of 25-years. At least fifty percent of 50 MW/hour is guaranteed by the seller to qualify as Portfolio Content Category 1 renewable energy on an annual basis. Delivery of energy will be scheduled during the peak period hours each day, and may begin as early as December 1, 2015.

Certain Sales Tax Revenues

On September 24, 2007, HdL Companies (HdL), which is City's sales tax consultant, submitted petitions to the Board of Equalization (BOE) on behalf of all their client cities regarding Case ID 606763 and Case ID 606835 (Sales v. Use Tax/Place of Allocation). These cases pertain to the City of Buena Park and a local business (hereafter referred to as Taxpayer).

The Taxpayer sells computer hardware and peripherals to government and business accounts. After signing a tax sharing agreement with the City of Buena Park, the Taxpayer began reporting these transactions as sales tax and allocating the local 1% tax to their office in the City of Buena Park.

According to BOE, since the merchandise is shipped from out of state, the applicable tax is use tax that should be allocated to the various countywide pools based on delivery. The Taxpayer contends that the terms of their sales agreements stipulate that title passes at the time of delivery in this state, and therefore the transactions are subject to sales tax. However, BOE states that title cannot pass after the seller has given the merchandise to a common carrier.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

In both their Allocation Group Decision and Supplemental Decision, BOE granted the HdL petitions and ruled that the tax was use tax and should be distributed via the countywide pools. The City of Buena Park has appealed both decisions, and the matter has been elevated to the BOE Appeals Division.

In spring 2014, the Taxpayer moved their California office from Buena Park to Glendale and has continued the same practice by allocating the 1% sales tax to their office in the City of Glendale. The Taxpayer is appealing the matter as well and until the matter is settled, they intend to allocate sales to their Glendale office, to the extent they believe the allocation is supported by the facts.

Per HdL, since the resolution of the dispute is still pending, all local revenue received by the City could later be taken away by the BOE and redistributed through the countywide pools. HdL has recommended that the City set aside any revenues received from this Taxpayer. Therefore, starting in FY 2013-14, the City is accruing a liability related to the sales tax revenues generated by this Taxpayer, until this matter is resolved and settled by all parties involved.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

Joint Power Agreement between the City and the Glendale Community College

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

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

Joint Power Agreement for San Fernando Valley Council of Governments

The San Fernando Valley Council of Governments (SFVCOG) was created through a Joint Power Agreement in 2010. The City is an active member of the SFVCOG. Other member jurisdictions currently participating include the City of Los Angeles with 7 board representatives for each City Council district located entirely or partially in the San Fernando Valley, 2 board representatives from each of the Los Angeles County Supervisorial Districts located entirely or partially in the San Fernando Valley, and one representative each from the Cities of Burbank, San Fernando and Santa Clarita. In its official capacity, the SFVCOG acts as a planning sub-region for the Southern California Association of Governments (SCAG) and focuses on promoting better regional coordination of planning and transportation planning efforts in the San Fernando Valley. The SFVCOG also engages in local, regional, state and federal grant development programming for the region.

“Take or Pay” Contracts

The City has entered into twelve “Take or Pay” contracts, which require payments to be made whether or not projects are completed or operable, or whether output from such projects is suspended, interrupted or terminated. Such payments represent the City’s share of current and long-term obligations. Payment for these obligations is expected to be made from operating revenues received during the year that payment is due. These contracts provide for current and future electric

CITY OF GLENDALE

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Fiscal Year Ended June 30, 2015

(in thousands)

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 2014-2015. With a few exceptions, the City is obligated to pay the amortized cost of indebtedness regardless of the ability of the counterparty 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 Agency (IPA), 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 and associated transmission lines, called the Intermountain Power Project (IPP). The project began uprating of the two generating units in early 2003. When the uprating was finished in March 2004, it increased the capacity of the plant from 1,400 megawatts to 1,800 megawatts. The City through contract is obligated for 30 megawatts or 1.70% of the generation. In addition, the City entered into an “Excess Power Sales Agreement” with the IPA, agent for the Utah Municipal Purchasers and the Cooperative Purchasers, which entitles the City to additional shares that can vary from year to year. As of June 30, 2015, Glendale’s excess entitlement share is 0.46%. The total City’s obligation from IPP is between 35 and 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 eleven projects with SCPPA.

- The first of the SCPPA projects is a 3,810 megawatt nuclear fuel generation plant in Arizona. The Palo Verde (PV) nuclear project consists of 3 units, each having an electric output of approximately 1,270 megawatts. SCPPA has purchased approximately 225 megawatts of capacity and associated energy (approximately 5.91% of total Palo Verde output), of which the City receives 9.9 megawatts or 4.40% of SCPPA’s entitlement. As of June 30, 2015, Glendale’s share is 4.40%.
- A second project financed through SCPPA is the Southern Transmission System (STS) that transmits power from the coal-fired IPP to Southern California. The 500 kV DC line is currently rated at 2,400 megawatts. The City’s share of the line is 2.27% or approximately 55 megawatts. As of June 30, 2015, Glendale’s share is 2.27%.
- A third project financed through SCPPA is the acquisition of 41.80% ownership interest in a coal-fired 497 megawatt unit in San Juan Generating Station, Unit 3, located in New Mexico. SCPPA members are entitled to 208 megawatts. The City is obligated for 20 megawatts or 9.80% of the SCPPA entitlement. As of June 30, 2015, Glendale’s share is 9.80%.
- A fourth project financed through SCPPA is Mead-Adelanto Project (MA). The project consists of a 202-mile 500 kV AC transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada, and the development of the Marketplace Substation at the southern Nevada terminus approximately 17 miles southwest of Boulder City, Nevada. The initial transfer capability of the Mead-Adelanto Project is estimated at 1,200 megawatts. SCPPA members in the project are entitled to 815 megawatts. The City is obligated for 90 megawatts or 11.04% of the SCPPA entitlement. As of June 30, 2015, Glendale’s share is 11.04%.
- A fifth project financed through SCPPA is Mead-Phoenix Project (MP). The project consists of a 256-mile long 500 kV AC transmission line from the Westwing Substation in the vicinity of Phoenix, Arizona to the Marketplace Substation approximately 17 miles southwest of Boulder City, Nevada with an interconnection to the Mead Substation in southern Nevada. The project consists of three separate components: the Westwing-Mead Component, the Mead Substation Component, and the Mead-Marketplace Component. The City’s participation shares in the components range from 11.76% to 22.73%. The Mead-Phoenix Project in conjunction with the Mead-Adelanto Project provides an alternative path for the City’s purchases from the Palo Verde Nuclear Generating Station, San Juan Generating Station and Hoover Power Plant. These transmission lines also provide access to the southwest U.S. where economical coal energy is readily available. As of June 30, 2015, Glendale’s share is 14.80%.
- A sixth project financed through SCPPA is the Magnolia Power Project (MPP) located on Burbank Water & Power’s generation station complex adjacent to Magnolia Boulevard in Burbank, California. The project consists of

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

a combined cycle natural gas-fired generating plant with a nominally rated net base capacity of 242 megawatts. The City is obligated for 40 megawatts or 16.53% of the project's output. As of June 30, 2015, Glendale's generation cost share is 16.53% and indenture cost share is 17.25%.

- A seventh project financed through SCPPA is Natural Gas Prepaid Project (NGPP). In August 2007, the City entered into a 30-year Prepaid Natural Gas Agreement with the SCPPA. The agreement will provide a secure and long-term supply of natural gas up to 3,500 MMBtu per day at a discounted price below a spot market price index. The delivery of natural gas started in July 2008. As of June 30, 2015, Glendale's share is 23.00%.
- An eighth project financed through SCPPA is the Linden Wind Energy Project (LIN) located in Klickitat County in the state of Washington. The facility is a 50 MW capacity wind farm. The 25 year purchase power agreement with SCPPA is for the purchase of 10.00% (approximately 5 MW) of the capacity of the project. The City has sold its output entitlement share to Los Angeles Water and Power (LADWP), but remains responsible for all the obligations associated with its participation in the Power Sales Agreements in the event if LADWP should default. As of June 30, 2015, Glendale's share is 10.00%.
- A ninth project financed through SCPPA is the Tieton Hydropower Project (THP) located near the town of Tieton in Yakima County, Washington. The Project has a maximum capacity of approximately 20 megawatts. The Project includes a 115 kV transmission line, approximately 22-miles long, connecting the generating station with PacificCorp's Tieton Substation. The City is obligated for approximately 6.8 megawatts or 50.00% of the project's output. As of June 30, 2015, Glendale's share is 50.00 %.
- A tenth project financed through SCPPA is Windy Point/Windy Flats project (WP) located in Klickitat County in the state of Washington. The Project has a maximum capacity of approximately 262.2 megawatts. The City Council approved a 20 year purchase power agreement with SCPPA for the purchase of approximately 20 megawatts or 7.63% of the renewable energy output from the Project. The City has sold its output entitlement share to Los Angeles Water and Power (LADWP), but remains responsible for all the obligations associated with its participation in the Power Sales Agreements in the event if LADWP should default. As of June 30, 2015, Glendale's share is 7.63 %.
- The eleventh project financed through SCPPA is the Milford II Wind Project (MIL2) located near Beaver and Millard Counties, Utah. The Project has a capacity of approximately 102 megawatts. The City Council approved a 20 year purchase power agreement with SCPPA for the purchase of approximately 5 megawatts or 4.90% of the Project's output. The City has sold its output entitlement share to Los Angeles Water and Power, but remains responsible for all the obligations associated with its participation in the Power Sales Agreements in the event if LADWP should default. As of June 30, 2015, Glendale's share is 4.90%.

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Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

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

| Project | Contract Expiration Date | Glendale's Share |
|--------------------------------------|-----------------------------|---------------------|
| Intermountain Power Project (IPP) | 2027 | 2.16% |
| Palo Verde Project (PV) | 2030 | 4.40% |
| Southern Transmission System (STS) | 2027 | 2.27% |
| San Juan Project (SJ) | 2030 | 9.80% |
| Mead-Adelanto Project (MA) | 2030 | 11.04% |
| Mead-Phoenix Project (MP) | 2030 | 14.80% |
| Magnolia Power Project (MPP) | 2036 | 17.25% |
| Natural Gas Prepaid Project (NGPP) | 2035 | 23.00% |
| Linden Wind Energy Project (LIN) | 2035 | 10.00% |
| Tieton Hydropower Project (THP) | 2040 | 50.00% |
| Windy Point/Windy Flats Project (WP) | 2030 | 7.63% |
| Milford II Wind Project (MIL2) | 2031 | 4.90% |

A summary of the City's "Take or Pay" debt service commitment and the final maturity date as of June 30, 2015:

| Fiscal Year | IPP | PV | STS | SJ | MA | MP | MPP | NGPP | LIN | THP | WP | MIL2 | TOTAL |
|-------------|----------|-------|--------|-------|--------|-------|--------|---------|--------|--------|--------|--------|---------|
| 2016 | \$4,699 | 548 | 1,812 | 2,151 | 2,465 | 997 | 3,677 | 4,539 | 1,008 | 1,671 | 3,103 | 624 | 27,294 |
| 2017 | 3,315 | 550 | 1,837 | 2,110 | 2,415 | 969 | 3,673 | 4,537 | 1,008 | 1,669 | 3,097 | 624 | 25,804 |
| 2018 | 4,832 | 552 | 1,801 | - | 2,380 | 955 | 2,867 | 4,562 | 1,006 | 1,670 | 3,095 | 623 | 24,343 |
| 2019 | 5,198 | - | 1,780 | - | 2,358 | 951 | 2,866 | 4,684 | 1,007 | 1,668 | 3,093 | 623 | 24,228 |
| 2020 | 4,534 | - | 1,561 | - | 2,339 | 941 | 2,866 | 4,858 | 1,005 | 1,668 | 3,090 | 622 | 23,484 |
| 2021-2025 | 9,180 | - | 8,172 | - | 1,747 | 698 | 14,740 | 26,917 | 5,019 | 8,320 | 15,411 | 3,104 | 93,308 |
| 2026-2030 | - | - | 2,184 | - | - | - | 16,360 | 31,855 | 4,998 | 9,048 | 15,335 | 3,089 | 82,869 |
| 2031-2035 | - | - | - | - | - | - | 16,891 | 33,688 | 4,864 | 8,209 | 3,057 | 1,230 | 67,939 |
| 2036-2040 | - | - | - | - | - | - | 14,706 | 4,232 | 921 | 8,173 | - | - | 28,032 |
| 2041-2045 | - | - | - | - | - | - | - | - | - | 3,272 | - | - | 3,272 |
| Total | \$31,758 | 1,650 | 19,147 | 4,261 | 13,704 | 5,511 | 78,646 | 119,872 | 20,836 | 45,368 | 49,281 | 10,539 | 400,573 |

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 2015 and 2014 are as follows:

| Fiscal Year | IPP | PV | STS | SJ | MA | MP | MPP | NGPP | LIN | THP | WP | MIL2 | TOTAL |
|----------------|----------|-------|-----|-------|-----|-----|-------|-------|-----|-----|----|------|--------|
| 2015 | \$ 7,535 | 3,027 | 696 | 6,493 | 240 | 456 | 2,959 | 1,632 | - | 733 | - | - | 23,771 |
| 2014 | \$ 8,588 | 2,760 | 676 | 7,568 | 266 | 224 | 4,236 | 1,923 | - | 505 | - | - | 26,746 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

NOTE 16 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

In February 2012, the Dissolution Act (Assembly Bill 1X 26; amended by AB 1484 in June 2012 and SB 107 in September 2015) dissolved California redevelopment agencies and directed them to conduct wind-down activities. Successor agencies were put in place to complete the work of the former redevelopment agencies. In Glendale, the City chose to serve as the Glendale Successor Agency. This action impacted the reporting entity of the City of Glendale that previously had reported the redevelopment agency within it and as a blended component unit. Commencing on the date of dissolution, the assets and activities of the dissolved redevelopment agency were reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 from governmental funds of the City to the fiduciary fund was reported in the governmental funds as an extraordinary loss (gain) in its financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

The dissolution and wind-down process included a series of audits, reviews, and approvals addressing which obligations an agency is authorized to complete (known as enforceable obligations), how much funding may be used to meet the obligations, and the return of all unobligated agency funds to the affected taxing entities. In order to receive funding to pay down enforceable obligations, agencies are required to prepare biannual payment schedules known as Recognized Obligation Payment Schedules (ROPS). The ROPS must be approved by the Successor Agency, the Oversight Board and ultimately the State Department of Finance (DOF). The Oversight Board is a new Board created to oversee the wind-down of the agency and is made up of individuals representing the taxing entities, such as the City, the College, the Schools and the County.

The Dissolution Act required agencies to undergo two detailed Due Diligence Reviews (DDR) to determine unobligated fund balances available for transfer to the affected taxing entities. Upon an agency's completion of these requirements, the DOF issued a Finding of Completion (FOC). Upon issuance of the FOC, an agency is required to submit a Long Range Property Management Plan (LRPMP) to the DOF identifying the disposition and use of all remaining agency properties retained by the agency. Glendale's LRPMP was approved by DOF on April 16, 2014.

The Dissolution Act permits prior cooperation and reimbursement or loan agreements between cities and former agencies to be treated as enforceable obligations on the ROPS if the Successor Agency receives a FOC and if the Oversight Board finds that the cooperation agreement/loan was for loans made for legitimate redevelopment purposes. Glendale received approval from the Oversight Board to reinstate the loans and requested the maximum amount due (\$1.5 Million) per the formula outlined in the Dissolution Act as part of ROPS 14-15A. The DOF approved \$1.5 Million on ROPS 14-15A towards paying down the amount due on the City loan. Although DOF paid \$1.5 Million, they did not agree with the methodology Glendale used to calculate the amount of interest due on the loans and therefore disapproved the remaining amount of the loan due. As such, the City filed a lawsuit in August 2014 against DOF. The Court decided in favor of the City and the DOF has appealed the decision.

The following year, Glendale placed the amount due for the City loan on ROPS 15-16A. However, the DOF rejected the requested payment amount claiming the City was not technically granted an FOC at the time the Oversight Board deemed the loans were legitimate. The City is in active litigation with the DOF on this denial.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Cash and Investments

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

| | | |
|--|----|----------------|
| Investments | \$ | 84,163 |
| Investments with fiscal agents | | <u>17,488</u> |
| | | 101,651 |
| Cash held in financial institutions and imprest cash | | <u>1</u> |
| Total | \$ | <u>101,652</u> |

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

| | | |
|--------------------------------|----|----------------|
| Pooled cash and investments | \$ | 84,135 |
| Restricted cash | | 29 |
| Investments with fiscal agents | | <u>17,488</u> |
| Total | \$ | <u>101,652</u> |

Interest Rate Risk

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

| | | <u>Remaining Maturity (in Months)</u> | | |
|------------------------------------|----|---------------------------------------|--------------------------|----------------------------|
| | | <u>Total</u> | <u>12 Months or Less</u> | <u>More than 60 Months</u> |
| Commercial Paper | \$ | 38,383 | 38,383 | - |
| Negotiable Certificates of Deposit | | 15,500 | 15,500 | - |
| State Investment Fund | | 30,280 | 30,280 | - |
| Held by Fiscal Agents: | | | | |
| Money Market Fund | | 17,488 | 17,488 | - |
| | \$ | <u>101,651</u> | <u>101,651</u> | <u>-</u> |

Credit Risks

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City invests only in the most risk-adverse instruments, such as Aaa rated government securities, Aaa, Aa or A rated corporate securities, and A1,P1,F1 rated commercial paper, negotiable certificates of deposit and banker's acceptance securities. The City's Investment Policy requires the City to sell medium term notes with a credit rating below S&P's and Fitch's BBB grade or Moody's Baa2, unless the City Council approves the City Treasurer's recommendation that the security should be retained.

| | | <u>Moody's Ratings as of June 30, 2015</u> | | | | |
|------------------------------------|----|--|---------------|--------------|---------------|----------------|
| | | <u>Total</u> | <u>Aa1</u> | <u>A1</u> | <u>P1</u> | <u>Unrated</u> |
| Commercial Paper | \$ | 38,383 | - | 9,994 | 28,389 | - |
| Negotiable Certificates of Deposit | | 15,500 | - | - | 15,500 | - |
| State Investment Pool | | 30,280 | - | - | - | 30,280 |
| Held by Fiscal Agents: | | | | | | |
| Money Market Fund | | 17,488 | 17,488 | - | - | - |
| | \$ | <u>101,651</u> | <u>17,488</u> | <u>9,994</u> | <u>43,889</u> | <u>30,280</u> |

CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2015
(in thousands)

Capital Assets

| | Balance at July 1 | Increases | Decreases | Adjustments - transferred from business- type | Adjustments - transferred to governmental activities | Balance at June 30 |
|--------------------------------------|----------------------|-----------|-----------|--|---|-----------------------|
| Fiduciary fund: | | | | | | |
| Capital assets not being depreciated | | | | | | |
| Land | \$ 27,909 | - | (20,437) | 83 | (7,400) | 155 |
| Construction in progress | 8,479 | 4,818 | - | - | - | 13,297 |
| Total assets not being depreciated | 36,388 | 4,818 | (20,437) | 83 | (7,400) | 13,452 |
| Depreciable capital assets | | | | | | |
| Building and improvements | 15,719 | 418 | - | 377 | (16,137) | 377 |
| Machinery and equipment | 946 | - | - | - | (946) | - |
| Total other capital assets at cost | 16,665 | 418 | - | 377 | (17,083) | 377 |
| Less accumulated depreciation: | | | | | | |
| Building and improvements | 3,607 | 390 | - | 217 | (3,988) | 226 |
| Machinery and equipment | 842 | 48 | - | - | (890) | - |
| Total accumulated depreciation | 4,449 | 438 | - | 217 | (4,878) | 226 |
| Total assets being depreciated, net | 12,216 | (20) | - | 160 | (12,205) | 151 |
| Fiduciary fund capital assets, net | \$ 48,604 | 4,798 | (20,437) | 243 | (19,605) | 13,603 |

Property Held for Resale

Fiduciary fund property held for resale at June 30, 2015:

| Acquisition Date | Location | Carrying Value |
|------------------|----------------|-----------------|
| December 1987 | 820 N. Central | \$ 825 |
| August 1982 | 111 E. Wilson | 325 |
| March 1986 | 225 W. Wilson | 1,013 |
| June 2008 | 218 S. Brand | 1,442 |
| | | <u>\$ 3,632</u> |

Long-Term Debt and Other Liabilities

The Fiduciary fund's long-term liabilities as of June 20, 2015 consist of the following:

| | Issuance Amount | Balance at June 30, 2014 | Additions | Retirements | Balance at June 30, 2015 | Due within one year |
|---|--------------------|--------------------------------|-----------|-------------|--------------------------------|---------------------------|
| Fiduciary fund: | | | | | | |
| 2010 GRA Tax Allocation Bonds | \$ 26,970 | 26,820 | - | 275 | 26,545 | 290 |
| 2011 GRA Subordinate Taxable Tax Allocations Bonds | 50,000 | 46,480 | - | 1,865 | 44,615 | 2,595 |
| 2013 GSA Tax Allocation Refunding Bonds | 44,985 | 44,985 | - | 4,955 | 40,030 | 5,100 |
| GRA/GSA Tax Allocation Bonds premium | - | 2,223 | - | 918 | 1,305 | 375 |
| Reinstatement of loans payable to City | 13,613 | 13,613 | - | 1,509 | 12,104 | - |
| Total Fiduciary fund long-term liabilities | \$ 135,568 | 134,121 | - | 9,522 | 124,599 | 8,360 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

Tax Allocation Bonds, 2010 Series

The former Glendale Redevelopment Agency (the “Agency”) issued \$26,970 in 2010 tax allocation bonds with an average rate of 5% for 15 years to fund economic development activities of the Agency primarily relating to the Adult Recreation Center Improvement; Glendale Central Library Renovation and Columbus Soccer Field Project, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The Bonds mature in amounts ranging from \$290 to \$8,510 from 2016 to 2025. The incremental property tax revenues allocated to and received by the Agency for the Central Project Area on a parity with the Agency’s previously issued 2002 tax allocation bonds and 2003 tax allocation refunding bonds, net of county share of statutory tax sharing and county administration charge, pledged to the payment of principal, interest and discounts on these bonds. The property tax derived from the former Agency’s Central Project Area is pledge to repay these Bonds until they are paid in full. The funds are distributed by the County of Los Angeles semi-annually through the ROPS process, subject to the approval by the Successor Agency’s Oversight Board and the DOF. As of June 30, 2015, the principal balance is \$26,545.

Subordinate Taxable Tax Allocation Bonds, 2011 Series

The former Glendale Redevelopment Agency (the “Agency”) issued \$50,000 in 2011 subordinate taxable tax allocation bonds with an average rate of 6.75% for 14 years. The Bonds were issued to finance redevelopment projects and low and moderate income housing activities; to fund the Reserve Requirement for the Bonds; and to provide for the costs of issuing the Bonds. The bonds mature in amounts ranging from \$2,595 to \$7,210 from 2016 to 2025. For the security of the Non-Housing portion of the Bonds, the Agency grants a first pledge of and lien on all of the Subordinate Tax Revenues consisting of Non-Housing Tax Revenues on a parity with the pledge and lien which secures any Parity Debt. For the security of the Housing portion of the Bonds, the Agency grants a first pledge of and lien on all of the Subordinate Tax Revenues consisting of Housing Tax Revenues, on parity with the pledge and lien which secures any Parity Debt. Subordinate Tax Revenues are pledged to the payment of principal, interest and discounts on the Bonds pursuant to the Indenture until the Bonds are paid, or until moneys are set-aside irrevocably for that purpose. The property tax derived from the former Agency’s Central Project Area is pledge to repay these Bonds until they are paid in full. The funds are distributed by the County of Los Angeles semi-annually through the ROPS process, subject to the approval by the Successor Agency’s Oversight Board and the DOF. As of June 30, 2015, the principal balance is \$44,615.

Tax Allocation Bonds, 2013 Refunding Series

The Glendale Successor Agency (the “GSA”) issued \$44,985 in 2013 tax allocation refunding bonds with an average rate of 4.81% to defeased the former Glendale Redevelopment Agency’s (the “Agency”) outstanding Central Glendale Redevelopment Project Tax Allocation Bonds, 2002 Series and the Tax Allocation Bonds, 2003 Refunding Series (the “Prior Bonds”) and to pay the cost of issuance of the 2013 Bonds. The 2013 Bonds mature in regularly increasing principal amounts ranging from \$5,100 to \$6,455 from 2016 to 2022. The advance refunding of Tax Allocation Bonds, 2002 Series and the Tax Allocation Bonds, 2003 Refunding Series resulted in a difference between the reacquisition price of refunding bonds and the net carrying amount of the refunded bonds. The deferred loss on refunding as of June 30, 2015 for \$1,695 is recognized and reported in the financial statements as a deferred outflow of resources and is being amortized through fiscal year 2021. The refunding of the 2002 and 2003 Tax Allocation Bonds were approved by the Oversight Board and the DOF, to provide savings until the Refunding Bonds are repaid. The property tax derived from the former Agency’s Central Project Area is pledge to repay these Bonds until they are paid in full. The funds are distributed by the County of Los Angeles semi-annually through the ROPS process, subject to the approval by the Successor Agency’s Oversight Board and the DOF. As of June 30, 2015, the principal balance is \$40,030.

Loans Payable

When the California Supreme Court upheld Assembly Bill 1x 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California that took effect February 1, 2012, the former Glendale Redevelopment Agency’s (“the former Agency”) Advances from the City was invalidated. As a result, the City had written off the former Agency’s Advances’ outstanding balance of \$71,758 in fiscal year 2012.

However, when legislature approved Assembly Bill 1484, the Host Agency was eligible to reinstate the City/Agency loans pursuant to California Health & Safety Code section 34191.4. The Host Agency and the Successor Agency received approval from its Oversight Board and from the State Department of Finance to reinstate the City/Agency loans. However, the reinstated loan is limited by H&SC section 34191.4 which allows the Successor Agency to repay the loan pursuant to a formula that

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

prescribes the maximum payment per fiscal year as equal to one-half of the increase between the amount distributed to the taxing entities pursuant to H&SC section 34183 and the amount distributed to the taxing entities pursuant to that paragraph in the 2012-2013 base year. In addition, the accumulated interest on the remaining principal loan balance is required to be recalculated from loan origination at the interest rate earned by funds deposited into the Local Agency Investment Fund (LAIF). The loans are required to be repaid in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into LAIF. Furthermore, twenty percent (20%) of any loan repayment is required to be deducted and transferred to the City's Low and Moderate Income Housing Asset Fund. As of June 30, 2015, the reinstated loan amount is \$12,104.

Glendale Successor Agency annual debt service requirement schedule:

| Fiscal Year | GSA Tax Allocation Bonds Fiduciary Fund | | Loans Payable Fiduciary Fund | | Total Debt |
|-------------|--|-----------|---------------------------------|-----------|---------------|
| | Interest | Principal | Interest | Principal | Service |
| 2016 | \$ 6,439 | 7,985 | - | - | 14,424 |
| 2017 | 6,091 | 8,300 | - | 1,729 | 16,120 |
| 2018 | 5,652 | 9,080 | - | 1,729 | 16,461 |
| 2019 | 5,148 | 9,565 | - | 1,729 | 16,442 |
| 2020 | 4,613 | 10,090 | - | 1,729 | 16,432 |
| 2021-2025 | 12,003 | 66,170 | - | 5,188 | 83,361 |
| | \$ 39,946 | 111,190 | - | 12,104 | 163,240 |

Net Position (Deficits)

A \$3,515 deficit in net position is reported in fiduciary fund as of June 30, 2015. The primary reason for the deficits is due to the outstanding tax allocation bonds.

Subsequent Events

Senate Bill 107

Senate Bill 107 (SB 107) sponsored by the Department of Finance (DOF), passed both legislative houses on September 11, 2015 and became effective when Governor Brown signed it on September 22, 2015. This bill addresses the existing dissolution process of former redevelopment agencies. Some of the noteworthy provisions include:

1. The Countywide Oversight Boards will not begin until July 2018, a postponement of two years.
2. ROPS will be submitted on an annual basis instead of biannually.
3. Agencies are authorized to spend bond proceeds issued in 2011 on a sliding scale based on the month the bonds were issued.
4. Agencies are authorized to spend 100% of housing bond proceeds.
5. Revises the definition of City/Agency Loan.
6. Revises the interest rate calculation on City/Agency Loans from referencing LAIF to a fixed 3% for all agencies except Glendale; given Glendale's favorable Court ruling.
7. Limits the ability of cities to recoup their legal fees in future litigation.

Glendale is continuing to study the impacts of SB 107 with an emphasis on the City/Agency loans.

Sale of Property

The Hyatt Hotel site at 225 W. Wilson Avenue is approved as a Successor Agency-owned public parking lot. In 2008, the Agency entered into an exclusive negotiating agreement with Komar Investments to develop the site with a business-class hotel. The Agency entered into a Disposition and Development Agreement with the developer in 2011 for the development of

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

the hotel via a ground lease with an option to purchase the property. To better implement the objectives of the Dissolution Act, the Agreement was amended to include direct sale of the property to the developer with the developer being responsible for all development costs. The amended Agreement was approved by the Glendale Oversight Board on May 1, 2013 (OB Resolution #23) and approved by the Department of Finance by letter dated June 14, 2013. On October 2015, the developer is purchasing the property from the Agency for \$3,370. In accordance with HSC 34191.5(c)(2)(B), the proceeds from the sale shall be distributed as property tax to the taxing entities. The escrow is expected to close at the end of November 2015.

NOTE 17 - SUBSEQUENT EVENTS

Other Postemployment Benefits (OPEB)

In October 2015, the City Council approved unblending medical insurance premium rates between active employees and retired employees effective June 1, 2016 and the authorization of subsidies for existing retired employees currently participating in the City's retiree medical insurance plans who meet specific criteria. Accordingly, the City has projected that the OPEB obligation is going to be reduced from over \$200 million to approximately \$20 million based on the preliminary actuarial calculation: \$4 million for the Lower Income Retiree Subsidy and \$16 million for the Medicare Part A reimbursement.

San Juan Termination Agreement

In July 2015, the City Council authorized the Southern California Public Power Authority (SCPPA) to execute, on Glendale's behalf, a set of three agreements that will collectively shut down Unit 3 at the coal-fired San Juan Power Plant in New Mexico at the end of December 2017. The agreements address restructuring of rights and obligations at San Juan, including disposal of coal inventory, mine reclamation, and plant decommissioning. The termination of operations at San Juan Unit 3 will help GWP achieve California state goals regarding the reduction of greenhouse gas emissions. Glendale's current SCPPA budget of \$8.7 million a year is planned to remain flat through the year 2017. The budget takes into account all Glendale's obligations during the remaining life of the Unit. Without this termination strategy, GWP would face the risk of being required to install specific pollution control equipment. It is important to note that certain environmental remediation costs are estimated and not fully determined at this point. Under the Mine Reclamation and Plant Decommissioning Agreements, Glendale is obligated to contribute its share of specified costs when the actual remediation amounts are determined in the future, and shares the responsibility for any liability arising from operations before the December 2017 exit date. Such costs will be payable solely from the legally-available revenues of the GWP electric system.

NOTE 18 - PRONOUNCEMENTS ISSUED BUT NOT YET IMPLEMENTED

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the City.

- GASB Statement No. 72 – *Fair Value Measurement and Application*. The objective of the Statement is to address accounting and financial reporting issues related to fair value measurements. The Statement is effective for periods beginning after June 15, 2015.
- GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The principal objectives of this Statement is to improve the information provided in the general purpose external financial reports of state and local governments about pensions and related assets that are not within the scope of Statement No. 68. The Statement is effective for periods beginning after June 15, 2015.
- GASB Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (OPEB) included in the general purpose external financial reports of state and local governmental OPEB

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

plans for making decisions and assessing accountability. The Statement is effective for periods beginning after June 15, 2016.

- GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. This Statement replaces the requirements of Statements No. 45 and No. 57. The Statement is effective for periods beginning after June 15, 2017.
- GASB Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The Statement is effective for periods beginning after June 15, 2015.
- GASB Statement No. 77 – *Tax Abatement Disclosures*. The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. The Statement is effective for periods beginning after December 15, 2015.

NOTE 19 - IMPLEMENTATION OF PRONOUNCEMENTS

The City has adopted and implemented the following GASB Statements during the year ended June 30, 2015:

- GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.
- GASB Statement No. 69 – *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.
- GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The implementation of GASB Statements No. 69 did not impact the financial statements of the City during the year ended June 30, 2015.

NOTE 20 – RESTATEMENT

A prior period adjustment of \$371,114 and \$83,176 were made to decrease the beginning net position of the governmental activities and business-type activities, respectively, in accordance with the implementation of GASB 68 and GASB 71. The adjustment was made to record the beginning net pension liability and deferred outflows of resources for contributions subsequent to the measurement date.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2015

(in thousands)

The restatement of beginning net position is summarized as follows:

Governmental Activities:

| | June 30, 2014 Previously Stated | Restatement | July 1, 2014 Restated |
|-----------------------|------------------------------------|--------------|--------------------------|
| Net Pension Liability | | \$ (395,380) | (395,380) |
| Deferred Outflows | | 24,266 | 24,266 |
| Net Position | \$ 950,373 | (371,114) | 579,259 |

Business-type Activities:

| | June 30, 2014 Previously Stated | Restatement | July 1, 2014 Restated |
|-----------------------|------------------------------------|-------------|--------------------------|
| Net Pension Liability | | \$ (88,228) | (88,228) |
| Deferred Outflows | | 5,052 | 5,052 |
| Net Position | \$ 700,533 | (83,176) | 617,357 |

Sewer Fund:

| | June 30, 2014 Previously Stated | Restatement | July 1, 2014 Restated |
|-----------------------|------------------------------------|-------------|--------------------------|
| Net Pension Liability | | \$ (5,042) | (5,042) |
| Deferred Outflows | | 289 | 289 |
| Net Position | \$ 219,411 | (4,753) | 214,658 |

Electric Fund:

| | June 30, 2014 Previously Stated | Restatement | July 1, 2014 Restated |
|-----------------------|------------------------------------|-------------|--------------------------|
| Net Pension Liability | | \$ (52,936) | (52,936) |
| Deferred Outflows | | 3,030 | 3,030 |
| Net Position | \$ 306,494 | (49,906) | 256,588 |

Water Fund:

| | June 30, 2014 Previously Stated | Restatement | July 1, 2014 Restated |
|-----------------------|------------------------------------|-------------|--------------------------|
| Net Pension Liability | | \$ (15,125) | (15,125) |
| Deferred Outflows | | 866 | 866 |
| Net Position | \$ 107,557 | (14,259) | 93,298 |

Refuse Disposal Fund:

| | June 30, 2014 Previously Stated | Restatement | July 1, 2014 Restated |
|-----------------------|------------------------------------|-------------|--------------------------|
| Net Pension Liability | | \$ (12,604) | (12,604) |
| Deferred Outflows | | 721 | 721 |
| Net Position | \$ 36,266 | (11,883) | 24,383 |

Fire Communication Fund:

| | June 30, 2014 Previously Stated | Restatement | July 1, 2014 Restated |
|-----------------------|------------------------------------|-------------|--------------------------|
| Net Pension Liability | | \$ (2,521) | (2,521) |
| Deferred Outflows | | 145 | 145 |
| Net Position | \$ 6,262 | (2,376) | 3,886 |

CITY OF GLENDALE

Required Supplementary Information

Fiscal Year Ended June 30, 2015

(in thousands)

Other Post Employment Benefits (OPEB)

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (B) | Unfunded Actuarial Accrued Liability (B-A) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as of Percentage of Covered Payroll ((B-A)/C) |
|-----------------------------|-------------------------------------|--|--|-----------------------|---------------------------|---|
| 6/30/2009 | \$ - | 103,947 | 103,947 | 0% | \$ 140,934 | 74% |
| 6/30/2011 | - | 191,063 | 191,063 | 0% | 140,403 | 136% |
| 6/30/2013 | - | 214,014 | 214,014 | 0% | 121,029 | 177% |

CITY OF GLENDALE

Required Supplementary Information

Last Ten Fiscal Years

(in thousands)

Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous Plan

| | Fiscal Year |
|--|---------------|
| | 2015 |
| Total pension liability | |
| Service cost | \$ 14,951 |
| Interest on the total pension liability | 69,351 |
| Benefit payments, including refunds of employee contributions | (47,552) |
| Net change in total pension liability | 36,750 |
| Total pension liability - beginning | 940,974 |
| Total pension liability - ending (A) | 977,724 |
| Plan fiduciary net position | |
| Contributions from the employer | 14,431 |
| Contributions from employees | 8,202 |
| Net investment income | 117,615 |
| Benefit payments, including refunds of employee contributions | (47,552) |
| Net change in fiduciary net position | 92,696 |
| Plan fiduciary net position - beginning | 688,897 |
| Plan fiduciary net position - ending (B) | 781,593 |
| Net pension liability - ending (A) - (B) | \$ 196,131 |
| Plan fiduciary net position as a percentage of the total pension liability | 79.94% |
| Covered-employee payroll | \$ 91,502 |
| Net pension liability as a percentage of covered-employee payroll | 214.35% |
| Measurement date | June 30, 2014 |

Note:

FY2015 is the first year of implementation of GASB 68; therefore, only one year of data is shown.

CITY OF GLENDALE

Required Supplementary Information

Last Ten Fiscal Years

(in thousands)

Schedule of Changes in Net Pension Liability and Related Ratios - Safety Plan

| | Fiscal Year |
|--|---------------|
| | 2015 |
| Total pension liability | |
| Service cost | \$ 13,249 |
| Interest on the total pension liability | 50,558 |
| Benefit payments, including refunds of employee contributions | (32,654) |
| Net change in total pension liability | 31,153 |
| Total pension liability - beginning | 683,809 |
| Total pension liability - ending (A) | 714,962 |
| Plan fiduciary net position | |
| Contributions from the employer | 14,887 |
| Contributions from employees | 4,716 |
| Net investment income | 77,826 |
| Benefit payments, including refunds of employee contributions | (32,654) |
| Net change in fiduciary net position | 64,775 |
| Plan fiduciary net position - beginning | 452,278 |
| Plan fiduciary net position - ending (B) | 517,053 |
| Net pension liability - ending (A) - (B) | \$ 197,909 |
| Plan fiduciary net position as a percentage of the total pension liability | 72.32% |
| Covered-employee payroll | \$ 56,818 |
| Net pension liability as a percentage of covered-employee payroll | 348.32% |
| Measurement date | June 30, 2014 |

Note:

FY2015 is the first year of implementation of GASB 68; therefore, only one year of data is shown.

CITY OF GLENDALE

Required Supplementary Information

Last Ten Fiscal Years

(in thousands)

Schedule of Plan Contributions - Miscellaneous Plan

| | Fiscal Year |
|--|-------------|
| | 2015 |
| Actuarially determined contributions | \$ 13,357 |
| Contributions in relation to the actuarially determined contribution | (13,357) |
| Contribution deficiency (excess) | - |
| Covered-employee payroll | \$ 92,232 |
| Contributions as a percentage of covered-employee payroll | 14.482% |

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015 were from the June 30, 2012 CalPERS valuation report.

| | |
|----------------------------|---|
| Actuarial cost method | Entry age normal cost method |
| Amortization method | Level percent of payroll |
| Average remaining period | 16 years as of the valuation date |
| Asset valuation method | 15 year smoothed market |
| Discount rate | 7.50% (net of administrative expenses) |
| Projected salary increases | 3.30% to 14.20% depending on age, service, and type of employment |
| Inflation | 2.75% |
| Payroll growth | 3.00% |
| Individual salary growth | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25% |
| Retirement age | 59 |

Note:

FY2015 is the first year of implementation of GASB 68; therefore, only one year of data is shown.

CITY OF GLENDALE

Required Supplementary Information

Last Ten Fiscal Years

(in thousands)

Schedule of Plan Contributions - Safety Plan

| | Fiscal Year |
|--|-------------|
| | 2015 |
| Actuarially determined contributions | \$ 16,772 |
| Contributions in relation to the actuarially determined contribution | (16,772) |
| Contribution deficiency (excess) | - |
| Covered-employee payroll | \$ 56,278 |
| Contributions as a percentage of covered-employee payroll | 29.802% |

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015 were from the June 30, 2012 CalPERS valuation report.

| | |
|----------------------------|---|
| Actuarial cost method | Entry age normal cost method |
| Amortization method | Level percent of payroll |
| Average remaining period | 29 years as of the valuation date |
| Asset valuation method | 15 year smoothed market |
| Discount rate | 7.50% (net of administrative expenses) |
| Projected salary increases | 3.30% to 14.20% depending on age, service, and type of employment |
| Inflation | 2.75% |
| Payroll growth | 3.00% |
| Individual salary growth | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25% |
| Retirement age | 54 |

Note:

FY2015 is the first year of implementation of GASB 68; therefore, only one year of data is shown.

Nonmajor Governmental Funds

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

- Special Revenue Funds are used to account for the proceeds of specific revenue resources or to finance specified activities as required by law or administrative regulation.
- Debt Service Funds are used to account for the accumulation and disbursement of financial resources that will be used to make principal and interest payments on general long-term debt of the City of Glendale.
- Capital Project Funds are used to account for financial resources used for the acquisition of major capital facilities other than those financed by Special Revenue and Proprietary Funds.



Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015 (in thousands)

| | Special Revenue Funds | Debt Service Fund | Capital Project Funds | Total Nonmajor Governmental Funds |
|---|--------------------------|----------------------|--------------------------|--------------------------------------|
| Assets | | | | |
| Pooled cash and investments | \$ 47,529 | 21,475 | 17,668 | 86,672 |
| Investments with fiscal agent | - | 17 | - | 17 |
| Designated cash and investments | - | - | 25,850 | 25,850 |
| Interest receivable | 113 | 47 | 34 | 194 |
| Accounts receivable, net | 10,664 | - | 403 | 11,067 |
| Prepaid items | 42 | - | - | 42 |
| Property held for resale | 6,988 | - | - | 6,988 |
| Total assets | 65,336 | 21,539 | 43,955 | 130,830 |
| Liabilities, deferred inflows of resources and fund balances | | | | |
| Liabilities: | | | | |
| Accounts payable | 2,072 | - | 866 | 2,938 |
| Due to other funds | 8,560 | - | - | 8,560 |
| Advance from other funds | 1,946 | - | - | 1,946 |
| Interest payable | - | 17 | - | 17 |
| Unearned revenues | 34 | - | - | 34 |
| Deposits | 663 | - | - | 663 |
| Total liabilities | 13,275 | 17 | 866 | 14,158 |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | 2,035 | - | 345 | 2,380 |
| Total liabilities and deferred inflows of resources | 15,310 | 17 | 1,211 | 16,538 |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Prepaid | 42 | - | - | 42 |
| Property held for resale | 981 | - | - | 981 |
| Restricted for: | | | | |
| Federal and state grants | 2,668 | - | - | 2,668 |
| Public safety | 1,465 | - | - | 1,465 |
| Youth employment | 4 | - | - | 4 |
| Transportation | 19,965 | - | - | 19,965 |
| Landscaping district | 99 | - | - | 99 |
| Low and moderate housing | 9,219 | - | - | 9,219 |
| Air quality improvement | 293 | - | - | 293 |
| Cable access | 1,833 | - | - | 1,833 |
| Electric public benefit AB1890 | 2,788 | - | - | 2,788 |
| State gas tax mandates | - | - | 2,868 | 2,868 |
| Landfill postclosure | - | - | 25,850 | 25,850 |
| Committed to: | | | | |
| Debt service | - | 21,522 | - | 21,522 |
| Urban art | 4,283 | - | - | 4,283 |
| Public safety | 121 | - | - | 121 |
| Impact fee funded projects | - | - | 14,227 | 14,227 |
| Recreation | 3,602 | - | - | 3,602 |
| Hazardous materials | 1,646 | - | - | 1,646 |
| Parking | 6,776 | - | - | 6,776 |
| Unassigned: | (5,759) | - | (201) | (5,960) |
| Total fund balances | 50,026 | 21,522 | 42,744 | 114,292 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 65,336 | 21,539 | 43,955 | 130,830 |

Exhibit G-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Special Revenue Funds | Debt Service Fund | Capital Project Funds | Total Nonmajor Governmental Funds |
|--|-----------------------------|----------------------|--------------------------|--|
| Revenues: | | | | |
| Sales taxes | \$ 2,131 | - | - | 2,131 |
| Other taxes | 6,704 | - | - | 6,704 |
| Revenue from other agencies | 31,102 | - | 5,667 | 36,769 |
| Licenses and permits | 1,939 | - | 9,036 | 10,975 |
| Fines and forfeitures | 611 | - | - | 611 |
| Charges for services | 14,927 | - | - | 14,927 |
| Use of money and property | 298 | 193 | 117 | 608 |
| Miscellaneous revenue | 4,610 | - | - | 4,610 |
| Total revenues | 62,322 | 193 | 14,820 | 77,335 |
| Expenditures: | | | | |
| Current: | | | | |
| Police | 2,572 | 3 | - | 2,575 |
| Fire | 4,960 | - | - | 4,960 |
| Public works | 440 | - | 1,935 | 2,375 |
| Housing, health and community development | 10,804 | - | - | 10,804 |
| Employment programs | 5,589 | - | - | 5,589 |
| Public service | 5,896 | - | - | 5,896 |
| Transportation | 13,780 | - | - | 13,780 |
| Parks, recreation and community services | 446 | - | 109 | 555 |
| Library | 370 | - | - | 370 |
| Capital outlay | 6,087 | - | 8,543 | 14,630 |
| Debt service: | | | | |
| Interest | 28 | 214 | - | 242 |
| Principal | 178 | 2,795 | - | 2,973 |
| Total expenditures | 51,150 | 3,012 | 10,587 | 64,749 |
| Excess (deficiency) of revenues over (under) expenditures | 11,172 | (2,819) | 4,233 | 12,586 |
| Other financing sources (uses): | | | | |
| Transfers in | 12,396 | 500 | 2,000 | 14,896 |
| Net change in fund balances | 23,568 | (2,319) | 6,233 | 27,482 |
| Fund balance, July 1 | 26,458 | 23,841 | 36,511 | 86,810 |
| Fund balance, June 30 | \$ 50,026 | 21,522 | 42,744 | 114,292 |

SPECIAL REVENUE FUNDS

- CDBG Fund - To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant (CDBG) Program.
- Home Grant Fund - To account for monies received and expended by the City under the HOME Investment Partnerships Program to strengthen public-private partnerships and to preserve and provide affordable housing.
- Supportive Housing Grant Fund - To account for monies received and expended by the City under the Supportive Housing Grant Program to address the homeless needs of the City.
- Emergency Solutions Grant Fund - To account for monies received and expended by the City under the Emergency Solutions Grant Program to address the homeless needs of the City.
- Workforce Investment Act Fund - To account for monies received and expended for the federal, state and local-funded job training programs.
- Urban Art Fund - To account for the art fees collected from the City developments that are committed to support the public art installation and maintenance, in accordance with the City's Urban Art Program Guidelines.
- Glendale Youth Alliance Fund - To account for monies received and expended in the youth employment programs.
- Low & Moderate Income Housing Asset Fund - To account for monies received and expended for low and moderate income housing activities pursuant to AB1484.
- Grant Fund - To account for grant monies received and expended by the City.
- Air Quality Improvement Fund - To account for monies received from South Coast Air Quality Management District and expended on air pollution reduction.
- PW Special Grants Fund - To account for various grants received and expended by the City in the Public Works (PW) department.
- San Fernando Landscape District Fund - To account for assessments and expenditures associated with the San Fernando Road Corridor (SFRC) Landscape & Maintenance District Project.
- Measure R Local Return Fund - To account for monies received from the ½ cent sales tax increase approved in November 2008 by Los Angeles County voters, and the related transportation and street expenses.
- Measure R Regional Return Fund - To account for monies received from the various grants that are funded by the Measure R, which is the ½ cent sales tax increase approved in November 2008 by Los Angeles County voters, and the related transportation and street project expenses.
- Transit Prop A Local Return Fund - To account for monies received from a portion of the sales tax via Prop A which is restricted to transportation-related activities.
- Transit Prop C Local Return Fund - To account for monies received from a portion of the sales tax via Prop C which is restricted to transportation-related activities.
- Transit Utility Fund - To capture the revenues and expenses associated with the operation of fixed route and demand response transit services for reporting to state and federal regulators.
- Asset Forfeiture Fund - To account for the proceeds of money or property seized as a result of illegal activity which is restricted to law enforcement uses.
- Police Special Grants Fund - To account for various small grants received and expended by the City in the Police department, such as the Career Criminal Apprehension Program, Community Oriented Policing and the Child Passenger Safety Grant.

- Supplemental Law Enforcement Fund - To account for monies received from the State of California to provide funding for local agencies for the Citizen's Option for Public Safety Program (COPS).
- Fire Grant Fund - To account for grant monies received and expended for fire prevention programs.
- Fire Mutual Aid Fund - To account for the reimbursements received from either the Federal government or the State of California that are committed for the City's fire strike team labor costs, fire equipment charges as well as overhead costs incurred by the City in assisting fire incidents outside of the City's jurisdiction.
- Special Events Fund - To account for the monies received from the Police and Fire special events and movie details that are committed for the related personnel and operation costs.
- Nutritional Meals Grant Fund - To account for monies received from Federal assistance programs for senior citizen services.
- Library Fund - To account for the various grant monies and donations received from Federal, State and local agencies that are restricted for library services.
- Cable Access Fund - To account for the cable access fee that is restricted to provide for resources to broadcast the City Council meetings and other various commissions, forums, etc.
- Electric Public Benefit Fund - To account for the fee 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.
- Recreation Fund - To account for the user fees collected from the recreation programs of the Community Services and Parks department that are committed to provide variety of recreational opportunities, enrichment programs, and social service programs for all ages and abilities.
- Hazardous Disposal Fund - To account for the revenues from hazardous permits and waste disposal fees that are committed to recycle household hazardous waste, in order to divert this waste from landfill.
- Emergency Medical Services Fund - To account for operations of the emergency transport and paramedic service in the City.
- Parking Fund - To account for the parking revenues collected from the operations of City owned public parking lots and garages that are committed to operate City owned parking structures, public parking lots and the administration of the residential preferential parking program.

Exhibit H-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2015 (in thousands)

| | CDBG Fund | Home Grant Fund | Supportive Housing Grant Fund | Emergency Solutions Grant Fund |
|---|-----------|-----------------|----------------------------------|--------------------------------------|
| Assets | | | | |
| Pooled cash and investments | \$ - | - | - | - |
| Interest receivable | - | - | - | - |
| Accounts receivable, net | 274 | 1,137 | 669 | 57 |
| Prepaid items | - | - | 42 | - |
| Property held for resale | - | 981 | - | - |
| Total assets | 274 | 2,118 | 711 | 57 |
| Liabilities, deferred inflows of resources and fund balances | | | | |
| Liabilities: | | | | |
| Accounts payable | 39 | 7 | 155 | 14 |
| Due to other funds | 235 | 1,130 | 556 | 43 |
| Advance from other funds | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Deposits | - | - | - | - |
| Total liabilities | 274 | 1,137 | 711 | 57 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | - | - | 28 | - |
| Total liabilities and deferred inflows of resources | 274 | 1,137 | 739 | 57 |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Prepaid | - | - | 42 | - |
| Property held for resale | - | 981 | - | - |
| Restricted for: | | | | |
| Federal and state grants | - | - | - | - |
| Public safety | - | - | - | - |
| Youth employment | - | - | - | - |
| Transportation | - | - | - | - |
| Landscaping district | - | - | - | - |
| Low and moderate housing | - | - | - | - |
| Air quality improvement | - | - | - | - |
| Cable access | - | - | - | - |
| Electric public benefit AB1890 | - | - | - | - |
| Committed to: | | | | |
| Urban art | - | - | - | - |
| Public safety | - | - | - | - |
| Recreation | - | - | - | - |
| Hazardous materials | - | - | - | - |
| Parking | - | - | - | - |
| Unassigned: | - | - | (70) | - |
| Total fund balances (deficits) | - | 981 | (28) | - |
| Total liabilities, deferred inflows of resources and fund balances | \$ 274 | 2,118 | 711 | 57 |

(Continued)

Exhibit H-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2015 (in thousands)

| | Workforce Investment Act Fund | Urban Art Fund | Glendale Youth Alliance Fund | Low & Moderate Income Housing Asset Fund |
|---|-------------------------------------|----------------|---------------------------------|--|
| Assets | | | | |
| Pooled cash and investments | \$ 77 | 4,274 | - | 3,296 |
| Interest receivable | - | 9 | - | 7 |
| Accounts receivable, net | 791 | - | 158 | 111 |
| Prepaid items | - | - | - | - |
| Property held for resale | - | - | - | 6,007 |
| Total assets | 868 | 4,283 | 158 | 9,421 |
| Liabilities, deferred inflows of resources and fund balances | | | | |
| Liabilities: | | | | |
| Accounts payable | 189 | - | - | 202 |
| Due to other funds | - | - | 154 | - |
| Advance from other funds | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Deposits | 1 | - | - | - |
| Total liabilities | 190 | - | 154 | 202 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | - | - | - | - |
| Total liabilities and deferred inflows of resources | 190 | - | 154 | 202 |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Prepaid | - | - | - | - |
| Property held for resale | - | - | - | - |
| Restricted for: | | | | |
| Federal and state grants | 678 | - | - | - |
| Public safety | - | - | - | - |
| Youth employment | - | - | 4 | - |
| Transportation | - | - | - | - |
| Landscaping district | - | - | - | - |
| Low and moderate housing | - | - | - | 9,219 |
| Air quality improvement | - | - | - | - |
| Cable access | - | - | - | - |
| Electric public benefit AB1890 | - | - | - | - |
| Committed to: | | | | |
| Urban art | - | 4,283 | - | - |
| Public safety | - | - | - | - |
| Recreation | - | - | - | - |
| Hazardous materials | - | - | - | - |
| Parking | - | - | - | - |
| Unassigned: | - | - | - | - |
| Total fund balances (deficits) | 678 | 4,283 | 4 | 9,219 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 868 | 4,283 | 158 | 9,421 |

(Continued)

Exhibit H-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2015 (in thousands)

| | | Grant Fund | Air Quality Improvement Fund | PW Special Grants Fund | San Fernando Landscape District Fund |
|---|----|------------|---------------------------------|---------------------------|--|
| Assets | | | | | |
| Pooled cash and investments | \$ | - | 255 | - | 99 |
| Interest receivable | | - | 1 | - | - |
| Accounts receivable, net | | - | 65 | 3,260 | - |
| Prepaid items | | - | - | - | - |
| Property held for resale | | - | - | - | - |
| Total assets | | - | 321 | 3,260 | 99 |
| Liabilities, deferred inflows of resources and fund balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | | - | 28 | 79 | - |
| Due to other funds | | 2 | - | 3,219 | - |
| Advance from other funds | | - | - | - | - |
| Unearned revenues | | - | - | - | - |
| Deposits | | - | - | - | - |
| Total liabilities | | 2 | 28 | 3,298 | - |
| Deferred inflows of resources | | | | | |
| Unavailable revenues | | - | - | 1,258 | - |
| Total liabilities and deferred inflows of resources | | 2 | 28 | 4,556 | - |
| Fund balances: | | | | | |
| Nonspendable: | | | | | |
| Prepaid | | - | - | - | - |
| Property held for resale | | - | - | - | - |
| Restricted for: | | | | | |
| Federal and state grants | | - | - | - | - |
| Public safety | | - | - | - | - |
| Youth employment | | - | - | - | - |
| Transportation | | - | - | - | - |
| Landscaping district | | - | - | - | 99 |
| Low and moderate housing | | - | - | - | - |
| Air quality improvement | | - | 293 | - | - |
| Cable access | | - | - | - | - |
| Electric public benefit AB1890 | | - | - | - | - |
| Committed to: | | | | | |
| Urban art | | - | - | - | - |
| Public safety | | - | - | - | - |
| Recreation | | - | - | - | - |
| Hazardous materials | | - | - | - | - |
| Parking | | - | - | - | - |
| Unassigned: | | (2) | - | (1,296) | - |
| Total fund balances (deficits) | | (2) | 293 | (1,296) | 99 |
| Total liabilities, deferred inflows of resources and fund balances | \$ | - | 321 | 3,260 | 99 |

(Continued)

Exhibit H-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2015 (in thousands)

| | | Measure R Measure R Local Return Fund | Measure R Regional Return Fund | Transit Prop A Local Return Fund | Transit Prop C Local Return Fund |
|---|----|---|--------------------------------------|-------------------------------------|-------------------------------------|
| Assets | | | | | |
| Pooled cash and investments | \$ | 6,809 | - | 9,877 | 3,213 |
| Interest receivable | | 15 | - | 17 | 12 |
| Accounts receivable, net | | - | 847 | 219 | 220 |
| Prepaid items | | - | - | - | - |
| Property held for resale | | - | - | - | - |
| Total assets | | 6,824 | 847 | 10,113 | 3,445 |
| Liabilities, deferred inflows of resources and fund balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | | 6 | - | 221 | 190 |
| Due to other funds | | - | 869 | - | - |
| Advance from other funds | | - | - | - | - |
| Unearned revenues | | - | - | - | - |
| Deposits | | - | - | - | - |
| Total liabilities | | 6 | 869 | 221 | 190 |
| Deferred inflows of resources | | | | | |
| Unavailable revenues | | - | 749 | - | - |
| Total liabilities and deferred inflows of resources | | 6 | 1,618 | 221 | 190 |
| Fund balances: | | | | | |
| Nonspendable: | | | | | |
| Prepaid | | - | - | - | - |
| Property held for resale | | - | - | - | - |
| Restricted for: | | | | | |
| Federal and state grants | | - | - | - | - |
| Public safety | | - | - | - | - |
| Youth employment | | - | - | - | - |
| Transportation | | 6,818 | - | 9,892 | 3,255 |
| Landscaping district | | - | - | - | - |
| Low and moderate housing | | - | - | - | - |
| Air quality improvement | | - | - | - | - |
| Cable access | | - | - | - | - |
| Electric public benefit AB1890 | | - | - | - | - |
| Committed to: | | | | | |
| Urban art | | - | - | - | - |
| Public safety | | - | - | - | - |
| Recreation | | - | - | - | - |
| Hazardous materials | | - | - | - | - |
| Parking | | - | - | - | - |
| Unassigned: | | - | (771) | - | - |
| Total fund balances (deficits) | | 6,818 | (771) | 9,892 | 3,255 |
| Total liabilities, deferred inflows of resources and fund balances | \$ | 6,824 | 847 | 10,113 | 3,445 |

(Continued)

Exhibit H-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2015 (in thousands)

| | Transit Utility Fund | Asset Forfeiture Fund | Police Special Grants Fund | Supplemental Law Enforcement Fund |
|---|----------------------|-----------------------|----------------------------|-----------------------------------|
| Assets | | | | |
| Pooled cash and investments | \$ - | 1,439 | - | 67 |
| Interest receivable | - | 3 | - | - |
| Accounts receivable, net | - | 95 | 630 | 37 |
| Prepaid items | - | - | - | - |
| Property held for resale | - | - | - | - |
| Total assets | - | 1,537 | 630 | 104 |
| Liabilities, deferred inflows of resources and fund balances | | | | |
| Liabilities: | | | | |
| Accounts payable | - | 137 | - | - |
| Due to other funds | - | - | 611 | - |
| Advance from other funds | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Deposits | - | 58 | - | - |
| Total liabilities | - | 195 | 611 | - |
| Deferred inflows of resources | | | | |
| Unavailable revenues | - | - | - | - |
| Total liabilities and deferred inflows of resources | - | 195 | 611 | - |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Prepaid | - | - | - | - |
| Property held for resale | - | - | - | - |
| Restricted for: | | | | |
| Federal and state grants | - | - | - | - |
| Public safety | - | 1,342 | 19 | 104 |
| Youth employment | - | - | - | - |
| Transportation | - | - | - | - |
| Landscaping district | - | - | - | - |
| Low and moderate housing | - | - | - | - |
| Air quality improvement | - | - | - | - |
| Cable access | - | - | - | - |
| Electric public benefit AB1890 | - | - | - | - |
| Committed to: | | | | |
| Urban art | - | - | - | - |
| Public safety | - | - | - | - |
| Recreation | - | - | - | - |
| Hazardous materials | - | - | - | - |
| Parking | - | - | - | - |
| Unassigned: | | | | |
| Total fund balances (deficits) | - | 1,342 | 19 | 104 |
| Total liabilities, deferred inflows of resources and fund balances | \$ - | 1,537 | 630 | 104 |

(Continued)

Exhibit H-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2015 (in thousands)

| | Fire Grant Fund | Fire Mutual Aid Fund | Special Events Fund | Nutritional Meals Grant Fund |
|---|-----------------|----------------------|---------------------|------------------------------|
| Assets | | | | |
| Pooled cash and investments | \$ - | 17 | 53 | - |
| Interest receivable | - | - | - | - |
| Accounts receivable, net | 96 | 51 | - | 57 |
| Prepaid items | - | - | - | - |
| Property held for resale | - | - | - | - |
| Total assets | 96 | 68 | 53 | 57 |
| Liabilities, deferred inflows of resources and fund balances | | | | |
| Liabilities: | | | | |
| Accounts payable | - | - | - | 19 |
| Due to other funds | 328 | - | - | 19 |
| Advance from other funds | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Deposits | - | - | - | - |
| Total liabilities | 328 | - | - | 38 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | - | - | - | - |
| Total liabilities and deferred inflows of resources | 328 | - | - | 38 |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Prepaid | - | - | - | - |
| Property held for resale | - | - | - | - |
| Restricted for: | | | | |
| Federal and state grants | - | - | - | 19 |
| Public safety | - | - | - | - |
| Youth employment | - | - | - | - |
| Transportation | - | - | - | - |
| Landscaping district | - | - | - | - |
| Low and moderate housing | - | - | - | - |
| Air quality improvement | - | - | - | - |
| Cable access | - | - | - | - |
| Electric public benefit AB1890 | - | - | - | - |
| Committed to: | | | | |
| Urban art | - | - | - | - |
| Public safety | - | 68 | 53 | - |
| Recreation | - | - | - | - |
| Hazardous materials | - | - | - | - |
| Parking | - | - | - | - |
| Unassigned: | (232) | - | - | - |
| Total fund balances (deficits) | (232) | 68 | 53 | 19 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 96 | 68 | 53 | 57 |

(Continued)

Exhibit H-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2015 (in thousands)

| | Library Fund | Cable Access Fund | Electric Public Benefit Fund | Recreation Fund |
|---|--------------|-------------------|---------------------------------|-----------------|
| Assets | | | | |
| Pooled cash and investments | \$ 1,967 | 1,684 | 2,706 | 3,690 |
| Interest receivable | 4 | 4 | 6 | 9 |
| Accounts receivable, net | - | 200 | 944 | 51 |
| Prepaid items | - | - | - | - |
| Property held for resale | - | - | - | - |
| Total assets | 1,971 | 1,888 | 3,656 | 3,750 |
| Liabilities, deferred inflows of resources and fund balances | | | | |
| Liabilities: | | | | |
| Accounts payable | - | 55 | 473 | 9 |
| Due to other funds | - | - | - | - |
| Advance from other funds | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Deposits | - | - | 395 | 139 |
| Total liabilities | - | 55 | 868 | 148 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | - | - | - | - |
| Total liabilities and deferred inflows of resources | - | 55 | 868 | 148 |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Prepaid | - | - | - | - |
| Property held for resale | - | - | - | - |
| Restricted for: | | | | |
| Federal and state grants | 1,971 | - | - | - |
| Public safety | - | - | - | - |
| Youth employment | - | - | - | - |
| Transportation | - | - | - | - |
| Landscaping district | - | - | - | - |
| Low and moderate housing | - | - | - | - |
| Air quality improvement | - | - | - | - |
| Cable access | - | 1,833 | - | - |
| Electric public benefit AB1890 | - | - | 2,788 | - |
| Committed to: | | | | |
| Urban art | - | - | - | - |
| Public safety | - | - | - | - |
| Recreation | - | - | - | 3,602 |
| Hazardous materials | - | - | - | - |
| Parking | - | - | - | - |
| Unassigned: | | | | |
| Total fund balances (deficits) | 1,971 | 1,833 | 2,788 | 3,602 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 1,971 | 1,888 | 3,656 | 3,750 |

(Continued)

Exhibit H-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2015 (in thousands)

| | Hazardous Disposal Fund | Emergency Medical Services Fund | Parking Fund | Total Nonmajor Special Revenue Funds |
|---|----------------------------|---------------------------------------|--------------|--|
| Assets | | | | |
| Pooled cash and investments | \$ 1,454 | - | 6,552 | 47,529 |
| Interest receivable | 3 | 8 | 15 | 113 |
| Accounts receivable, net | 271 | 33 | 391 | 10,664 |
| Prepaid items | - | - | - | 42 |
| Property held for resale | - | - | - | 6,988 |
| Total assets | 1,728 | 41 | 6,958 | 65,336 |
| Liabilities, deferred inflows of resources and fund balances | | | | |
| Liabilities: | | | | |
| Accounts payable | 12 | 89 | 148 | 2,072 |
| Due to other funds | - | 1,394 | - | 8,560 |
| Advance from other funds | - | 1,946 | - | 1,946 |
| Unearned revenues | - | - | 34 | 34 |
| Deposits | 70 | - | - | 663 |
| Total liabilities | 82 | 3,429 | 182 | 13,275 |
| Deferred inflows of resources | | | | |
| Unavailable revenues | - | - | - | 2,035 |
| Total liabilities and deferred inflows of resources | 82 | 3,429 | 182 | 15,310 |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Prepaid | - | - | - | 42 |
| Property held for resale | - | - | - | 981 |
| Restricted for: | | | | |
| Federal and state grants | - | - | - | 2,668 |
| Public safety | - | - | - | 1,465 |
| Youth employment | - | - | - | 4 |
| Transportation | - | - | - | 19,965 |
| Landscaping district | - | - | - | 99 |
| Low and moderate housing | - | - | - | 9,219 |
| Air quality improvement | - | - | - | 293 |
| Cable access | - | - | - | 1,833 |
| Electric public benefit AB1890 | - | - | - | 2,788 |
| Committed to: | | | | |
| Urban art | - | - | - | 4,283 |
| Public safety | - | - | - | 121 |
| Recreation | - | - | - | 3,602 |
| Hazardous materials | 1,646 | - | - | 1,646 |
| Parking | - | - | 6,776 | 6,776 |
| Unassigned: | - | (3,388) | - | (5,759) |
| Total fund balances (deficits) | 1,646 | (3,388) | 6,776 | 50,026 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 1,728 | 41 | 6,958 | 65,336 |

Exhibit H-2

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

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | CDBG Fund | Home Grant Fund | Supportive Housing Grant Fund | Emergency Solutions Grant Fund |
|--|-----------|-----------------|----------------------------------|--------------------------------------|
| Revenues: | | | | |
| Sales taxes | \$ - | - | - | - |
| Other taxes | - | - | - | - |
| Revenue from other agencies | 1,957 | 3,166 | 2,025 | 171 |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Charges for services | - | - | - | - |
| Use of money and property | - | - | - | - |
| Miscellaneous revenue | - | 567 | - | - |
| Total revenues | 1,957 | 3,733 | 2,025 | 171 |
| Expenditures: | | | | |
| Current: | | | | |
| Police | - | - | - | - |
| Fire | - | - | - | - |
| Public works | - | - | - | - |
| Transportation | - | - | - | - |
| Housing, health and community development | 1,327 | 2,752 | 2,053 | 171 |
| Employment programs | - | - | - | - |
| Public service | - | - | - | - |
| Parks, recreation and community services | - | - | - | - |
| Library | - | - | - | - |
| Capital outlay | 362 | - | - | - |
| Debt service: | | | | |
| Interest | 28 | - | - | - |
| Principal | 178 | - | - | - |
| Total expenditures | 1,895 | 2,752 | 2,053 | 171 |
| Excess (deficiency) of revenues over (under) expenditures | 62 | 981 | (28) | - |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Net change in fund balances | 62 | 981 | (28) | - |
| Fund balances (deficits), July 1 | (62) | - | - | - |
| Fund balances (deficits), June 30 | \$ - | 981 | (28) | - |

(Continued)

Exhibit H-2

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

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Workforce Investment Act Fund | Urban Art Fund | Glendale Youth Alliance Fund | Low & Moderate Income Housing Asset Fund |
|--|-------------------------------------|----------------|---------------------------------|--|
| Revenues: | | | | |
| Sales taxes | \$ - | - | - | - |
| Other taxes | - | - | - | - |
| Revenue from other agencies | 4,257 | - | - | - |
| Licenses and permits | - | 1,939 | - | - |
| Fines and forfeitures | - | - | - | - |
| Charges for services | - | - | 1,371 | - |
| Use of money and property | - | 31 | - | 49 |
| Miscellaneous revenue | 78 | - | - | 3,545 |
| Total revenues | 4,335 | 1,970 | 1,371 | 3,594 |
| Expenditures: | | | | |
| Current: | | | | |
| Police | - | - | - | - |
| Fire | - | - | - | - |
| Public works | - | - | - | - |
| Transportation | - | - | - | - |
| Housing, health and community development | - | - | - | 4,497 |
| Employment programs | 4,204 | - | 1,385 | - |
| Public service | - | - | - | - |
| Parks, recreation and community services | - | - | - | - |
| Library | - | 124 | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Interest | - | - | - | - |
| Principal | - | - | - | - |
| Total expenditures | 4,204 | 124 | 1,385 | 4,497 |
| Excess (deficiency) of revenues over (under) expenditures | 131 | 1,846 | (14) | (903) |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | 302 |
| Net change in fund balances | 131 | 1,846 | (14) | (601) |
| Fund balances (deficits), July 1 | 547 | 2,437 | 18 | 9,820 |
| Fund balances (deficits), June 30 | \$ 678 | 4,283 | 4 | 9,219 |

(Continued)

Exhibit H-2

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

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Grant Fund | Air Quality Improvement Fund | PW Special Grants Fund | San Fernando Landscape District Fund |
|--|------------|---------------------------------|---------------------------|--|
| Revenues: | | | | |
| Sales taxes | \$ - | - | - | - |
| Other taxes | - | - | - | - |
| Revenue from other agencies | 2 | 243 | 2,924 | - |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Charges for services | - | 7 | - | - |
| Use of money and property | - | 3 | - | 1 |
| Miscellaneous revenue | - | - | - | 61 |
| Total revenues | 2 | 253 | 2,924 | 62 |
| Expenditures: | | | | |
| Current: | | | | |
| Police | - | - | - | - |
| Fire | - | - | - | - |
| Public works | - | 20 | 233 | 26 |
| Transportation | - | 216 | - | - |
| Housing, health and community development | 4 | - | - | - |
| Employment programs | - | - | - | - |
| Public service | - | - | - | - |
| Parks, recreation and community services | - | - | - | - |
| Library | - | - | - | - |
| Capital outlay | - | - | 3,436 | - |
| Debt service: | | | | |
| Interest | - | - | - | - |
| Principal | - | - | - | - |
| Total expenditures | 4 | 236 | 3,669 | 26 |
| Excess (deficiency) of revenues over (under) expenditures | (2) | 17 | (745) | 36 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Net change in fund balances | (2) | 17 | (745) | 36 |
| Fund balances (deficits), July 1 | - | 276 | (551) | 63 |
| Fund balances (deficits), June 30 | \$ (2) | 293 | (1,296) | 99 |

(Continued)

Exhibit H-2

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

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Measure R Local Return Fund | Measure R Regional Return Fund | Transit Prop A Local Return Fund | Transit Prop C Local Return Fund |
|--|--------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| Revenues: | | | | |
| Sales taxes | \$ 2,131 | - | - | - |
| Other taxes | - | - | - | - |
| Revenue from other agencies | - | 1,770 | 3,424 | 2,850 |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Charges for services | - | - | 24 | 52 |
| Use of money and property | 56 | - | 69 | 37 |
| Miscellaneous revenue | - | - | - | - |
| Total revenues | 2,187 | 1,770 | 3,517 | 2,939 |
| Expenditures: | | | | |
| Current: | | | | |
| Police | - | - | - | - |
| Fire | - | - | - | - |
| Public works | 27 | 134 | - | - |
| Transportation | - | - | 2,736 | 2,714 |
| Housing, health and community development | - | - | - | - |
| Employment programs | - | - | - | - |
| Public service | - | - | - | - |
| Parks, recreation and community services | - | - | - | - |
| Library | - | - | - | - |
| Capital outlay | 217 | 1,673 | - | 3 |
| Debt service: | | | | |
| Interest | - | - | - | - |
| Principal | - | - | - | - |
| Total expenditures | 244 | 1,807 | 2,736 | 2,717 |
| Excess (deficiency) of revenues over (under) expenditures | 1,943 | (37) | 781 | 222 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Net change in fund balances | 1,943 | (37) | 781 | 222 |
| Fund balances (deficits), July 1 | 4,875 | (734) | 9,111 | 3,033 |
| Fund balances (deficits), June 30 | \$ 6,818 | (771) | 9,892 | 3,255 |

(Continued)

Exhibit H-2

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

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Transit Utility Fund | Asset Forfeiture Fund | Police Special Grants Fund | Supplemental Law Enforcement Fund |
|---|----------------------|-----------------------|----------------------------|-----------------------------------|
| Revenues: | | | | |
| Sales taxes | \$ - | - | - | - |
| Other taxes | - | - | - | - |
| Revenue from other agencies | 5,083 | - | 1,662 | 358 |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | - | 611 | - | - |
| Charges for services | 6,766 | - | 39 | - |
| Use of money and property | - | 10 | - | - |
| Miscellaneous revenue | 58 | - | 49 | - |
| Total revenues | 11,907 | 621 | 1,750 | 358 |
| Expenditures: | | | | |
| Current: | | | | |
| Police | - | 340 | 1,324 | 390 |
| Fire | - | - | - | - |
| Public works | - | - | - | - |
| Transportation | 8,114 | - | - | - |
| Housing, health and community development | - | - | - | - |
| Employment programs | - | - | - | - |
| Public service | - | - | - | - |
| Parks, recreation and community services | - | - | - | - |
| Library | - | - | - | - |
| Capital outlay | - | - | 382 | - |
| Debt service: | | | | |
| Interest | - | - | - | - |
| Principal | - | - | - | - |
| Total expenditures | 8,114 | 340 | 1,706 | 390 |
| Excess (deficiency) of revenues over (under) expenditures | 3,793 | 281 | 44 | (32) |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Net change in fund balances | 3,793 | 281 | 44 | (32) |
| Fund balances (deficits), July 1 | (3,793) | 1,061 | (25) | 136 |
| Fund balances (deficits), June 30 | \$ - | 1,342 | 19 | 104 |

(Continued)

Exhibit H-2

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

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Fire Grant Fund | Fire Mutual Aid Fund | Special Events Fund | Nutritional Meals Grant Fund |
|---|-----------------|----------------------|---------------------|------------------------------|
| Revenues: | | | | |
| Sales taxes | \$ - | - | - | - |
| Other taxes | - | - | - | - |
| Revenue from other agencies | 184 | 299 | - | 332 |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Charges for services | - | - | 512 | - |
| Use of money and property | - | 1 | 1 | - |
| Miscellaneous revenue | 5 | - | - | 54 |
| Total revenues | 189 | 300 | 513 | 386 |
| Expenditures: | | | | |
| Current: | | | | |
| Police | - | - | 518 | - |
| Fire | 150 | 248 | 42 | - |
| Public works | - | - | - | - |
| Transportation | - | - | - | - |
| Housing, health and community development | - | - | - | - |
| Employment programs | - | - | - | - |
| Public service | - | - | - | - |
| Parks, recreation and community services | - | - | - | 446 |
| Library | - | - | - | - |
| Capital outlay | 7 | - | - | - |
| Debt service: | | | | |
| Interest | - | - | - | - |
| Principal | - | - | - | - |
| Total expenditures | 157 | 248 | 560 | 446 |
| Excess (deficiency) of revenues over (under) expenditures | 32 | 52 | (47) | (60) |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | 70 |
| Net change in fund balances | 32 | 52 | (47) | 10 |
| Fund balances (deficits), July 1 | (264) | 16 | 100 | 9 |
| Fund balances (deficits), June 30 | \$ (232) | 68 | 53 | 19 |

(Continued)

Exhibit H-2

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

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Library Fund | Cable Access Fund | Electric Public Benefit Fund | Recreation Fund |
|--|--------------|-------------------|---------------------------------|-----------------|
| Revenues: | | | | |
| Sales taxes | \$ - | - | - | - |
| Other taxes | - | - | 6,704 | - |
| Revenue from other agencies | 23 | - | - | - |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Charges for services | 83 | 582 | - | - |
| Use of money and property | 6 | 14 | 20 | - |
| Miscellaneous revenue | 57 | - | - | - |
| Total revenues | 169 | 596 | 6,724 | - |
| Expenditures: | | | | |
| Current: | | | | |
| Police | - | - | - | - |
| Fire | - | - | - | - |
| Public works | - | - | - | - |
| Transportation | - | - | - | - |
| Housing, health and community development | - | - | - | - |
| Employment programs | - | - | - | - |
| Public service | - | - | 5,896 | - |
| Parks, recreation and community services | - | - | - | - |
| Library | 246 | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Interest | - | - | - | - |
| Principal | - | - | - | - |
| Total expenditures | 246 | - | 5,896 | - |
| Excess (deficiency) of revenues over (under) expenditures | (77) | 596 | 828 | - |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | 3,602 |
| Net change in fund balances | (77) | 596 | 828 | 3,602 |
| Fund balances (deficits), July 1 | 2,048 | 1,237 | 1,960 | - |
| Fund balances (deficits), June 30 | \$ 1,971 | 1,833 | 2,788 | 3,602 |

(Continued)

Exhibit H-2

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

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Hazardous Materials Fund | Emergency Medical Services Fund | Parking Fund | Total Nonmajor Special Revenue Funds |
|--|-----------------------------|---------------------------------------|--------------|--|
| Revenues: | | | | |
| Sales taxes | \$ - | - | - | 2,131 |
| Other taxes | - | - | - | 6,704 |
| Revenue from other agencies | - | 372 | - | 31,102 |
| Licenses and permits | - | - | - | 1,939 |
| Fines and forfeitures | - | - | - | 611 |
| Charges for services | - | 5,491 | - | 14,927 |
| Use of money and property | - | - | - | 298 |
| Miscellaneous revenue | - | 136 | - | 4,610 |
| Total revenues | - | 5,999 | - | 62,322 |
| Expenditures: | | | | |
| Current: | | | | |
| Police | - | - | - | 2,572 |
| Fire | - | 4,520 | - | 4,960 |
| Public works | - | - | - | 440 |
| Transportation | - | - | - | 13,780 |
| Housing, health and community development | - | - | - | 10,804 |
| Employment programs | - | - | - | 5,589 |
| Public service | - | - | - | 5,896 |
| Parks, recreation and community services | - | - | - | 446 |
| Library | - | - | - | 370 |
| Capital outlay | - | 7 | - | 6,087 |
| Debt service: | | | | |
| Interest | - | - | - | 28 |
| Principal | - | - | - | 178 |
| Total expenditures | - | 4,527 | - | 51,150 |
| Excess (deficiency) of revenues over (under) expenditures | - | 1,472 | - | 11,172 |
| Other financing sources (uses): | | | | |
| Transfers in | 1,646 | - | 6,776 | 12,396 |
| Net change in fund balances | 1,646 | 1,472 | 6,776 | 23,568 |
| Fund balances (deficits), July 1 | - | (4,860) | - | 26,458 |
| Fund balances (deficits), June 30 | \$ 1,646 | (3,388) | 6,776 | 50,026 |

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget Over/(Under)</u> |
|--|------------------------|---------------------|---------------|--|
| CDBG Fund: | | | | |
| Revenue from other agencies | \$ 1,747 | 1,747 | 1,957 | 210 |
| Charges for services | <u>3</u> | <u>3</u> | <u>-</u> | <u>(3)</u> |
| Total | <u>1,750</u> | <u>1,750</u> | <u>1,957</u> | <u>207</u> |
| Home Grant Fund: | | | | |
| Revenue from other agencies | 1,307 | 6,400 | 3,166 | (3,234) |
| Miscellaneous revenue | <u>3</u> | <u>3</u> | <u>567</u> | <u>564</u> |
| Total | <u>1,310</u> | <u>6,403</u> | <u>3,733</u> | <u>(2,670)</u> |
| Supportive Housing Grant Fund: | | | | |
| Revenue from other agencies | <u>2,043</u> | <u>2,043</u> | <u>2,025</u> | <u>(18)</u> |
| Total | <u>2,043</u> | <u>2,043</u> | <u>2,025</u> | <u>(18)</u> |
| Emergency Solutions Grant Fund: | | | | |
| Revenue from other agencies | <u>157</u> | <u>157</u> | <u>171</u> | <u>14</u> |
| Total | <u>157</u> | <u>157</u> | <u>171</u> | <u>14</u> |
| Workforce Investment Act Fund: | | | | |
| Revenue from other agencies | 4,779 | 5,350 | 4,257 | (1,093) |
| Miscellaneous revenue | <u>30</u> | <u>30</u> | <u>78</u> | <u>48</u> |
| Total | <u>4,809</u> | <u>5,380</u> | <u>4,335</u> | <u>(1,045)</u> |
| Urban Art Fund: | | | | |
| Use of money and property | 15 | 15 | 31 | 16 |
| Licenses and Permits | <u>1,519</u> | <u>1,519</u> | <u>1,939</u> | <u>420</u> |
| Total | <u>1,534</u> | <u>1,534</u> | <u>1,970</u> | <u>436</u> |
| Glendale Youth Alliance Fund: | | | | |
| Charges for services | <u>1,515</u> | <u>1,515</u> | <u>1,371</u> | <u>(144)</u> |
| Total | <u>1,515</u> | <u>1,515</u> | <u>1,371</u> | <u>(144)</u> |
| Low & Moderate Income Housing Asset Fund: | | | | |
| Use of money and property | 71 | 71 | 49 | (22) |
| Miscellaneous revenue | 459 | 459 | 3,545 | 3,086 |
| Transfers | <u>-</u> | <u>-</u> | <u>302</u> | <u>302</u> |
| Total | <u>530</u> | <u>530</u> | <u>3,896</u> | <u>3,366</u> |
| Grant Fund: | | | | |
| Revenue from other agencies | <u>-</u> | <u>500</u> | <u>2</u> | <u>(498)</u> |
| Total | <u>\$ -</u> | <u>500</u> | <u>2</u> | <u>(498)</u> |

(Continued)

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget Over/(Under)</u> |
|--|------------------------|---------------------|---------------|--|
| Air Quality Improvement Fund: | | | | |
| Use of money and property | \$ 2 | 2 | 3 | 1 |
| Revenue from other agencies | 235 | 235 | 243 | 8 |
| Charges for services | 6 | 6 | 7 | 1 |
| Total | <u>243</u> | <u>243</u> | <u>253</u> | <u>10</u> |
| PW Special Grants Fund: | | | | |
| Revenue from other agencies | - | - | 2,924 | 2,924 |
| Total | <u>-</u> | <u>-</u> | <u>2,924</u> | <u>2,924</u> |
| San Fernando Landscape District Fund: | | | | |
| Use of money and property | - | - | 1 | 1 |
| Miscellaneous revenue | 75 | 75 | 61 | (14) |
| Total | <u>75</u> | <u>75</u> | <u>62</u> | <u>(13)</u> |
| Measure R Local Return Fund: | | | | |
| Sales taxes | 2,110 | 2,110 | 2,131 | 21 |
| Use of money and property | 25 | 25 | 56 | 31 |
| Total | <u>2,135</u> | <u>2,135</u> | <u>2,187</u> | <u>52</u> |
| Measure R Regional Return Fund: | | | | |
| Revenue from other agencies | 4,000 | 8,815 | 1,770 | (7,045) |
| Total | <u>4,000</u> | <u>8,815</u> | <u>1,770</u> | <u>(7,045)</u> |
| Transit Prop A Local Return Fund: | | | | |
| Use of money and property | 75 | 75 | 69 | (6) |
| Revenue from other agencies | 3,412 | 3,412 | 3,424 | 12 |
| Charges for services | 100 | 100 | 24 | (76) |
| Total | <u>3,587</u> | <u>3,587</u> | <u>3,517</u> | <u>(70)</u> |
| Transit Prop C Local Return Fund: | | | | |
| Use of money and property | 30 | 30 | 37 | 7 |
| Revenue from other agencies | 2,866 | 2,866 | 2,850 | (16) |
| Charges for services | 30 | 30 | 52 | 22 |
| Total | <u>\$ 2,926</u> | <u>2,926</u> | <u>2,939</u> | <u>13</u> |

(Continued)

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget Over/(Under)</u> |
|------------------------------------|------------------------|---------------------|---------------|--|
| Transit Utility Fund: | | | | |
| Revenue from other agencies | \$ 10,495 | 10,495 | 5,083 | (5,412) |
| Charges for services | 8,165 | 8,165 | 6,766 | (1,399) |
| Miscellaneous revenue | 66 | 66 | 58 | (8) |
| Total | <u>18,726</u> | <u>18,726</u> | <u>11,907</u> | <u>(6,819)</u> |
| Asset Forfeiture Fund: | | | | |
| Use of money and property | - | - | 10 | 10 |
| Fines and forfeitures | - | - | 611 | 611 |
| Total | <u>-</u> | <u>-</u> | <u>621</u> | <u>621</u> |
| Police Special Grants Fund: | | | | |
| Revenue from other agencies | 746 | 1,876 | 1,662 | (214) |
| Charges for services | 175 | 175 | 39 | (136) |
| Miscellaneous revenue | 23 | 107 | 49 | (58) |
| Total | <u>944</u> | <u>2,158</u> | <u>1,750</u> | <u>(408)</u> |
| Supplemental Law Enforcement Fund: | | | | |
| Revenue from other agencies | <u>396</u> | <u>396</u> | <u>358</u> | <u>(38)</u> |
| Total | <u>396</u> | <u>396</u> | <u>358</u> | <u>(38)</u> |
| Fire Grant Fund: | | | | |
| Revenue from other agencies | - | 265 | 184 | (81) |
| Miscellaneous revenue | - | - | 5 | 5 |
| Total | <u>-</u> | <u>265</u> | <u>189</u> | <u>(76)</u> |
| Fire Mutual Aid Fund: | | | | |
| Use of money and property | - | - | 1 | 1 |
| Revenue from other agencies | <u>125</u> | <u>125</u> | <u>299</u> | <u>174</u> |
| Total | <u>125</u> | <u>125</u> | <u>300</u> | <u>175</u> |
| Special Events Fund: | | | | |
| Use of money and property | - | - | 1 | 1 |
| Charges for services | <u>697</u> | <u>697</u> | <u>512</u> | <u>(185)</u> |
| Total | <u>697</u> | <u>697</u> | <u>513</u> | <u>(184)</u> |
| Nutritional Meals Grant Fund: | | | | |
| Revenue from other agencies | 253 | 256 | 332 | 76 |
| Miscellaneous revenue | 45 | 45 | 54 | 9 |
| Transfers | <u>70</u> | <u>70</u> | <u>70</u> | <u>-</u> |
| Total | <u>\$ 368</u> | <u>371</u> | <u>456</u> | <u>85</u> |

(Continued)

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget Over/(Under)</u> |
|--|------------------------|---------------------|---------------|--|
| Library Fund: | | | | |
| Use of money and property | \$ 4 | 4 | 6 | 2 |
| Revenue from other agencies | - | 19 | 23 | 4 |
| Charges for services | 113 | 113 | 83 | (30) |
| Miscellaneous revenue | 50 | 50 | 57 | 7 |
| Total | <u>167</u> | <u>186</u> | <u>169</u> | <u>(17)</u> |
| Cable Access Fund: | | | | |
| Use of money and property | 7 | 7 | 14 | 7 |
| Charges for services | 625 | 625 | 582 | (43) |
| Total | <u>632</u> | <u>632</u> | <u>596</u> | <u>(36)</u> |
| Electric Public Benefit Fund: | | | | |
| Other taxes | 6,608 | 6,608 | 6,704 | 96 |
| Use of money and property | 15 | 15 | 20 | 5 |
| Total | <u>6,623</u> | <u>6,623</u> | <u>6,724</u> | <u>101</u> |
| Recreation Fund: | | | | |
| Transfers | - | - | 3,602 | 3,602 |
| Total | <u>-</u> | <u>-</u> | <u>3,602</u> | <u>3,602</u> |
| Hazardous Disposal Fund: | | | | |
| Transfers | - | - | 1,646 | 1,646 |
| Total | <u>-</u> | <u>-</u> | <u>1,646</u> | <u>1,646</u> |
| Emergency Medical Services Fund: | | | | |
| Revenue from other agencies | - | - | 372 | 372 |
| Charges for services | 7,145 | 7,145 | 5,491 | (1,654) |
| Miscellaneous revenue | 58 | 58 | 136 | 78 |
| Total | <u>7,203</u> | <u>7,203</u> | <u>5,999</u> | <u>(1,204)</u> |
| Parking Fund: | | | | |
| Transfers | - | - | 6,776 | 6,776 |
| Total | <u>-</u> | <u>-</u> | <u>6,776</u> | <u>6,776</u> |
| Total revenues and other financing sources | \$ <u>62,495</u> | <u>74,975</u> | <u>74,718</u> | <u>(257)</u> |

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget (Over)/Under</u> |
|--|------------------------|---------------------|---------------|--|
| CDBG Fund: | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | \$ 673 | 727 | 727 | - |
| Maintenance and operations | 615 | 1,963 | 600 | 1,363 |
| Capital outlay | 253 | 759 | 362 | 397 |
| Debt service | 206 | 206 | 206 | - |
| Total | <u>1,747</u> | <u>3,655</u> | <u>1,895</u> | <u>1,760</u> |
| Home Grant Fund: | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | 277 | 404 | 272 | 132 |
| Maintenance and operations | 1,033 | 4,992 | 2,480 | 2,512 |
| Capital outlay | - | 1,026 | - | 1,026 |
| Total | <u>1,310</u> | <u>6,422</u> | <u>2,752</u> | <u>3,670</u> |
| Supportive Housing Grant Fund: | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | 200 | 288 | 196 | 92 |
| Maintenance and operations | 1,843 | 2,719 | 1,857 | 862 |
| Total | <u>2,043</u> | <u>3,007</u> | <u>2,053</u> | <u>954</u> |
| Emergency Solutions Grant Fund: | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | 46 | 62 | 71 | (9) |
| Maintenance and operations | 111 | 111 | 100 | 11 |
| Total | <u>157</u> | <u>173</u> | <u>171</u> | <u>2</u> |
| Workforce Investment Act Fund: | | | | |
| Employment and job training services: | | | | |
| Salaries and benefits | 3,008 | 3,897 | 2,504 | 1,393 |
| Maintenance and operations | 1,801 | 2,304 | 1,700 | 604 |
| Total | <u>\$ 4,809</u> | <u>6,201</u> | <u>4,204</u> | <u>1,997</u> |

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget (Over)/Under</u> |
|--|------------------------|---------------------|---------------|--|
| Urban Art Fund: | | | | |
| Library: | | | | |
| Maintenance and operations | \$ 360 | 360 | 124 | 236 |
| Total | <u>360</u> | <u>360</u> | <u>124</u> | <u>236</u> |
| Glendale Youth Alliance Fund: | | | | |
| Employment and job training services: | | | | |
| Salaries and benefits | 1,267 | 1,276 | 1,162 | 114 |
| Maintenance and operations | <u>248</u> | <u>248</u> | <u>223</u> | <u>25</u> |
| Total | <u>1,515</u> | <u>1,524</u> | <u>1,385</u> | <u>139</u> |
| Low & Moderate Income Housing Asset Fund: | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | 99 | 194 | 113 | 81 |
| Maintenance and operations | <u>431</u> | <u>6,602</u> | <u>4,384</u> | <u>2,218</u> |
| Total | <u>530</u> | <u>6,796</u> | <u>4,497</u> | <u>2,299</u> |
| Grant fund: | | | | |
| General government: | | | | |
| Salaries and benefits | - | 50 | 2 | 48 |
| Maintenance and operations | <u>-</u> | <u>450</u> | <u>2</u> | <u>448</u> |
| Total | <u>-</u> | <u>500</u> | <u>4</u> | <u>496</u> |
| Air Quality Improvement Fund: | | | | |
| Transit: | | | | |
| Salaries and benefits | 192 | 192 | 136 | 56 |
| Maintenance and operations | <u>113</u> | <u>163</u> | <u>100</u> | <u>63</u> |
| Total | <u>305</u> | <u>355</u> | <u>236</u> | <u>119</u> |
| PW Special Grants Fund: | | | | |
| Public works: | | | | |
| Salaries and benefits | - | - | 148 | (148) |
| Maintenance and operations | - | - | 85 | (85) |
| Capital outlay | <u>-</u> | <u>4,729</u> | <u>3,436</u> | <u>1,293</u> |
| Total | \$ <u>-</u> | <u>4,729</u> | <u>3,669</u> | <u>1,060</u> |

(Continued)

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget (Over)/Under</u> |
|---------------------------------------|------------------------|---------------------|---------------|--|
| San Fernando Landscape District Fund: | | | | |
| Public works: | | | | |
| Maintenance and operations | \$ 81 | 81 | 26 | 55 |
| Total | 81 | 81 | 26 | 55 |
| Measure R Local Return Fund | | | | |
| Public works: | | | | |
| Salaries and benefits | - | - | 4 | (4) |
| Maintenance and operations | - | 330 | 23 | 307 |
| Capital outlay | 6,908 | 8,592 | 217 | 8,375 |
| Total | 6,908 | 8,922 | 244 | 8,678 |
| Measure R Regional Return Fund: | | | | |
| Public works: | | | | |
| Salaries and benefits | - | 26 | 102 | (76) |
| Maintenance and operations | - | - | 32 | (32) |
| Capital outlay | 2,400 | 12,529 | 1,673 | 10,856 |
| Total | 2,400 | 12,555 | 1,807 | 10,748 |
| Transit Prop A Local Return Fund: | | | | |
| Transit: | | | | |
| Salaries and benefits | 177 | 115 | 157 | (42) |
| Maintenance and operations | 3,395 | 3,395 | 2,579 | 816 |
| Capital outlay | 166 | 298 | - | 298 |
| Total | 3,738 | 3,808 | 2,736 | 1,072 |
| Transit Prop C Local Return Fund: | | | | |
| Transit: | | | | |
| Salaries and benefits | 214 | 216 | 251 | (35) |
| Maintenance and operations | 3,379 | 3,378 | 2,463 | 915 |
| Capital outlay | 250 | 253 | 3 | 250 |
| Total | 3,843 | 3,847 | 2,717 | 1,130 |
| Transit Utility Fund: | | | | |
| Transit: | | | | |
| Salaries and benefits | 310 | 313 | 295 | 18 |
| Maintenance and operations | 9,046 | 9,160 | 7,819 | 1,341 |
| Capital outlay | 9,369 | 11,374 | - | 11,374 |
| Total | \$ 18,725 | 20,847 | 8,114 | 12,733 |

(Continued)

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget (Over)/Under</u> |
|------------------------------------|------------------------|---------------------|---------------|--|
| Asset Forfeiture Fund: | | | | |
| Public safety: | | | | |
| Salaries and benefits | \$ 369 | 371 | 194 | 177 |
| Maintenance and operations | 190 | 190 | 146 | 44 |
| Total | <u>559</u> | <u>561</u> | <u>340</u> | <u>221</u> |
| Police Special Grants Fund: | | | | |
| Public safety: | | | | |
| Salaries and benefits | 883 | 2,356 | 915 | 1,441 |
| Maintenance and operations | 62 | 474 | 409 | 65 |
| Capital outlay | - | 494 | 382 | 112 |
| Total | <u>945</u> | <u>3,324</u> | <u>1,706</u> | <u>1,618</u> |
| Supplemental Law Enforcement Fund: | | | | |
| Public safety: | | | | |
| Salaries and benefits | 387 | 389 | 382 | 7 |
| Maintenance and operations | 9 | 9 | 8 | 1 |
| Total | <u>396</u> | <u>398</u> | <u>390</u> | <u>8</u> |
| Fire Grant Fund: | | | | |
| Public safety: | | | | |
| Salaries and benefits | - | 112 | 78 | 34 |
| Maintenance and operations | - | 161 | 72 | 89 |
| Capital | - | - | 7 | (7) |
| Total | <u>-</u> | <u>273</u> | <u>157</u> | <u>116</u> |
| Fire Mutual Aid Fund: | | | | |
| Public safety: | | | | |
| Salaries and benefits | 121 | 121 | 248 | (127) |
| Maintenance and operations | 4 | 4 | - | 4 |
| Total | <u>125</u> | <u>125</u> | <u>248</u> | <u>(123)</u> |
| Special Events Fund: | | | | |
| Public safety: | | | | |
| Salaries and benefits | 665 | 665 | 532 | 133 |
| Maintenance and operations | 32 | 32 | 28 | 4 |
| Total | <u>\$ 697</u> | <u>697</u> | <u>560</u> | <u>137</u> |

(Continued)

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget (Over)/Under</u> |
|--|------------------------|---------------------|---------------|--|
| Nutritional Meals Grant Fund: | | | | |
| Parks, recreation and community services: | | | | |
| Salaries and benefits | \$ 156 | 199 | 214 | (15) |
| Maintenance and operations | 234 | 244 | 232 | 12 |
| Total | <u>390</u> | <u>443</u> | <u>446</u> | <u>(3)</u> |
| Library Fund: | | | | |
| Library: | | | | |
| Salaries and benefits | 52 | 121 | 61 | 60 |
| Maintenance and operations | 180 | 291 | 185 | 106 |
| Total | <u>232</u> | <u>412</u> | <u>246</u> | <u>166</u> |
| Electric Public Benefit Fund: | | | | |
| Public service: | | | | |
| Salaries and benefits | 502 | 504 | 457 | 47 |
| Maintenance and operations | 5,542 | 5,542 | 5,439 | 103 |
| Total | <u>6,044</u> | <u>6,046</u> | <u>5,896</u> | <u>150</u> |
| Emergency Medical Services Fund: | | | | |
| Public safety: | | | | |
| Salaries and benefits | 3,259 | 3,273 | 2,758 | 515 |
| Maintenance and operations | 3,487 | 3,480 | 1,762 | 1,718 |
| Capital outlay | - | 7 | 7 | - |
| Total | <u>6,746</u> | <u>6,760</u> | <u>4,527</u> | <u>2,233</u> |
| Total expenditures and other financing uses | \$ <u>64,605</u> | <u>102,821</u> | <u>51,150</u> | <u>51,671</u> |

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DEBT SERVICE FUND

- Police Building Project Debt Service Fund - To accumulate monies for the payment of interest principal of the 2000 Police Building Project Variable Rate Demands Certificates of Participation. The debt service is financed via lease payments from the City to the Financing Authority.

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Exhibit I-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Fund - Debt Service Fund

June 30, 2015 (in thousands)

| | | Police Building Project Fund |
|--------------------------------------|----|---------------------------------|
| Assets | | |
| Pooled cash and investments | \$ | 21,475 |
| Investments with fiscal agent | | 17 |
| Interest receivable | | <u>47</u> |
| Total assets | | <u><u>21,539</u></u> |
| Liabilities and Fund Balances | | |
| Liabilities: | | |
| Interest payable | | 17 |
| Fund balances: | | |
| Committed to: | | |
| Debt service | | <u>21,522</u> |
| Total liabilities and fund balances | \$ | <u><u>21,539</u></u> |

Exhibit I-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Fund - Debt Service Fund
Fiscal Year Ended June 30, 2015 (in thousands)

| | <u>Police Building Project Fund</u> |
|---|---|
| Revenues: | |
| Use of money and property | \$ <u>193</u> |
| Expenditures: | |
| Current: | |
| Police | 3 |
| Debt service: | |
| Interest | 214 |
| Principal | <u>2,795</u> |
| Total expenditures | <u>3,012</u> |
| Excess of revenues (under) expenditures | <u>(2,819)</u> |
| Other financing sources: | |
| Transfers in | <u>500</u> |
| Net change in fund balances | (2,319) |
| Fund balance, July 1 | <u>23,841</u> |
| Fund balance, June 30 | \$ <u><u>21,522</u></u> |

Exhibit I-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Debt Service Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | | Original Budget | Final Budget | Actual | Variance with Final Budget Over/(Under) |
|---|----|-----------------|--------------|--------|---|
| Police Building Project Fund: | | | | | |
| Interest and investment revenue | \$ | 200 | 200 | 193 | (7) |
| Transfer in | | 500 | 500 | 500 | - |
| Total revenues and other financing sources | \$ | 700 | 700 | 693 | (7) |

Exhibit I-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Fund - Debt Service Fund

Fiscal Year Ended June 30, 2015 (in thousands)

| | Original Budget | Final Budget | Actual | Variance with Final Budget (Over)/Under |
|--|-----------------|--------------|--------|---|
| Police Building Project Fund: | | | | |
| Administration | \$ 7 | 7 | 3 | 4 |
| Debt service | 3,047 | 3,047 | 3,009 | 38 |
| Total expenditures and other financing uses | \$ 3,054 | 3,054 | 3,012 | 42 |

CAPITAL PROJECTS FUNDS

- State Gas Tax Fund - To account for monies received and expended from state gas tax allocations for street improvement purposes.
- Landfill Postclosure Fund - To account for monies reserved for the post-closure maintenance cost of Scholl Canyon landfill.
- Development Impact Fee Funds:

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

- Parks Mitigation Fee Fund - To account for the parks revenue collected as impact fees and usage of these funds for allowed projects. In addition, this fund will also be used to guarantee adequate interest accumulation and disbursements of unused funds.
 - Library Mitigation Fee Fund - To account for the library revenue collected as impact fees and usage of these funds for allowed projects. In addition, this fund will also be used to guarantee adequate interest accumulation and disbursement of unused funds.
 - Parks Quimby Fee Fund - To account for the fees imposed for park or recreational purposes as a condition to the approval of a tentative map or parcel map and usage of these funds for allowed projects. In addition, this fund will also be used to guarantee adequate interest accumulation and disbursements of unused funds.
- CIP Reimbursement Fund - To account for monies received and expended for CIP projects that are funded by non-City money, such as grants and joint ventures.

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Exhibit J-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds - Capital Projects Funds

June 30, 2015 (in thousands)

| | State Gas Tax Fund | Landfill Postclosure Fund | Parks Mitigation Fee Fund | Library Mitigation Fee Fund |
|---|-----------------------|------------------------------|---------------------------------|-----------------------------------|
| Assets | | | | |
| Pooled cash and investments | \$ 3,323 | - | 12,998 | 1,346 |
| Designated cash and investments | - | 25,850 | - | - |
| Interest receivable | 6 | - | 25 | 3 |
| Accounts receivable, net | 58 | - | - | - |
| Total assets | 3,387 | 25,850 | 13,023 | 1,349 |
| Liabilities, deferred inflows of resources and fund balances | | | | |
| Liabilities: | | | | |
| Accounts payable | 519 | - | 146 | - |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total liabilities and deferred inflows of resources | 519 | - | 146 | - |
| Fund balances: | | | | |
| Restricted for: | | | | |
| State gas tax mandates | 2,868 | - | - | - |
| Landfill postclosure | - | 25,850 | - | - |
| Committed to: | | | | |
| Impact fee funded projects | - | - | 12,877 | 1,349 |
| Unassigned | - | - | - | - |
| Total fund balances | 2,868 | 25,850 | 12,877 | 1,349 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 3,387 | 25,850 | 13,023 | 1,349 |

(Continued)

Exhibit J-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds - Capital Projects Funds

June 30, 2015 (in thousands)

| | Parks Quimby Fee Fund | CIP Reimbursement Fund | Total Nonmajor Capital Projects Funds |
|---|--------------------------|------------------------------|---|
| Assets | | | |
| Pooled cash and investments | \$ 1 | - | 17,668 |
| Designated cash and investments | - | - | 25,850 |
| Interest receivable | - | - | 34 |
| Accounts receivable, net | - | 345 | 403 |
| Total assets | 1 | 345 | 43,955 |
| Liabilities, deferred inflows of resources and fund balances | | | |
| Liabilities: | | | |
| Accounts payable | - | 201 | 866 |
| Deferred inflows of resources: | | | |
| Unavailable revenues | - | 345 | 345 |
| Total liabilities and deferred inflows of resources | - | 546 | 1,211 |
| Fund balances: | | | |
| Restricted for: | | | |
| State gas tax mandates | - | - | 2,868 |
| Landfill postclosure | - | - | 25,850 |
| Committed to: | | | |
| Impact fee funded projects | 1 | - | 14,227 |
| Unassigned | - | (201) | (201) |
| Total fund balances | 1 | (201) | 42,744 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 1 | 345 | 43,955 |

Exhibit J-2

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

Nonmajor Governmental Funds - Capital Projects Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | State Gas Tax Fund | Landfill Postclosure Fund | Parks Mitigation Fee Fund | Library Mitigation Fee Fund |
|---|-----------------------|------------------------------|---------------------------------|-----------------------------------|
| Revenues: | | | | |
| Revenue from other agencies | \$ 5,172 | - | - | - |
| Licenses and permits | - | - | 8,219 | 817 |
| Use of money and property | 26 | - | 83 | 8 |
| Miscellaneous revenue | - | - | - | - |
| Total revenues | 5,198 | - | 8,302 | 825 |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 1,713 | - | - | - |
| Parks, recreation and community services | - | - | 109 | - |
| Capital outlay | 7,661 | - | 353 | - |
| Total expenditures | 9,374 | - | 462 | - |
| Excess of revenues over (under) expenditures | (4,176) | - | 7,840 | 825 |
| Other financing source: | | | | |
| Transfers in | - | 2,000 | - | - |
| Net change in fund balances | (4,176) | 2,000 | 7,840 | 825 |
| Fund balances, July 1 | 7,044 | 23,850 | 5,037 | 524 |
| Fund balances (deficits), June 30 | \$ 2,868 | 25,850 | 12,877 | 1,349 |

(Continued)

Exhibit J-2

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

Nonmajor Governmental Funds - Capital Projects Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Parks Quimby Fee Fund | CIP Reimbursement Fund | Total Nonmajor Capital Projects Funds |
|---|--------------------------|------------------------------|---|
| Revenues: | | | |
| Revenue from other agencies | \$ - | 495 | 5,667 |
| Licenses and permits | - | - | 9,036 |
| Use of money and property | - | - | 117 |
| Miscellaneous revenue | - | - | - |
| Total revenues | - | 495 | 14,820 |
| Expenditures: | | | |
| Current: | | | |
| Public works | - | 222 | 1,935 |
| Parks, recreation and community services | - | - | 109 |
| Capital outlay | - | 529 | 8,543 |
| Total expenditures | - | 751 | 10,587 |
| Excess of revenues over (under) expenditures | - | (256) | 4,233 |
| Other financing source: | | | |
| Transfers in | - | - | 2,000 |
| Net change in fund balances | - | (256) | 6,233 |
| Fund balances, July 1 | 1 | 55 | 36,511 |
| Fund balances (deficits), June 30 | \$ 1 | (201) | 42,744 |

Nonmajor Enterprise Funds

This section of the CAFR provides information on nonmajor enterprise funds, which are used to account for operations that provide goods or services to the general public that are financed primarily by a user charge or where the periodic measurement of net income is deemed appropriate.



NONMAJOR ENTERPRISE FUNDS

- Recreation Fund - To account for the recreation programs of the Community Services and Parks department on a user fee basis.
- Hazardous Disposal Fund - To account for the operations of the toxic waste disposal of the City.
- Parking Fund – To account for operations of City-owned public parking lots and garages.
- Refuse Disposal Fund - To account for operations of the City-owned refuse collection and disposal service.
- Fire Communication Fund - To account for monies received and expended, as the lead city, for the tri-city (Burbank, Glendale and Pasadena) Verdugo Fire Communication operations.

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Exhibit K-1

CITY OF GLENDALE

Combining Statement of Net Position

Proprietary Fund - Nonmajor Enterprise Funds

June 30, 2015 (in thousands)

| | Refuse Disposal Fund | Fire Communication Fund | Total Nonmajor Enterprise Funds |
|--|-------------------------|-------------------------------|------------------------------------|
| Assets and deferred outflows of resources | | | |
| Current assets: | | | |
| Pooled cash and investments | \$ 27,479 | 6,248 | 33,727 |
| Interest receivable | 60 | 13 | 73 |
| Accounts receivable, net | 2,469 | 56 | 2,525 |
| Total current assets | 30,008 | 6,317 | 36,325 |
| Capital assets: | | | |
| Land | 1,639 | - | 1,639 |
| Buildings and improvements | 6,798 | - | 6,798 |
| Machinery and equipment | 16,995 | 5,772 | 22,767 |
| Accumulated depreciation | (15,302) | (4,884) | (20,186) |
| Construction in progress | - | 15 | 15 |
| Total capital assets | 10,130 | 903 | 11,033 |
| Total assets | 40,138 | 7,220 | 47,358 |
| Deferred outflows of resources: | | | |
| Deferred outflows of resources related to pensions | 628 | 177 | 805 |
| Total assets and deferred outflows of resources | 40,766 | 7,397 | 48,163 |
| Liabilities, deferred inflows of resources and net position | | | |
| Current liabilities: | | | |
| Accounts payable | 844 | 16 | 860 |
| Deposits | 295 | - | 295 |
| Total current liabilities | 1,139 | 16 | 1,155 |
| Noncurrent liabilities: | | | |
| Net pension liability | 9,807 | 1,961 | 11,768 |
| Total liabilities | 10,946 | 1,977 | 12,923 |
| Deferred inflows of resources: | | | |
| Deferred inflows of resources related to pensions | 2,684 | 537 | 3,221 |
| Total liabilities and deferred inflows of resources | 13,630 | 2,514 | 16,144 |
| Net position: | | | |
| Net investment in capital assets | 10,130 | 903 | 11,033 |
| Unrestricted | 17,006 | 3,980 | 20,986 |
| Total net position | \$ 27,136 | 4,883 | 32,019 |

Exhibit K-2

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

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Recreation Fund | Hazardous Disposal Fund | Parking Fund |
|---|-----------------|----------------------------|--------------|
| Operating revenues: | | | |
| Charges for services | \$ 2,774 | 1,632 | 9,303 |
| Miscellaneous revenues | 396 | 26 | 43 |
| Total operating revenues | 3,170 | 1,658 | 9,346 |
| Operating expenses: | | | |
| Salaries and benefits | 1,784 | 1,093 | 2,664 |
| Maintenance and operations | 808 | 422 | 3,635 |
| Depreciation | 9 | 6 | 1,206 |
| Total operating expenses | 2,601 | 1,521 | 7,505 |
| Operating income | 569 | 137 | 1,841 |
| Non operating revenues (expenses): | | | |
| Interest revenue | 37 | 11 | 47 |
| Grant revenue | 10 | 54 | - |
| Loss on disposal of capital asset | - | - | (243) |
| Contribution in aid | 3 | - | - |
| Total non operating revenues, net | 50 | 65 | (196) |
| Income before transfers | 619 | 202 | 1,645 |
| Transfers out | (5,620) | (1,646) | (34,086) |
| Change in net position | (5,001) | (1,444) | (32,441) |
| Net position, July 1, as restated | 5,001 | 1,444 | 32,441 |
| Net position, June 30 | \$ - | - | - |

(Continued)

Exhibit K-2

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

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Refuse Disposal Fund | Fire Communication Fund | Total Nonmajor Enterprise Funds |
|---|-------------------------|-------------------------------|------------------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 21,989 | 3,253 | 38,951 |
| Miscellaneous revenues | 227 | 623 | 1,315 |
| Total operating revenues | 22,216 | 3,876 | 40,266 |
| Operating expenses: | | | |
| Salaries and benefits | 7,140 | 2,008 | 14,689 |
| Maintenance and operations | 9,762 | 752 | 15,379 |
| Depreciation | 1,732 | 224 | 3,177 |
| Total operating expenses | 18,634 | 2,984 | 33,245 |
| Operating income | 3,582 | 892 | 7,021 |
| Non operating revenues (expenses): | | | |
| Interest revenue | 321 | 49 | 465 |
| Grant revenue | - | 56 | 120 |
| Loss on disposal of capital asset | - | - | (243) |
| Contribution in aid | - | - | 3 |
| Total non operating revenues, net | 321 | 105 | 345 |
| Income before transfers | 3,903 | 997 | 7,366 |
| Transfers out | (1,150) | - | (42,502) |
| Change in net position | 2,753 | 997 | (35,136) |
| Net position, July 1, as restated | 24,383 | 3,886 | 67,155 |
| Net position, June 30 | \$ 27,136 | 4,883 | 32,019 |

CITY OF GLENDALE

Combining Statement of Cash Flows

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Recreation Fund | Hazardous Disposal Fund | Parking Fund |
|--|-----------------|----------------------------|--------------|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 3,192 | 1,869 | 9,504 |
| Cash paid to employees | (1,784) | (1,093) | (2,664) |
| Cash paid to suppliers | (970) | (503) | (3,977) |
| Net cash provided by operating activities | 438 | 273 | 2,863 |
| Cash flows from noncapital financing activities: | | | |
| Operating transfers out | (3,602) | (1,646) | (8,676) |
| Operating grants received | 10 | 54 | - |
| Net cash provided (used) by noncapital financing activities | (3,592) | (1,592) | (8,676) |
| Cash flows from capital and related financing activities: | | | |
| related financing activities: | | | |
| Contribution in aid | 3 | - | - |
| Acquisition of property, plant, and equipment | (1,638) | - | (1,248) |
| Net cash (used by) capital and related financing activities | (1,635) | - | (1,248) |
| Cash flows from investing activities: | | | |
| Interest received | 51 | 16 | 68 |
| Net increase (decrease) in cash and cash equivalents | (4,738) | (1,303) | (6,993) |
| Cash and cash equivalents at July 1 | 4,738 | 1,303 | 6,993 |
| Cash and cash equivalents at June 30 | - | - | - |
| Reconciliation of operating income to net cash provided (used) by operating activities: | | | |
| Operating income | 569 | 137 | 1,841 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | |
| Depreciation | 9 | 6 | 1,206 |
| (Increase)Decrease Accounts receivable net | 22 | 211 | 158 |
| Increase(Decrease) Accounts payable | (50) | (30) | (342) |
| (Decrease) Net pension liability | - | - | - |
| Increase(Decrease) Deposits | (112) | (51) | - |
| Total adjustments | (131) | 136 | 1,022 |
| Net cash provided by operating activities | \$ 438 | 273 | 2,863 |
| Noncash investing, capital and financing activities: | | | |
| Increase in fair value of investments | - | - | - |

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Refuse Disposal Fund | Fire Communication Fund | Total Nonmajor Enterprise Funds |
|--|-------------------------|-------------------------------|------------------------------------|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 22,031 | 3,820 | 40,416 |
| Cash paid to employees | (7,160) | (2,063) | (14,764) |
| Cash paid to suppliers | (9,792) | (751) | (15,993) |
| Net cash provided by operating activities | 5,079 | 1,006 | 9,659 |
| Cash flows from noncapital financing activities: | | | |
| Operating transfers out | (1,150) | - | (15,074) |
| Operating grants received | - | 56 | 120 |
| Net cash provided (used) by noncapital financing activities | (1,150) | 56 | (14,954) |
| Cash flows from capital and related financing activities: | | | |
| related financing activities: | | | |
| Contribution in aid | - | - | 3 |
| Acquisition of property, plant, and equipment | (721) | (93) | (3,700) |
| Net cash (used by) capital and related financing activities | (721) | (93) | (3,697) |
| Cash flows from investing activities: | | | |
| Interest received | 330 | 52 | 517 |
| Net increase (decrease) in cash and cash equivalents | 3,538 | 1,021 | (8,475) |
| Cash and cash equivalents at July 1 | 23,941 | 5,227 | 42,202 |
| Cash and cash equivalents at June 30 | 27,479 | 6,248 | 33,727 |
| Reconciliation of operating income to net cash provided (used) by operating activities: | | | |
| Operating income | 3,582 | 892 | 7,021 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | |
| Depreciation | 1,732 | 224 | 3,177 |
| (Increase)Decrease Accounts receivable net | (185) | (56) | 150 |
| Increase(Decrease) Accounts payable | (41) | 1 | (462) |
| (Decrease) Net pension liability | (20) | (55) | (75) |
| Increase(Decrease) Deposits | 11 | - | (152) |
| Total adjustments | 1,497 | 114 | 2,638 |
| Net cash provided by operating activities | \$ 5,079 | 1,006 | 9,659 |
| Noncash investing, capital and financing activities: | | | |
| Increase in fair value of investments | 37 | 8 | 45 |

Exhibit K-4

CITY OF GLENDALE

Schedule of Net Investment in Capital Assets

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | | Land | Construction in Progress | Infrastructure | Buildings and Improvements | Machinery and Equipment | Total |
|--------------------------|----|-------|-----------------------------|----------------|-------------------------------|----------------------------|--------|
| Refuse Disposal Fund | \$ | 1,639 | - | - | 6,799 | 16,995 | 25,433 |
| Fire Communications Fund | | - | 15 | - | - | 5,772 | 5,787 |
| Total capital assets | \$ | 1,639 | 15 | - | 6,799 | 22,767 | 31,220 |

Exhibit K-5

CITY OF GLENDALE

Schedule of Changes in Capital Assets

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Balance at July 1 | Additions/ Reclass | Retirements/ Reclass | Balance at June 30 |
|-------------------------|----------------------|-----------------------|-------------------------|-----------------------|
| Recreation Fund | \$ 454 | 1,629 | (2,083) | - |
| Hazardous Disposal Fund | 838 | - | (838) | - |
| Parking Fund | 50,452 | 1,256 | (51,708) | - |
| Refuse Disposal Fund | 25,455 | 720 | (742) | 25,433 |
| Fire Communication Fund | 5,693 | 94 | - | 5,787 |
| Total capital assets | \$ 82,892 | 3,699 | (55,371) | 31,220 |

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Internal Service Funds

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



INTERNAL SERVICE FUNDS

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

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Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2015 (in thousands)

| | Fleet/Equipment Management Fund | Joint Helicopter Operation Fund | ISD Infrastructure Fund |
|-------------------------------------|------------------------------------|------------------------------------|----------------------------|
| Assets | | | |
| Current assets: | | | |
| Pooled cash and investments | \$ 15,592 | 2,469 | 4,760 |
| Interest receivable | 34 | 5 | 10 |
| Accounts receivable, net | 6 | 71 | - |
| Prepaid items | - | - | - |
| Total current assets | 15,632 | 2,545 | 4,770 |
| Capital assets: | | | |
| Machinery and equipment | 29,451 | 3,518 | 1,176 |
| Accumulated depreciation | (19,769) | (1,706) | (297) |
| Construction in progress | - | - | 3,799 |
| Total capital assets | 9,682 | 1,812 | 4,678 |
| Total assets | 25,314 | 4,357 | 9,448 |
| Liabilities and net position | | | |
| Current liabilities: | | | |
| Accounts payable | 288 | 21 | 189 |
| Advance from other funds | - | - | - |
| Interest payable | 18 | - | - |
| Capital leases | 242 | - | - |
| Claims payable | - | - | - |
| Compensated absences | - | - | - |
| Total current liabilities | 548 | 21 | 189 |
| Noncurrent liabilities: | | | |
| Claims payable | - | - | - |
| Compensated absences | - | - | - |
| Capital leases | 515 | - | - |
| Total noncurrent liabilities | 515 | - | - |
| Total liabilities | 1,063 | 21 | 189 |
| Net position: | | | |
| Net investment in capital assets | 8,925 | 1,812 | 4,678 |
| Unrestricted (deficits) | 15,326 | 2,524 | 4,581 |
| Total net position (deficits) | \$ 24,251 | 4,336 | 9,259 |

(Continued)

Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2015 (in thousands)

| | ISD Applications Fund | Unemployment Insurance Fund | Liability Insurance Fund |
|-------------------------------------|--------------------------|--------------------------------|-----------------------------|
| Assets | | | |
| Current assets: | | | |
| Pooled cash and investments | \$ 8,183 | 564 | 19,941 |
| Interest receivable | 17 | 1 | 300 |
| Accounts receivable, net | - | - | 10 |
| Prepaid items | - | - | - |
| Total current assets | 8,200 | 565 | 20,251 |
| Capital assets: | | | |
| Machinery and equipment | 66 | - | - |
| Accumulated depreciation | (31) | - | - |
| Construction in progress | 521 | - | - |
| Total capital assets | 556 | - | - |
| Total assets | 8,756 | 565 | 20,251 |
| Liabilities and net position | | | |
| Current liabilities: | | | |
| Accounts payable | 202 | 46 | 21 |
| Advance from other funds | - | - | - |
| Interest payable | - | - | - |
| Capital leases | - | - | - |
| Claims payable | - | - | 3,705 |
| Compensated absences | - | - | - |
| Total current liabilities | 202 | 46 | 3,726 |
| Noncurrent liabilities: | | | |
| Claims payable | - | - | 2,351 |
| Compensated absences | - | - | - |
| Capital leases | - | - | - |
| Total noncurrent liabilities | - | - | 2,351 |
| Total liabilities | 202 | 46 | 6,077 |
| Net position: | | | |
| Net investment in capital assets | 556 | - | - |
| Unrestricted (deficits) | 7,998 | 519 | 14,174 |
| Total net position (deficits) | \$ 8,554 | 519 | 14,174 |

(Continued)

Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2015 (in thousands)

| | Compensation Insurance Fund | Dental Insurance Fund | Medical Insurance Fund |
|-------------------------------------|--------------------------------|--------------------------|---------------------------|
| Assets | | | |
| Current assets: | | | |
| Pooled cash and investments | \$ 21,494 | 920 | 805 |
| Interest receivable | 46 | 2 | 5 |
| Accounts receivable, net | 93 | - | - |
| Prepaid items | - | - | 546 |
| Total current assets | 21,633 | 922 | 1,356 |
| Capital assets: | | | |
| Machinery and equipment | 100 | - | - |
| Accumulated depreciation | (79) | - | - |
| Construction in progress | - | - | - |
| Total capital assets | 21 | - | - |
| Total assets | 21,654 | 922 | 1,356 |
| Liabilities and net position | | | |
| Current liabilities: | | | |
| Accounts payable | 45 | 103 | 607 |
| Advance from other funds | - | - | - |
| Interest payable | - | - | - |
| Capital leases | - | - | - |
| Claims payable | 7,513 | - | 1,091 |
| Compensated absences | - | - | - |
| Total current liabilities | 7,558 | 103 | 1,698 |
| Noncurrent liabilities: | | | |
| Claims payable | 28,542 | - | - |
| Compensated absences | - | - | - |
| Capital leases | - | - | - |
| Total noncurrent liabilities | 28,542 | - | - |
| Total liabilities | 36,100 | 103 | 1,698 |
| Net position: | | | |
| Net investment in capital assets | 21 | - | - |
| Unrestricted (deficits) | (14,467) | 819 | (342) |
| Total net position (deficits) | \$ (14,446) | 819 | (342) |

(Continued)

Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2015 (in thousands)

| | Vision Insurance Fund | Employee Benefits Fund | Retiree Health Savings Plan Benefits Fund |
|-------------------------------------|--------------------------|---------------------------|---|
| Assets | | | |
| Current assets: | | | |
| Pooled cash and investments | \$ 441 | 11,121 | 10,952 |
| Interest receivable | 1 | 24 | 24 |
| Accounts receivable, net | - | - | - |
| Prepaid items | - | - | - |
| Total current assets | 442 | 11,145 | 10,976 |
| Capital assets: | | | |
| Machinery and equipment | - | - | - |
| Accumulated depreciation | - | - | - |
| Construction in progress | - | - | - |
| Total capital assets | - | - | - |
| Total assets | 442 | 11,145 | 10,976 |
| Liabilities and net position | | | |
| Current liabilities: | | | |
| Accounts payable | 15 | - | - |
| Advance from other funds | - | - | - |
| Interest payable | - | - | - |
| Capital leases | - | - | - |
| Claims payable | - | - | - |
| Compensated absences | - | 1,701 | 1,999 |
| Total current liabilities | 15 | 1,701 | 1,999 |
| Noncurrent liabilities: | | | |
| Claims payable | - | - | - |
| Compensated absences | - | 11,236 | 11,632 |
| Capital leases | - | - | - |
| Total noncurrent liabilities | - | 11,236 | 11,632 |
| Total liabilities | 15 | 12,937 | 13,631 |
| Net position: | | | |
| Net investment in capital assets | - | - | - |
| Unrestricted (deficits) | 427 | (1,792) | (2,655) |
| Total net position (deficits) | \$ 427 | (1,792) | (2,655) |

(Continued)

Exhibit L-1
CITY OF GLENDALE
Combining Statement of Net Position
Internal Service Funds
June 30, 2015 (in thousands)

| | Post Employment Benefits Fund | ISD Wireless Fund | Total Internal Service Funds |
|-------------------------------------|----------------------------------|-------------------|---------------------------------|
| Assets | | | |
| Current assets: | | | |
| Pooled cash and investments | \$ 6,843 | 1,178 | 105,263 |
| Interest receivable | 15 | 2 | 486 |
| Accounts receivable, net | - | 20 | 200 |
| Prepaid items | - | - | 546 |
| Total current assets | 6,858 | 1,200 | 106,495 |
| Capital assets: | | | |
| Machinery and equipment | - | 5,696 | 40,007 |
| Accumulated depreciation | - | (1,437) | (23,319) |
| Construction in progress | - | 2,534 | 6,854 |
| Total capital assets | - | 6,793 | 23,542 |
| Total assets | 6,858 | 7,993 | 130,037 |
| Liabilities and net position | | | |
| Current liabilities: | | | |
| Accounts payable | - | 26 | 1,563 |
| Advance from other funds | - | 1,713 | 1,713 |
| Interest payable | - | 29 | 47 |
| Capital leases | - | - | 242 |
| Claims payable | - | - | 12,309 |
| Compensated absences | - | - | 3,700 |
| Total current liabilities | - | 1,768 | 19,574 |
| Noncurrent liabilities: | | | |
| Claims payable | - | - | 30,893 |
| Compensated absences | - | - | 22,868 |
| Capital leases | - | - | 515 |
| Total noncurrent liabilities | - | - | 54,276 |
| Total liabilities | - | 1,768 | 73,850 |
| Net position: | | | |
| Net investment in capital assets | - | 5,346 | 21,338 |
| Unrestricted (deficits) | 6,858 | 879 | 34,849 |
| Total net position (deficits) | \$ 6,858 | 6,225 | 56,187 |

Exhibit L-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses

and Changes in Net Position

Internal Service Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Fleet/Equipment Management Fund | Joint Helicopter Operation Fund | ISD Infrastructure Fund |
|--|------------------------------------|------------------------------------|----------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 12,217 | 904 | 9,439 |
| Miscellaneous revenues | 5 | 3 | - |
| Total operating revenues | 12,222 | 907 | 9,439 |
| Operating Expenses: | | | |
| Salaries and benefits | 3,605 | 129 | 2,859 |
| Maintenance and operations | 5,649 | 665 | 3,195 |
| Equipment purchased | 3 | - | 336 |
| Claims and settlements | - | - | - |
| Depreciation | 1,732 | 31 | 179 |
| Total operating expenses | 10,989 | 825 | 6,569 |
| Operating income (loss) | 1,233 | 82 | 2,870 |
| Non operating revenues (expenses): | | | |
| Interest revenue | 233 | 19 | 34 |
| Grant revenue | - | - | - |
| Interest expense | (47) | - | - |
| Total non operating revenues (expenses), net | 186 | 19 | 34 |
| Income (loss) | 1,419 | 101 | 2,904 |
| Change in net position | 1,419 | 101 | 2,904 |
| Net position (deficits), July 1 | 22,832 | 4,235 | 6,355 |
| Net position (deficits), June 30 | \$ 24,251 | 4,336 | 9,259 |

(Continued)

Exhibit L-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses

and Changes in Net Position

Internal Service Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | ISD Applications Fund | Unemployment Insurance Fund | Liability Insurance Fund |
|---|--------------------------|--------------------------------|-----------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 6,979 | 302 | 6,244 |
| Miscellaneous revenues | - | - | 170 |
| Total operating revenues | 6,979 | 302 | 6,414 |
| Operating Expenses: | | | |
| Salaries and benefits | 2,132 | - | 322 |
| Maintenance and operations | 3,463 | 5 | 1,400 |
| Equipment purchased | - | - | - |
| Claims and settlements | - | 257 | (35) |
| Depreciation | 15 | - | - |
| Total operating expenses | 5,610 | 262 | 1,687 |
| Operating income (loss) | 1,369 | 40 | 4,727 |
| Non operating revenues (expenses): | | | |
| Interest revenue | 64 | 5 | 160 |
| Grant revenue | - | - | - |
| Interest expense | - | - | - |
| Total non operating revenues (expenses), net | 64 | 5 | 160 |
| Income (loss) | 1,433 | 45 | 4,887 |
| Change in net position | 1,433 | 45 | 4,887 |
| Net position (deficits), July 1 | 7,121 | 474 | 9,287 |
| Net position (deficits), June 30 | \$ 8,554 | 519 | 14,174 |

(Continued)

Exhibit L-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses

and Changes in Net Position

Internal Service Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Compensation Insurance Fund | Dental Insurance Fund | Medical Insurance Fund |
|--|--------------------------------|--------------------------|---------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 14,271 | 1,572 | 25,558 |
| Miscellaneous revenues | - | - | 2 |
| Total operating revenues | 14,271 | 1,572 | 25,560 |
| Operating Expenses: | | | |
| Salaries and benefits | 833 | - | - |
| Maintenance and operations | 1,149 | 30 | 1,156 |
| Equipment purchased | - | - | - |
| Claims and settlements | 11,103 | 1,448 | 26,616 |
| Depreciation | 3 | - | - |
| Total operating expenses | 13,088 | 1,478 | 27,772 |
| Operating income (loss) | 1,183 | 94 | (2,212) |
| Non operating revenues (expenses): | | | |
| Interest revenue | 178 | 8 | 24 |
| Grant revenue | - | - | - |
| Interest expense | - | - | - |
| Total non operating revenues (expenses), net | 178 | 8 | 24 |
| Income (loss) | 1,361 | 102 | (2,188) |
| Change in net position | 1,361 | 102 | (2,188) |
| Net position (deficits), July 1 | (15,807) | 717 | 1,846 |
| Net position (deficits), June 30 | \$ (14,446) | 819 | (342) |

(Continued)

Exhibit L-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses

and Changes in Net Position

Internal Service Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Vision Insurance Fund | Employee Benefits Fund | Retiree Health Savings Plan Benefits Fund |
|--|--------------------------|---------------------------|---|
| Operating revenues: | | | |
| Charges for services | \$ 272 | 5,140 | 3,214 |
| Miscellaneous revenues | - | - | - |
| Total operating revenues | 272 | 5,140 | 3,214 |
| Operating Expenses: | | | |
| Salaries and benefits | - | 21 | 3 |
| Maintenance and operations | 7 | 91 | 45 |
| Equipment purchased | - | - | - |
| Claims and settlements | 236 | 3,883 | 10,512 |
| Depreciation | - | - | - |
| Total operating expenses | 243 | 3,995 | 10,560 |
| Operating income (loss) | 29 | 1,145 | (7,346) |
| Non operating revenues (expenses): | | | |
| Interest revenue | 4 | 93 | 89 |
| Grant revenue | - | - | - |
| Interest expense | - | - | - |
| Total non operating revenues (expenses), net | 4 | 93 | 89 |
| Income (loss) | 33 | 1,238 | (7,257) |
| Change in net position | 33 | 1,238 | (7,257) |
| Net position (deficits), July 1 | 394 | (3,030) | 4,602 |
| Net position (deficits), June 30 | \$ 427 | (1,792) | (2,655) |

(Continued)

Exhibit L-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses

and Changes in Net Position

Internal Service Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Post Employment Benefits Fund | ISD Wireless Fund | Total Internal Service Funds |
|--|----------------------------------|-------------------|---------------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 2,169 | 3,832 | 92,113 |
| Miscellaneous revenues | - | 6 | 186 |
| Total operating revenues | 2,169 | 3,838 | 92,299 |
| Operating Expenses: | | | |
| Salaries and benefits | - | 1,088 | 10,992 |
| Maintenance and operations | 12 | 2,194 | 19,061 |
| Equipment purchased | - | - | 339 |
| Claims and settlements | 2,138 | - | 56,158 |
| Depreciation | - | 591 | 2,551 |
| Total operating expenses | 2,150 | 3,873 | 89,101 |
| Operating income (loss) | 19 | (35) | 3,198 |
| Non operating revenues (expenses): | | | |
| Interest revenue | 52 | 11 | 974 |
| Grant revenue | - | 20 | 20 |
| Interest expense | - | (37) | (84) |
| Total non operating revenues (expenses), net | 52 | (6) | 910 |
| Income (loss) | 71 | (41) | 4,108 |
| Change in net position | 71 | (41) | 4,108 |
| Net position (deficits), July 1 | 6,787 | 6,266 | 52,079 |
| Net position (deficits), June 30 | \$ 6,858 | 6,225 | 56,187 |

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Fleet/Equipment Management Fund | Joint Helicopter Operation Fund | ISD Infrastructure Fund |
|---|------------------------------------|------------------------------------|----------------------------|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 12,246 | 1,083 | 9,439 |
| Cash paid to employees | (3,605) | (129) | (2,859) |
| Cash paid to suppliers | (5,518) | (675) | (4,183) |
| Net cash provided (used) by operating activities | 3,123 | 279 | 2,397 |
| Cash flows from noncapital financing activities: | | | |
| Amounts paid to other funds | - | - | - |
| Grants received | - | - | - |
| Net cash (used) by noncapital financing activities | - | - | - |
| Cash flows from capital and related financing activities: | | | |
| Interest on long-term debt | (55) | - | - |
| Capital leases principal and interest payable | (669) | - | - |
| Acquisition of property, plant, and equipment | (539) | (1,445) | (2,553) |
| Net cash (used) by capital and related financial activities | (1,263) | (1,445) | (2,553) |
| Cash flows from investing activities: | | | |
| Interest received | 240 | 25 | 35 |
| Net increase (decrease) in cash and cash equivalents | 2,100 | (1,141) | (121) |
| Cash and cash equivalents at July 1 | 13,492 | 3,610 | 4,881 |
| Cash and cash equivalents at June 30 | 15,592 | 2,469 | 4,760 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | 1,233 | 82 | 2,870 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 1,732 | 31 | 179 |
| (Increase)Decrease Accounts receivable, net | 24 | 176 | - |
| (Increase) Prepaid expenses | - | - | - |
| Increase(Decrease) Compensated absences | - | - | - |
| Increase(Decrease) Accounts payable | 134 | (10) | (652) |
| Increase(Decrease) Claims payable | - | - | - |
| Total adjustments | 1,890 | 197 | (473) |
| Net cash provided (used) by operating activities | \$ 3,123 | 279 | 2,397 |
| Noncash investing, capital and financing activities: | | | |
| Increase in fair value of investments | 21 | 3 | 6 |

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | ISD Applications Fund | Unemployment Insurance Fund | Liability Insurance Fund |
|---|--------------------------|--------------------------------|-----------------------------|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 7,313 | 302 | 6,404 |
| Cash paid to employees | (2,132) | - | (322) |
| Cash paid to suppliers | (3,415) | (216) | (5,000) |
| Net cash provided (used) by operating activities | 1,766 | 86 | 1,082 |
| Cash flows from noncapital financing activities: | | | |
| Amounts paid to other funds | - | - | - |
| Grants received | - | - | - |
| Net cash (used) by noncapital financing activities | - | - | - |
| Cash flows from capital and related financing activities: | | | |
| Interest on long-term debt | - | - | - |
| Capital leases principal and interest payable | - | - | - |
| Acquisition of property, plant, and equipment | (229) | - | - |
| Net cash (used) by capital and related financial activities | (229) | - | - |
| Cash flows from investing activities: | | | |
| Interest received | 66 | 5 | 174 |
| Net increase (decrease) in cash and cash equivalents | 1,603 | 91 | 1,256 |
| Cash and cash equivalents at July 1 | 6,580 | 473 | 18,685 |
| Cash and cash equivalents at June 30 | 8,183 | 564 | 19,941 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | 1,369 | 40 | 4,727 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 15 | - | - |
| (Increase)Decrease Accounts receivable, net | 334 | - | (10) |
| (Increase) Prepaid expenses | - | - | - |
| Increase(Decrease) Compensated absences | - | - | - |
| Increase(Decrease) Accounts payable | 48 | 46 | (39) |
| Increase(Decrease) Claims payable | - | - | (3,596) |
| Total adjustments | 397 | 46 | (3,645) |
| Net cash provided (used) by operating activities | \$ 1,766 | 86 | 1,082 |
| Noncash investing, capital and financing activities: | | | |
| Increase in fair value of investments | 11 | 1 | 27 |

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Compensation Insurance Fund | Dental Insurance Fund | Medical Insurance Fund |
|---|--------------------------------|--------------------------|---------------------------|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 14,180 | 1,572 | 25,698 |
| Cash paid to employees | (833) | - | - |
| Cash paid to suppliers | (10,551) | (1,515) | (27,379) |
| Net cash provided (used) by operating activities | 2,796 | 57 | (1,681) |
| Cash flows from noncapital financing activities: | | | |
| Amounts paid to other funds | - | - | - |
| Grants received | - | - | - |
| Net cash (used) by noncapital financing activities | - | - | - |
| Cash flows from capital and related financing activities: | | | |
| Interest on long-term debt | - | - | - |
| Capital leases principal and interest payable | - | - | - |
| Acquisition of property, plant, and equipment | - | - | - |
| Net cash (used) by capital and related financial activities | - | - | - |
| Cash flows from investing activities: | | | |
| Interest received | 187 | 8 | 22 |
| Net increase (decrease) in cash and cash equivalents | 2,983 | 65 | (1,659) |
| Cash and cash equivalents at July 1 | 18,511 | 855 | 2,464 |
| Cash and cash equivalents at June 30 | 21,494 | 920 | 805 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | 1,183 | 94 | (2,212) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 3 | - | - |
| (Increase)Decrease Accounts receivable, net | (91) | - | 138 |
| (Increase) Prepaid expenses | - | - | (40) |
| Increase(Decrease) Compensated absences | - | - | - |
| Increase(Decrease) Accounts payable | 45 | (37) | (212) |
| Increase(Decrease) Claims payable | 1,656 | - | 645 |
| Total adjustments | 1,613 | (37) | 531 |
| Net cash provided (used) by operating activities | \$ 2,796 | 57 | (1,681) |
| Noncash investing, capital and financing activities: | | | |
| Increase in fair value of investments | 29 | 1 | 3 |

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Vision Insurance Fund | Employee Benefits Fund | Retiree Health Savings Plan Benefits Fund |
|---|--------------------------|---------------------------|---|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 272 | 5,140 | 3,214 |
| Cash paid to employees | - | (4,434) | (3) |
| Cash paid to suppliers | (242) | (92) | (1,850) |
| Net cash provided (used) by operating activities | 30 | 614 | 1,361 |
| Cash flows from noncapital financing activities: | | | |
| Amounts paid to other funds | - | - | - |
| Grants received | - | - | - |
| Net cash (used) by noncapital financing activities | - | - | - |
| Cash flows from capital and related financing activities: | | | |
| Interest on long-term debt | - | - | - |
| Capital leases principal and interest payable | - | - | - |
| Acquisition of property, plant, and equipment | - | - | - |
| Net cash (used) by capital and related financial activities | - | - | - |
| Cash flows from investing activities: | | | |
| Interest received | 4 | 99 | 92 |
| Net increase (decrease) in cash and cash equivalents | 34 | 713 | 1,453 |
| Cash and cash equivalents at July 1 | 407 | 10,408 | 9,499 |
| Cash and cash equivalents at June 30 | 441 | 11,121 | 10,952 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | 29 | 1,145 | (7,346) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | - | - | - |
| (Increase)Decrease Accounts receivable, net | - | - | - |
| (Increase) Prepaid expenses | - | - | - |
| Increase(Decrease) Compensated absences | - | (531) | 8,707 |
| Increase(Decrease) Accounts payable | 1 | - | - |
| Increase(Decrease) Claims payable | - | - | - |
| Total adjustments | 1 | (531) | 8,707 |
| Net cash provided (used) by operating activities | \$ 30 | 614 | 1,361 |
| Noncash investing, capital and financing activities: | | | |
| Increase in fair value of investments | 1 | 15 | 15 |

(Continued)

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2015 (in thousands)

| | Post Employment Benefits Fund | ISD Wireless Fund | Total Internal Service Funds |
|---|----------------------------------|-------------------|---------------------------------|
| Cash flows from operating activities: | | | |
| Cash from customers | \$ 2,169 | 3,818 | 92,850 |
| Cash paid to employees | - | (1,088) | (15,405) |
| Cash paid to suppliers | (2,170) | (2,617) | (65,423) |
| Net cash provided (used) by operating activities | (1) | 113 | 12,022 |
| Cash flows from noncapital financing activities: | | | |
| Amounts paid to other funds | - | (549) | (549) |
| Grants received | - | 20 | 20 |
| Net cash (used) by noncapital financing activities | - | (529) | (529) |
| Cash flows from capital and related financing activities: | | | |
| Interest on long-term debt | - | (45) | (100) |
| Capital leases principal and interest payable | - | - | (669) |
| Acquisition of property, plant, and equipment | - | (692) | (5,458) |
| Net cash (used) by capital and related financial activities | - | (737) | (6,227) |
| Cash flows from investing activities: | | | |
| Interest received | 57 | 16 | 1,030 |
| Net increase (decrease) in cash and cash equivalents | 56 | (1,137) | 6,296 |
| Cash and cash equivalents at July 1 | 6,787 | 2,315 | 98,967 |
| Cash and cash equivalents at June 30 | 6,843 | 1,178 | 105,263 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | 19 | (35) | 3,198 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | - | 591 | 2,551 |
| (Increase)Decrease Accounts receivable, net | - | (20) | 551 |
| (Increase) Prepaid expenses | - | - | (40) |
| Increase(Decrease) Compensated absences | - | - | 8,176 |
| Increase(Decrease) Accounts payable | (20) | (423) | (1,119) |
| Increase(Decrease) Claims payable | - | - | (1,295) |
| Total adjustments | (20) | 148 | 8,824 |
| Net cash provided (used) by operating activities | \$ (1) | 113 | 12,022 |
| Noncash investing, capital and financing activities: | | | |
| Increase in fair value of investments | 9 | 2 | 143 |

Exhibit M-1

CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2015 (in thousands)

| | Land | Construction in Progress | Infrastructure | Buildings and Improvements | Machinery and Equipment | Total |
|--|------------|-----------------------------|----------------|-------------------------------|----------------------------|-----------|
| General government | | | | | | |
| City council | \$ - | 151 | - | - | 2,436 | 2,587 |
| City clerk | - | - | - | 5 | 55 | 60 |
| City manager | - | - | - | 307 | 583 | 890 |
| Legal | - | - | - | 10 | 41 | 51 |
| Finance | - | - | - | - | 6,117 | 6,117 |
| Information services | - | - | 12,221 | 430 | 17,454 | 30,105 |
| Planning | - | - | - | - | 5 | 5 |
| Personnel | - | 5 | - | - | 246 | 251 |
| Total | - | 156 | 12,221 | 752 | 26,937 | 40,066 |
| Public safety | | | | | | |
| Police | 5,227 | - | - | 68,881 | 11,040 | 85,148 |
| Fire | 5,925 | 35 | - | 19,075 | 12,755 | 37,790 |
| Fire paramedics | - | - | - | - | 685 | 685 |
| Hazardous materials | - | - | - | 599 | 240 | 839 |
| Emergency services | - | - | - | - | 150 | 150 |
| Total | 11,152 | 35 | - | 88,555 | 24,870 | 124,612 |
| Public works | | | | | | |
| Public works | 16,208 | 3,278 | 36,373 | 1,560 | 1,766 | 59,185 |
| Engineering | - | - | - | - | 56 | 56 |
| Corporation yard | 282,468 | 24,980 | 252,462 | 74,579 | 1,150 | 635,639 |
| Mechanical maintenance | - | - | - | - | 154 | 154 |
| Traffic engineering | - | 2,453 | 5,455 | 922 | 350 | 9,180 |
| Transit administration | 15,441 | 167 | - | 3,267 | 16,471 | 35,346 |
| Parking | 5,547 | 1,260 | - | 41,365 | 2,860 | 51,032 |
| Air quality improvement | - | 36 | - | - | 514 | 550 |
| Total | 319,664 | 32,174 | 294,290 | 121,693 | 23,321 | 791,142 |
| Housing, health and community development | 23,262 | 1,895 | 326 | 27,715 | 1,887 | 55,085 |
| Employment programs | - | - | - | - | 155 | 155 |
| Parks, recreation and community services | 59,772 | 7,385 | - | 108,434 | 1,410 | 177,001 |
| Library | 448 | 10,842 | - | 9,888 | 1,917 | 23,095 |
| Total capital assets | 414,298 | 52,487 | 306,837 | 357,037 | 80,497 | 1,211,156 |
| Accumulated depreciation | - | - | (106,322) | (141,981) | (63,051) | (311,354) |
| Net capital assets | \$ 414,298 | 52,487 | 200,515 | 215,056 | 17,446 | 899,802 |

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, 2015 (in thousands)

| | Balance at July 1 | Additions | Retirements | Reclass | Balance at June 30 |
|--|----------------------|-----------|-------------|----------|-----------------------|
| General government: | | | | | |
| City council | \$ 2,488 | 99 | - | - | 2,587 |
| City clerk | 60 | - | - | - | 60 |
| City manager | 790 | 100 | - | - | 890 |
| Legal | 51 | - | - | - | 51 |
| Finance | 6,117 | - | - | - | 6,117 |
| Information services | 30,105 | - | - | - | 30,105 |
| Planning | 5 | - | - | - | 5 |
| Personnel | 246 | 5 | - | - | 251 |
| Total | 39,862 | 204 | - | - | 40,066 |
| Public safety: | | | | | |
| Police | 84,930 | 218 | - | - | 85,148 |
| Fire | 37,378 | 412 | - | - | 37,790 |
| Fire paramedics | 678 | 7 | - | - | 685 |
| Hazardous materials | - | - | - | 839 | 839 |
| Emergency services | 150 | - | - | - | 150 |
| Total | 123,136 | 637 | - | 839 | 124,612 |
| Public works: | | | | | |
| Public works | 58,968 | 217 | - | - | 59,185 |
| Engineering | 56 | - | - | - | 56 |
| Corporation yard | 622,127 | 14,369 | (857) | - | 635,639 |
| Mechanical maintenance | 154 | - | - | - | 154 |
| Traffic engineering | 8,757 | 499 | - | (76) | 9,180 |
| Transit administration | 35,804 | 43 | (577) | 76 | 35,346 |
| Parking | - | - | - | 51,032 | 51,032 |
| Air quality improvement | 550 | - | - | - | 550 |
| Total | 726,416 | 15,128 | (1,434) | 51,032 | 791,142 |
| Housing, health and community development | | | | | |
| | 34,346 | 754 | - | 19,985 | 55,085 |
| Employment programs | | | | | |
| | 155 | - | - | - | 155 |
| Parks, recreation and community services | | | | | |
| | 167,551 | 795 | - | 8,655 | 177,001 |
| Library | | | | | |
| | 22,729 | 366 | - | - | 23,095 |
| Total capital assets | 1,114,195 | 17,884 | (1,434) | 80,511 | 1,211,156 |
| Accumulated depreciation | (261,025) | (20,351) | 1,434 | (31,412) | (311,354) |
| Net capital assets | \$ 853,170 | (2,467) | - | 49,099 | 899,802 |

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

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

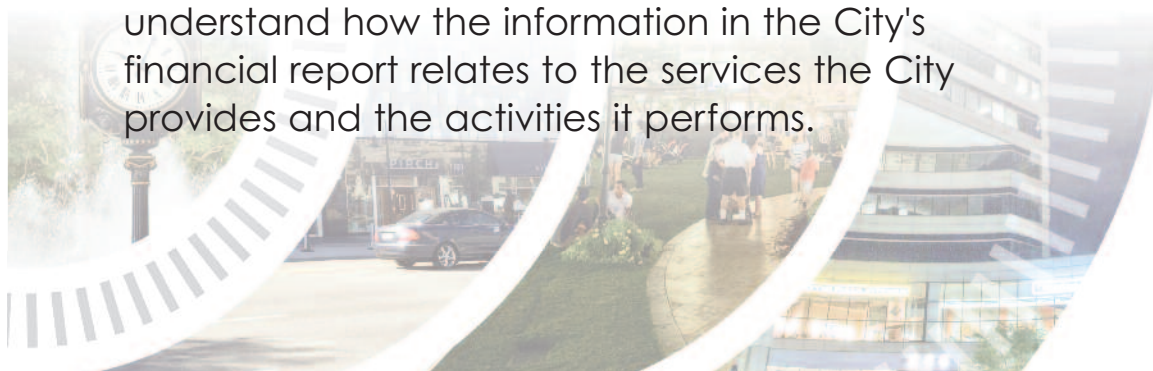
Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

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Statistical Section (UNAUDITED)

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

- Financial Trends – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.
- Revenue Capacity – These schedules contain information to help the reader assess the City's two most significant local revenue sources, the electric revenue and the property tax.
- Debt Capacity – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.
- Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.
- Operation Information – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.



Schedule 1

CITY OF GLENDALE

Net Position by Component

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

| | | Fiscal Year | | | | |
|---|----|------------------|------------------|------------------|------------------|------------------|
| | | 2015 | 2014 | 2013 | 2012 | 2011 |
| Governmental Activities | | | | | | |
| Investment in capital assets | \$ | 882,741 | 829,862 | 816,785 | 802,729 | 814,946 |
| Restricted | | 74,413 | 73,323 | 70,047 | 40,119 | 53,953 |
| Unrestricted | | (315,057) | 47,188 | 62,419 | 104,152 | 85,930 |
| Total governmental activities net position | | <u>642,097</u> | <u>950,373</u> | <u>949,251</u> | <u>947,000</u> | <u>954,829</u> |
| Business-type Activities | | | | | | |
| Investment in capital assets | | 437,125 | 484,467 | 516,774 | 545,511 | 526,011 |
| Restricted | | 5,669 | 5,669 | 5,669 | 5,669 | 15,474 |
| Unrestricted | | 159,220 | 210,397 | 159,224 | 140,283 | 159,353 |
| Total business-type activities net position | | <u>602,014</u> | <u>700,533</u> | <u>681,667</u> | <u>691,463</u> | <u>700,838</u> |
| Primary Government | | | | | | |
| Investment in capital assets | | 1,319,866 | 1,314,329 | 1,333,559 | 1,348,240 | 1,340,957 |
| Restricted | | 80,082 | 78,992 | 75,716 | 45,788 | 69,427 |
| Unrestricted | | (155,837) | 257,585 | 221,643 | 244,435 | 245,283 |
| Total primary government net position | \$ | <u>1,244,111</u> | <u>1,650,906</u> | <u>1,630,918</u> | <u>1,638,463</u> | <u>1,655,667</u> |

| | | Fiscal Year | | | | |
|---|----|------------------|------------------|------------------|------------------|------------------|
| | | 2010 | 2009 | 2008 | 2007 | 2006 |
| Governmental Activities | | | | | | |
| Investment in capital assets | \$ | 806,721 | 782,170 | 766,314 | 608,369 | 684,725 |
| Restricted | | 56,854 | 56,506 | 48,392 | 59,782 | 58,668 |
| Unrestricted | | 91,582 | 113,761 | 109,313 | 236,117 | 151,966 |
| Total governmental activities net position | | <u>955,157</u> | <u>952,437</u> | <u>924,019</u> | <u>904,268</u> | <u>895,359</u> |
| Business-type Activities | | | | | | |
| Investment in capital assets | | 476,440 | 448,099 | 392,039 | 472,893 | 435,757 |
| Restricted | | 13,864 | 14,047 | 14,058 | 8,392 | 8,653 |
| Unrestricted | | 208,562 | 238,443 | 278,763 | 190,462 | 217,431 |
| Total business-type activities net position | | <u>698,866</u> | <u>700,589</u> | <u>684,860</u> | <u>671,747</u> | <u>661,841</u> |
| Primary Government | | | | | | |
| Investment in capital assets | | 1,283,161 | 1,230,269 | 1,158,353 | 1,081,262 | 1,120,482 |
| Restricted | | 70,718 | 70,553 | 62,450 | 68,174 | 67,321 |
| Unrestricted | | 300,144 | 352,204 | 388,076 | 426,579 | 369,397 |
| Total primary government net position | \$ | <u>1,654,023</u> | <u>1,653,026</u> | <u>1,608,879</u> | <u>1,576,015</u> | <u>1,557,200</u> |

Notes:

- (1) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (2) The negative unrestricted net position for governmental activities in FY2015 is due to the recognition of net pension liability (implementation of GASB 68).

Source: City Finance Department

Not covered by independent auditors' report

Schedule 2
CITY OF GLENDALE
Changes in Net Position
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

| | Fiscal Year | | | | |
|--|-------------------|----------------|----------------|----------------|----------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 47,822 | 64,776 | 33,432 | 22,151 | 25,700 |
| Public safety | | | | | |
| Police | 74,596 | 71,299 | 72,997 | 72,160 | 69,926 |
| Fire | 48,796 | 47,370 | 50,880 | 61,917 | 57,138 |
| Public works | 26,558 | 41,126 | 39,349 | 42,192 | 41,598 |
| Transportation | 15,222 | - | - | - | - |
| Housing, health, and community development | 42,472 | 38,536 | 44,534 | 45,387 | 69,965 |
| Employment programs | 5,557 | 5,642 | 6,080 | 6,197 | 5,925 |
| Public service | 5,895 | 5,173 | 4,490 | 6,369 | 8,029 |
| Parks, recreation and community services | 13,325 | 12,372 | 12,326 | 12,804 | 16,449 |
| Library | 8,392 | 7,893 | 8,338 | 8,209 | 9,127 |
| Interest and fiscal charges | 1,398 | 2,553 | 1,932 | 10,871 | 12,696 |
| Total governmental activities expenses | <u>290,033</u> | <u>296,740</u> | <u>274,358</u> | <u>288,257</u> | <u>316,553</u> |
| Business-type activities: | | | | | |
| Recreation | 2,584 | 2,338 | 2,820 | 2,754 | 2,622 |
| Hazardous disposal | 1,511 | 1,170 | 1,709 | 1,507 | 1,745 |
| Fire communications | 2,965 | 2,521 | 3,291 | 3,528 | 3,289 |
| Parking | 7,702 | 6,317 | 7,683 | 7,674 | 7,763 |
| Sewer | 17,421 | 14,353 | 14,585 | 15,148 | 15,756 |
| Refuse disposal | 18,519 | 16,143 | 19,197 | 18,794 | 18,893 |
| Electric | 187,864 | 179,322 | 172,509 | 200,120 | 188,569 |
| Water | 45,068 | 42,927 | 41,862 | 40,937 | 35,790 |
| Total business-type activities expenses | <u>283,634</u> | <u>265,091</u> | <u>263,656</u> | <u>290,462</u> | <u>274,427</u> |
| Total primary government expenses | \$ <u>573,667</u> | <u>561,831</u> | <u>538,014</u> | <u>578,719</u> | <u>590,980</u> |

Notes:

- (1) Fire paramedic is reclassified as a special revenue fund from an enterprise fund in FY2006.
- (2) Fire communication is reclassified as an enterprise fund from a special revenue fund in FY2009.
- (3) Beginning in FY2009 and going forward, public safety is split between fire and police.
- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (5) The negative investment income in FY2013 is due to the net decrease in the fair value of investments based on GASB Statement No. 31.
- (6) Recreation, Hazardous Disposal and Parking Funds are reclassified as special revenue funds from enterprise funds in FY2015.

Source: City Finance Department

Not covered by independent auditors' report

Schedule 2
CITY OF GLENDALE
Changes in Net Position
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|---------------------|------------------|------------------|------------------|------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | \$ 18,554 | 17,895 | 16,249 | 16,738 | 17,276 |
| Public safety | | | | | |
| Police | 1,087 | 759 | 746 | 758 | 779 |
| Fire | 6,330 | 2,206 | 8,327 | 15,553 | 13,774 |
| Public works | 14,469 | 19,544 | 18,647 | 13,401 | 11,685 |
| Transportation | 6,849 | - | - | - | - |
| Housing, health, and community development | 55 | 57 | 67 | 58 | 51 |
| Employment programs | 1,401 | 1,486 | 1,512 | 1,831 | 1,631 |
| Parks, recreation and community services | 11 | 11 | 15 | 8 | 13 |
| Library | 174 | 171 | 170 | 201 | 226 |
| Operating grants and contributions | 55,415 | 63,195 | 59,855 | 61,877 | 63,166 |
| Capital grants and contributions | 6,969 | 11,134 | 17,949 | 6,103 | 9,040 |
| Total governmental activities program revenues | <u>111,314</u> | <u>116,458</u> | <u>123,537</u> | <u>116,528</u> | <u>117,641</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Recreation | 2,773 | 2,813 | 2,645 | 2,648 | 2,640 |
| Hazardous disposal | 1,632 | 1,598 | 1,559 | 1,547 | 1,530 |
| Fire communications | 3,253 | 3,191 | 3,288 | 3,223 | 3,337 |
| Parking | 9,303 | 8,897 | 8,699 | 8,303 | 7,853 |
| Sewer | 15,790 | 15,576 | 16,143 | 15,716 | 14,977 |
| Refuse disposal | 21,989 | 21,195 | 21,704 | 20,457 | 20,776 |
| Electric | 215,956 | 196,263 | 173,701 | 196,007 | 187,801 |
| Water | 47,520 | 43,069 | 44,605 | 41,359 | 36,637 |
| Operating grants and contributions | 120 | 299 | 223 | 96 | 161 |
| Capital grants and contributions | 2,306 | 796 | 1,203 | 6,590 | 16,238 |
| Total business-type activities program revenues | <u>320,642</u> | <u>293,697</u> | <u>273,770</u> | <u>295,946</u> | <u>291,950</u> |
| Total primary government program revenues | <u>431,956</u> | <u>410,155</u> | <u>397,307</u> | <u>412,474</u> | <u>409,591</u> |
| Net (Expense) / Revenue | | | | | |
| Governmental activities | (178,719) | (180,282) | (150,821) | (171,729) | (198,912) |
| Business-type activities | 37,008 | 28,606 | 10,114 | 5,484 | 17,523 |
| Total primary government net expense | <u>\$ (141,711)</u> | <u>(151,676)</u> | <u>(140,707)</u> | <u>(166,245)</u> | <u>(181,389)</u> |

Notes:

- (1) Fire paramedic is reclassified as a special revenue fund from an enterprise fund in FY2006.
- (2) Fire communication is reclassified as an enterprise fund from a special revenue fund in FY2009.
- (3) Beginning in FY2009 and going forward, public safety is split between fire and police.
- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (5) The negative investment income in FY2013 is due to the net decrease in the fair value of investments based on GASB Statement No. 31.
- (6) Recreation, Hazardous Disposal and Parking Funds are reclassified as special revenue funds from enterprise funds in FY2015.

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

Schedule 2
CITY OF GLENDALE
Changes in Net Position
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

| | Fiscal Year | | | | |
|--|------------------|-----------------|---------------------|-----------------|-----------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Property taxes | \$ 50,883 | 47,623 | 45,943 | 59,197 | 79,714 |
| Sales tax | 36,330 | 35,408 | 33,789 | 31,874 | 30,030 |
| Utility users tax | 27,766 | 27,018 | 26,968 | 26,632 | 26,802 |
| Other taxes | 17,305 | 15,512 | 14,594 | 14,181 | 13,857 |
| Investment income | 1,561 | 1,776 | (85) ⁽⁵⁾ | 2,953 | 4,066 |
| Other | 22,766 | 30,097 | 13,401 | 21,370 | 17,948 |
| Transfers | 62,859 | 23,970 | 25,299 | 24,007 | 26,167 |
| Special Item: Transfers of capital assets | 22,087 | - | - | - | - |
| Extraordinary (loss) | - | - | (6,423) | (16,314) | - |
| Total governmental activities | <u>241,557</u> | <u>181,404</u> | <u>153,486</u> | <u>163,900</u> | <u>198,584</u> |
| Business-type activities: | | | | | |
| Investment income | 1,915 | 2,725 | 231 | 1,927 | 2,089 |
| Other | 8,593 | 11,505 | 8,270 | 7,221 | 8,527 |
| Transfers | <u>(62,859)</u> | <u>(23,970)</u> | <u>(25,299)</u> | <u>(24,007)</u> | <u>(26,167)</u> |
| Total business-type activities | <u>(52,351)</u> | <u>(9,740)</u> | <u>(16,798)</u> | <u>(14,859)</u> | <u>(15,551)</u> |
| Total primary government | <u>189,206</u> | <u>171,664</u> | <u>136,688</u> | <u>149,041</u> | <u>183,033</u> |
| Change in Net Position | | | | | |
| Governmental activities | 62,838 | 1,122 | 2,665 | (7,829) | (328) |
| Business-type activities | <u>(15,343)</u> | <u>18,866</u> | <u>(6,684)</u> | <u>(9,375)</u> | <u>1,972</u> |
| Total primary government | <u>\$ 47,495</u> | <u>19,988</u> | <u>(4,019)</u> | <u>(17,204)</u> | <u>1,644</u> |

Notes:

- (1) Fire paramedic is reclassified as a special revenue fund from an enterprise fund in FY2006.
- (2) Fire communication is reclassified as an enterprise fund from a special revenue fund in FY2009.
- (3) Beginning in FY2009 and going forward, public safety is split between fire and police.
- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (5) The negative investment income in FY2013 is due to the net decrease in the fair value of investments based on GASB Statement No. 31.
- (6) Recreation, Hazardous Disposal and Parking Funds are reclassified as special revenue funds from enterprise funds in FY2015.

Source: City Finance Department

Not covered by independent auditors' report

Schedule 2

CITY OF GLENDALE

Changes in Net Position

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

| | Fiscal Year | | | | |
|--|-------------------|----------------|----------------|----------------|----------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 24,157 | 23,508 | 15,165 | 25,842 | 20,301 |
| Public safety | - | - (3) | 118,200 | 107,660 | 94,711 |
| Police | 66,923 | 64,113 (3) | - | - | - |
| Fire | 55,743 | 50,793 (3) | - | - | - |
| Public works | 38,529 | 35,903 | 40,252 | 35,442 | 37,075 |
| Housing, health, and community development | 70,813 | 49,563 | 51,601 | 63,526 | 53,214 |
| Employment programs | 7,397 | 5,432 | 5,962 | 6,808 | 6,106 |
| Public service | 8,249 | 6,729 | 4,682 | 6,932 | 3,900 |
| Parks, recreation and community services | 15,578 | 16,229 | 15,699 | 14,955 | 15,561 |
| Library | 9,241 | 9,162 | 9,916 | 8,463 | 7,918 |
| Interest and fiscal charges on bonds | 17,232 | 7,311 | 9,610 | 10,097 | 8,404 |
| Total governmental activities expenses | <u>313,862</u> | <u>268,743</u> | <u>271,087</u> | <u>279,725</u> | <u>247,190</u> |
| Business-type activities: | | | | | |
| Recreation | 2,645 | 2,552 | 2,457 | 2,072 | 1,853 |
| Hazardous disposal | 1,848 | 1,680 | 1,801 | 1,539 | 1,420 |
| Fire communications | 3,306 | 2,790 | - | - | - |
| Parking | 7,609 | 6,520 | 6,416 | 6,618 | 5,593 |
| Sewer | 17,874 | 12,195 | 17,784 | 11,993 | 6,874 |
| Refuse disposal | 18,101 | 16,450 | 16,283 | 15,074 | 14,388 |
| Electric | 170,423 | 192,326 | 195,590 | 178,220 | 184,913 |
| Water | 34,953 | 33,886 | 31,263 | 29,927 | 26,151 |
| Total business-type activities expenses | <u>256,759</u> | <u>268,399</u> | <u>271,594</u> | <u>245,443</u> | <u>241,192</u> |
| Total primary government expenses | <u>\$ 570,621</u> | <u>537,142</u> | <u>542,681</u> | <u>525,168</u> | <u>488,382</u> |

Notes:

- (1) Fire paramedic is reclassified as a special revenue fund from an enterprise fund in FY2006.
- (2) Fire communication is reclassified as an enterprise fund from a special revenue fund in FY2009.
- (3) Beginning in FY2009 and going forward, public safety is split between fire and police.
- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (5) The negative investment income in FY2013 is due to the net decrease in the fair value of investments based on GASB Statement No. 31.
- (6) Recreation, Hazardous Disposal and Parking Funds are reclassified as special revenue funds from enterprise funds in FY2015.

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Position

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|---------------------|------------------|------------------|------------------|------------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | \$ 13,922 | 9,890 | 9,173 | 9,533 | 8,762 |
| Public safety | - | - (3) | 14,391 | 13,739 | 12,169 |
| Police | 1,136 | 1,164 (3) | - | - | - |
| Fire | 12,070 | 11,221 (3) | - | - | - |
| Public works | 10,170 | 10,990 | 12,498 | 15,014 | 12,674 |
| Housing, health, and community development | 37 | 45 | 55 | 86 | 110 |
| Employment programs | 1,427 | 980 | 1,131 | 1,423 | 1,154 |
| Parks, recreation and community services | 9 | 15 | 29 | 47 | 28 |
| Library | 239 | 221 | 236 | 211 | 202 |
| Operating grants and contributions | 69,905 | 55,942 | 38,170 | 43,199 | 40,617 |
| Capital grants and contributions | 6,905 | 6,912 | 7,271 | 12,228 | 17,532 |
| Total governmental activities program revenues | <u>115,820</u> | <u>97,380</u> | <u>82,954</u> | <u>95,480</u> | <u>93,248</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Recreation | 2,353 | 2,394 | 2,092 | 1,842 | 1,943 |
| Hazardous disposal | 1,533 | 1,550 | 1,560 | 1,586 | 1,404 |
| Fire communications | 3,199 | 2,890 | - | - | - |
| Parking | 8,944 | 7,111 | 7,780 | 7,329 | 7,024 |
| Sewer | 14,709 | 15,440 | 16,857 | 17,447 | 16,611 |
| Refuse disposal | 19,941 | 19,911 | 18,952 | 18,205 | 16,115 |
| Electric | 176,903 | 207,177 | 204,497 | 178,979 | 170,208 |
| Water | 35,716 | 36,068 | 34,817 | 33,277 | 31,189 |
| Operating grants and contributions | 421 | 738 | 632 | 1,415 | 511 |
| Capital grants and contributions | 7,440 | 3,292 | 4,016 | 5,222 | 2,712 |
| Total business-type activities program revenues | <u>271,159</u> | <u>296,571</u> | <u>291,203</u> | <u>265,302</u> | <u>247,717</u> |
| Total primary government program revenues | <u>386,979</u> | <u>393,951</u> | <u>374,157</u> | <u>360,782</u> | <u>340,965</u> |
| Net (Expense) / Revenue | | | | | |
| Governmental activities | (198,042) | (171,363) | (188,133) | (184,245) | (153,942) |
| Business-type activities | 14,400 | 28,172 | 19,609 | 19,859 | 6,525 |
| Total primary government net expense | <u>\$ (183,642)</u> | <u>(143,191)</u> | <u>(168,524)</u> | <u>(164,386)</u> | <u>(147,417)</u> |

Notes:

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- (3) Beginning in FY2009 and going forward, public safety is split between fire and police.
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- (5) The negative investment income in FY2013 is due to the net decrease in the fair value of investments based on GASB Statement No. 31.
- (6) Recreation, Hazardous Disposal and Parking Funds are reclassified as special revenue funds from enterprise funds in FY2015.

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

Schedule 2

CITY OF GLENDALE

Changes in Net Position

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

| | Fiscal Year | | | | |
|--|-----------------|-----------------|----------------|----------------|-----------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Property taxes | \$ 80,422 | 77,060 | 72,690 | 67,394 | 60,961 |
| Sales taxes | 27,594 | 22,755 | 24,731 | 23,944 | 23,985 |
| Utility users tax | 27,827 | 28,798 | 27,781 | 26,202 | 24,386 |
| Other taxes | 13,891 | 22,268 | 21,508 | 21,262 | 19,216 |
| Investment income | 5,806 | 8,143 | 14,255 | 15,826 | 6,805 |
| Other | 18,077 | 16,368 | 21,611 | 13,715 | 21,411 |
| Transfers | 25,167 | 26,100 | 25,310 | 24,811 | 24,357 |
| Gain on Exchange of land | 1,978 | - | - | - | - |
| Contributions | - | (1,712) | - | - | - |
| Total governmental activities | <u>200,762</u> | <u>199,780</u> | <u>207,886</u> | <u>193,154</u> | <u>181,121</u> |
| Business-type activities: | | | | | |
| Investment income | 4,770 | 8,331 | 10,425 | 11,569 | 6,421 |
| Other | 4,274 | 3,614 | 8,387 | 3,289 | 3,883 |
| Transfers | (25,167) | (26,100) | (25,310) | (24,811) | (24,358) |
| Contributions | - | 1,712 | - | - | - |
| Total business-type activities | <u>(16,123)</u> | <u>(12,443)</u> | <u>(6,498)</u> | <u>(9,953)</u> | <u>(14,054)</u> |
| Total primary government | <u>184,639</u> | <u>187,337</u> | <u>201,388</u> | <u>183,201</u> | <u>167,067</u> |
| Change in Net Position | | | | | |
| Governmental activities | 2,720 | 28,417 | 19,753 | 8,909 | 27,179 |
| Business-type activities | (1,723) | 15,729 | 13,111 | 9,906 | (7,529) |
| Total primary government | <u>\$ 997</u> | <u>44,146</u> | <u>32,864</u> | <u>18,815</u> | <u>19,650</u> |

Notes:

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- (3) Beginning in FY2009 and going forward, public safety is split between fire and police.
- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (5) The negative investment income in FY2013 is due to the net decrease in the fair value of investments based on GASB Statement No. 31.
- (6) Recreation, Hazardous Disposal and Parking Funds are reclassified as special revenue funds from enterprise funds in FY2015.

Source: City Finance Department

Not covered by independent auditors' report

Schedule 3

CITY OF GLENDALE

Fund Balances of Governmental Funds

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|-------------------|---------------|----------------|----------------|----------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| General Fund | | | | | |
| Nonspendable: | \$ 2,505 | 2,584 | 2,579 | 558 | 49,425 |
| Restricted for: | | | | | |
| City Charter- stabilization | 23,433 | 22,593 | 22,228 | 21,156 | 21,105 |
| Committed to: | | | | | |
| Capital projects fund | - | 7,000 | - | - | - |
| Assigned to: | | | | | |
| Economic development | 3,418 | - | - | - | 117 |
| Capital | 800 | - | - | - | - |
| Building maintenance | 1,000 | - | - | - | - |
| Unassigned: | 40,819 | 36,480 | 38,082 | 37,852 | 63,408 |
| Total general fund | 71,975 | 68,657 | 62,889 | 59,566 | 134,055 |
| All Other Governmental Funds | | | | | |
| Nonspendable: | 3,177 | 2,212 | 2,275 | 2,257 | 14,459 |
| Restricted for: | | | | | |
| Federal and state grants | 5,129 | 4,745 | 4,571 | 3,395 | 4,735 |
| Private endowments | - | - | - | 1,400 | - |
| Public safety | 1,465 | 1,197 | 1,127 | 1,295 | 1,759 |
| Youth employment | 4 | 18 | - | 52 | - |
| Transportation | 19,965 | 17,019 | 15,569 | 12,927 | 10,606 |
| Landscaping district | 99 | 63 | 48 | 43 | 53 |
| Low and Mod Housing | 9,219 | 9,820 | 15,605 | 18,963 | 9,419 |
| Air quality improvement | 293 | 276 | 269 | 214 | 286 |
| Cable access | 1,833 | 1,237 | 783 | 379 | 792 |
| Electric public benefit AB1890 | 2,788 | 1,960 | 1,308 | 186 | 862 |
| State gas tax mandates | 2,868 | 7,044 | 8,539 | 12,466 | 14,435 |
| Landfill postclosure | 25,850 | 23,850 | 22,350 | 22,100 | 22,100 |
| Redevelopment activities | - | - | - | - | 24,071 |
| Capital projects funds | - | - | - | - | 12,856 |
| Committed to: | | | | | |
| Debt service funds | 21,522 | 23,841 | 31,590 | 34,087 | 52,330 |
| Capital projects fund | 9,374 | 1,991 | 2,213 | - | - |
| Impact fee funded projects | 14,227 | 5,562 | 5,830 | 4,457 | 2,209 |
| Public safety | 121 | 116 | 116 | 179 | 170 |
| Urban art | 4,283 | 2,437 | 1,893 | 984 | 18 |
| Recreation | 3,602 | - | - | - | - |
| Hazardous materials | 1,646 | - | - | - | - |
| Parking | 6,776 | - | - | - | - |
| Assigned to: | | | | | |
| Capital projects funds | - | - | - | 8,020 | - |
| Unassigned: | (5,960) | (10,327) | (8,167) | (9,520) | (7,393) |
| Total all other governmental funds | \$ 128,281 | 93,061 | 105,919 | 113,884 | 163,767 |

Notes:

- (1) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (2) This schedule has been modified pursuant to GASB Statement No. 54, which establishes the following classifications (effective for FY2011): nonspendable, restricted, committed, assigned, and unassigned.

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

Schedule 3

CITY OF GLENDALE

Fund Balances of Governmental Funds

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

| | Fiscal Year | | | | |
|------------------------------------|-------------------|----------------|----------------|----------------|----------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| General Fund | | | | | |
| Nonspendable: | \$ 71,521 | 68,840 | 68,867 | 67,347 | 67,147 |
| Restricted for: | | | | | |
| City Charter- stabilization | 20,619 | 19,320 | 19,320 | 17,805 | 16,495 |
| Unassigned: | 28,331 | 37,503 | 33,310 | 42,559 | 32,541 |
| Total general fund | <u>120,471</u> | <u>125,663</u> | <u>121,497</u> | <u>127,711</u> | <u>116,183</u> |
| All Other Governmental Funds | | | | | |
| Nonspendable: | 22,311 | 21,485 | 15,043 | 13,844 | 71,314 |
| Restricted for: | | | | | |
| Federal and state grants | 4,915 | 4,437 | 4,959 | 3,725 | 1,783 |
| Public safety | 6,101 | 6,397 | 7,530 | 8,569 | 9,671 |
| Youth employment | - | - | - | - | - |
| Transportation | 9,854 | 12,197 | 13,610 | 12,976 | 11,826 |
| Landscaping district | 55 | 24 | - | - | - |
| Low and Mod Housing | 13,964 | 14,737 | 11,896 | 17,060 | 13,976 |
| Air quality improvement | 280 | 659 | 658 | 538 | 482 |
| Cable access | 650 | 573 | 486 | 690 | 938 |
| Electric public benefit AB1890 | 1,641 | 3,282 | 3,016 | 2,716 | 5,219 |
| Redevelopment activities | - | 2,211 | 4,679 | 4,663 | 4,639 |
| Debt service funds | 49,286 | 54,486 | 55,269 | 56,323 | 60,928 |
| Capital projects funds | 37,341 | 19,534 | 19,186 | 12,851 | 27,516 |
| Total all other governmental funds | <u>\$ 129,565</u> | <u>126,270</u> | <u>126,858</u> | <u>139,806</u> | <u>177,182</u> |

Notes:

- (1) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (2) This schedule has been modified pursuant to GASB Statement No. 54, which establishes the following classifications (effective for FY2011): nonspendable, restricted, committed, assigned, and unassigned.

Source: City Finance Department

Not covered by independent auditors' report

Schedule 4

CITY OF GLENDALE

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|------------------|----------------------|-----------------|------------------|-----------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Revenues: | | | | | |
| Property taxes | \$ 50,883 | 47,623 | 45,943 | 59,197 | 79,714 |
| Sales tax | 36,330 | 35,408 | 33,789 | 31,874 | 30,030 |
| Utility users tax | 27,766 | 27,018 | 26,968 | 26,632 | 26,802 |
| Other taxes | 17,305 | 15,512 | 14,594 | 14,181 | 13,857 |
| Revenue from other agencies | 69,677 | 71,755 | 75,055 | 62,819 | 84,204 |
| Licenses and permits | 21,592 | 10,528 | 10,866 | 11,409 | 8,836 |
| Fines and forfeitures | 1,413 | 1,638 | 1,446 | 1,683 | 2,032 |
| Charges for services | 21,741 | 19,393 | 19,848 | 25,885 | 23,174 |
| Use of money and property | 5,970 | 4,996 | 2,550 | 5,112 | 11,084 |
| Interfund revenue | 16,577 | 16,182 | 14,921 | 14,902 | 14,943 |
| Sales of property | - | - ⁽⁴⁾ | 49 | 52 | 28 |
| Miscellaneous revenue | 6,542 | 3,577 ⁽⁴⁾ | 6,744 | 5,211 | 1,623 |
| Total revenues | <u>275,796</u> | <u>253,630</u> | <u>252,773</u> | <u>258,957</u> | <u>296,327</u> |
| Expenditures: | | | | | |
| General government | 27,250 | 27,187 | 22,826 | 19,535 | 21,327 |
| Community promotion | - | 59 | 111 | 89 | 106 |
| Police | 71,599 | 69,623 | 68,224 | 66,848 | 65,000 |
| Fire | 47,901 | 46,848 | 47,639 | 56,957 | 52,750 |
| Public works | 20,038 | 33,310 | 30,831 | 32,911 | 33,935 |
| Transportation | 13,780 | - | - | - | - |
| Housing, health and community development | 42,464 | 39,449 | 44,997 | 44,186 | 67,044 |
| Employment programs | 5,589 | 5,808 | 6,028 | 6,091 | 5,794 |
| Public service | 5,896 | 5,325 | 4,656 | 6,500 | 7,970 |
| Parks, recreation and community services | 10,451 | 10,331 | 9,938 | 11,957 | 12,856 |
| Library | 8,452 | 8,143 | 7,923 | 8,714 | 8,322 |
| Capital outlay | 16,054 | 23,930 | 28,320 | 19,053 | 31,236 |
| Debt service | | | | | |
| Interest | 242 | 806 | 241 | 5,124 | 5,920 |
| Principal | 2,973 | 13,850 | 3,476 | 9,971 | 10,908 |
| Total expenditures | <u>272,689</u> | <u>284,669</u> | <u>275,210</u> | <u>287,936</u> | <u>323,168</u> |
| Excess of revenues over (under) expenditures | <u>3,107</u> | <u>(31,039)</u> | <u>(22,437)</u> | <u>(28,979)</u> | <u>(26,841)</u> |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from borrowing | - | - | - | 2,002 | 50,000 |
| Original/Issue discount | - | - | - | - | (2,032) |
| Cost of issuance | - | - | - | - | (583) |
| Transfers in | 43,650 | 28,331 | 29,039 | 69,415 | 54,771 |
| Transfers out | (8,219) | (4,382) | (3,740) | (44,863) | (27,529) |
| Total other financing sources (uses) | <u>35,431</u> | <u>23,949</u> | <u>25,299</u> | <u>26,554</u> | <u>74,627</u> |
| Extraordinary (loss) | <u>-</u> | <u>-</u> | <u>(7,504)</u> | <u>(121,947)</u> | <u>-</u> |
| Net change in fund balances | <u>\$ 38,538</u> | <u>(7,090)</u> | <u>(4,642)</u> | <u>(124,372)</u> | <u>47,786</u> |
| Debt service as a percentage of noncapital expenditures | 1.3% | 5.6% | 1.5% | 5.7% | 5.6% |

Notes:

- (1) Intergovernmental revenue became part of use of money and property in FY2010.
- (2) Beginning in FY2010 and going forward, other taxes are split among sales tax, utility users tax, and other tax.
- (3) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (4) Beginning in FY2014 and going forward, sales of property is included under "Miscellaneous revenue".

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

Schedule 4

CITY OF GLENDALE

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Revenues: | | | | | |
| Property taxes | \$ 80,422 | 77,060 | 72,690 | 67,394 | 60,961 |
| Sales tax | 27,594 (2) | - | - | - | - |
| Utility users tax | 27,827 (2) | - | - | - | - |
| Other taxes | 13,891 (2) | 73,820 | 74,020 | 71,408 | 69,172 |
| Revenue from other agencies | 80,322 | 56,558 | 48,552 | 64,206 | 49,247 |
| Licenses and permits | 5,601 | 4,911 | 6,354 | 8,589 | 6,247 |
| Fines and forfeitures | 3,026 | 2,667 | 2,041 | 1,503 | 1,671 |
| Charges for services | 22,445 | 21,992 | 23,348 | 23,202 | 21,079 |
| Use of money and property | 9,651 (1) | 9,483 | 14,676 | 16,389 | 8,914 |
| Intergovernmental revenue | - (1) | 2,040 | 2,000 | 2,000 | 1,500 |
| Interfund revenue | 12,012 | 7,699 | 7,853 | 8,262 | 7,774 |
| Sales of property | 10 | 144 | 5,985 | - | - |
| Miscellaneous revenue | 3,347 | 5,621 | 5,913 | 5,168 | 12,499 |
| Total revenues | <u>286,148</u> | <u>261,995</u> | <u>263,432</u> | <u>268,121</u> | <u>239,064</u> |
| Expenditures: | | | | | |
| General government | 20,215 | 20,465 | 20,940 | 20,285 | 17,984 |
| Community promotion | 55 | 105 | 151 | 115 | 245 |
| Police | 61,677 | 60,726 | 57,734 | 51,482 | 52,808 |
| Fire | 51,468 | 50,190 | 52,311 | 49,481 | 44,658 |
| Public works | 34,033 | 30,520 | 30,581 | 29,714 | 29,767 |
| Housing, health and community development | 74,402 | 45,868 | 38,012 | 32,612 | 37,747 |
| Employment programs | 5,060 | 3,118 | 3,545 | 6,649 | 6,129 |
| Public service | 8,053 | 6,674 | 4,492 | 6,770 | 3,931 |
| Parks, recreation and community services | 12,852 | 13,460 | 13,217 | 12,384 | 11,966 |
| Library | 8,343 | 8,643 | 8,930 | 8,097 | 7,668 |
| Capital outlay | 41,043 | 42,445 | 59,489 | 91,919 | 59,299 |
| Debt service | | | | | |
| Interest | 4,516 | 4,651 | 6,025 | 6,655 | 6,379 |
| Principal | 10,398 | 8,306 | 7,624 | 6,300 | 5,575 |
| Fiscal agent fees | - | 80 | - | - | - |
| Total expenditures | <u>332,115</u> | <u>295,251</u> | <u>303,051</u> | <u>322,463</u> | <u>284,156</u> |
| Excess of revenues over (under) expenditures | <u>(45,967)</u> | <u>(33,256)</u> | <u>(39,619)</u> | <u>(54,342)</u> | <u>(45,092)</u> |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from borrowing | 31,081 | 14,000 | - | 8,200 | - |
| Transfers in | 67,019 | 37,479 | 42,052 | 31,312 | 33,684 |
| Transfers out | (54,030) | (14,646) | (21,595) | (11,019) | (13,407) |
| Total other financing sources (uses) | <u>44,070</u> | <u>36,833</u> | <u>20,457</u> | <u>28,493</u> | <u>20,277</u> |
| Net change in fund balances | <u>\$ (1,897)</u> | <u>3,577</u> | <u>(19,162)</u> | <u>(25,849)</u> | <u>(24,815)</u> |
| Debt service as a percentage of noncapital expenditures | 5.1% | 5.1% | 5.6% | 5.0% | 4.9% |

Notes:

- (1) Intergovernmental revenue became part of use of money and property in FY2010.
- (2) Beginning in FY2010 and going forward, other taxes are split among sales tax, utility users tax, and other tax.
- (3) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (4) Beginning in FY2014 and going forward, sales of property is included under "Miscellaneous revenue".

Source: City Finance Department

Not covered by independent auditors' report

Schedule 5

CITY OF GLENDALE

Electric Revenue by Type of Customers

Last Ten Fiscal Years

| | Fiscal Year | | | | |
|------------------------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Electric Fund: | | | | | |
| Number of Customers: | | | | | |
| Residential | 73,678 | 72,975 | 72,625 | 72,220 | 72,030 |
| Commercial | 12,869 | 12,801 | 12,769 | 12,898 | 12,698 |
| Industrial | 214 | 218 | 217 | 222 | 216 |
| Street Lights | 21 | 18 | 18 | 18 | 18 |
| Total | <u>86,782</u> | <u>86,012</u> | <u>85,629</u> | <u>85,358</u> | <u>84,962</u> |
| Megawatt-Hour Units Sold: | | | | | |
| Residential | 372,426 | 352,861 | 393,136 | 368,237 | 357,604 |
| Commercial | 337,388 | 327,660 | 335,404 | 319,478 | 305,908 |
| Industrial | 361,719 | 370,321 | 389,872 | 397,144 | 377,698 |
| Public street and highway lighting | 8,543 | 8,530 | 9,284 | 9,335 | 9,240 |
| Total Retail Megawatt-Hour Sales | <u>1,080,076</u> | <u>1,059,372</u> | <u>1,127,696</u> | <u>1,094,194</u> | <u>1,050,450</u> |
| Sales to other utilities | 512,846 | 351,348 | 61,407 (2) | 493,511 | 487,753 |
| Wholesale | <u>173,938</u> | <u>331,831</u> | <u>235,847 (2)</u> | <u>404,319</u> | <u>396,933</u> |
| Total Megawatt-Hour Sales | <u>1,766,860</u> | <u>1,742,551</u> | <u>1,424,950</u> | <u>1,992,024</u> | <u>1,935,136</u> |
| Revenue from Energy Sales | | | | | |
| Residential | \$ 67,754,324 | 59,905,509 | 58,412,020 | 54,282,734 | 53,557,580 |
| Commercial | 61,746,578 | 55,750,676 | 51,393,589 | 49,217,022 | 47,557,202 |
| Industrial | 59,626,227 | 52,437,492 | 49,396,516 | 50,624,670 | 49,084,732 |
| Public street and highway lighting | 3,465 | 6,145 | 9,553 | 7,010 | 4,288 |
| Sales to other utilities | 19,041,456 | 13,032,317 | 1,686,183 (2) | 23,049,142 | 17,437,568 |
| Wholesale | <u>7,783,689</u> | <u>15,130,477</u> | <u>12,802,646</u> | <u>18,826,834</u> | <u>20,159,819</u> |
| Total Energy Sales | <u>\$ 215,955,739</u> | <u>196,262,616</u> | <u>173,700,508</u> | <u>196,007,412</u> | <u>187,801,189</u> |

Notes:

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

(2) Reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.

Source: Glendale Water & Power Department

Not covered by independent auditors' report

(Continued)

Schedule 5

CITY OF GLENDALE

Electric Revenue by Type of Customers

Last Ten Fiscal Years

| | Fiscal Year | | | | |
|------------------------------------|-----------------------|---------------------------|---------------------------|--------------------|--------------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Electric Fund: | | | | | |
| Number of Customers: | | | | | |
| Residential | 71,866 | 71,643 | 71,310 | 70,921 | 70,810 |
| Commercial | 12,690 | 12,664 | 12,626 | 12,481 | 12,385 |
| Industrial | 226 | 229 | 213 | 224 | 220 |
| Street Lights | 18 | 18 | 18 | 18 | 18 |
| Total | <u>84,800</u> | <u>84,554</u> | <u>84,167</u> | <u>83,644</u> | <u>83,433</u> |
| Megawatt-Hour Units Sold: | | | | | |
| Residential | 378,460 | 389,872 | 399,644 | 395,260 | 381,010 |
| Commercial | 322,377 | 341,639 | 351,990 | 345,407 | 345,315 |
| Industrial | 392,273 | 410,663 | 399,689 | 396,997 | 407,151 |
| Public street and highway lighting | 9,200 | 9,216 | 9,243 | 9,164 | 9,106 |
| Total Retail Megawatt-Hour Sales | <u>1,102,310</u> | <u>1,151,390</u> | <u>1,160,566</u> | <u>1,146,828</u> | <u>1,142,582</u> |
| Sales to other utilities | 108,731 | 76,272 | 55,968 | 114,465 | 114,247 |
| Wholesale | 76,934 | 128,556 ⁽¹⁾ | 194,423 ⁽¹⁾ | 126,627 | 147,207 |
| Total Megawatt-Hour Sales | <u>1,287,975</u> | <u>1,356,218</u> | <u>1,410,957</u> | <u>1,387,920</u> | <u>1,404,036</u> |
| Revenue from Energy Sales | | | | | |
| Residential | \$ 59,515,595 | 66,450,032 | 63,778,774 | 58,251,508 | 50,347,062 |
| Commercial | 52,574,031 | 60,278,592 | 58,121,923 | 53,302,463 | 47,141,992 |
| Industrial | 54,368,173 | 61,862,315 | 56,307,557 | 51,908,777 | 43,976,070 |
| Public street and highway lighting | 3,022 | 2,054 | 1,983 | 1,810 | 1,487 |
| Sales to other utilities | 6,942,319 | 7,695,258 | 7,461,421 | 5,969,693 | 15,640,657 |
| Wholesale | 3,500,143 | 10,888,493 ⁽¹⁾ | 18,825,241 ⁽¹⁾ | 9,545,014 | 13,100,161 |
| Total Energy Sales | <u>\$ 176,903,283</u> | <u>207,176,744</u> | <u>204,496,899</u> | <u>178,979,265</u> | <u>170,207,429</u> |

Notes:

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

(2) Reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.

Source: Glendale Water & Power Department

Not covered by independent auditors' report

Schedule 6

CITY OF GLENDALE

Electric Rates (Dollars per Kilowatt Hour)

Last Ten Fiscal Years

| | | Fiscal Year | | | | |
|----------------|----|-------------|--------|--------|--------|--------|
| | | 2015 | 2014 | 2013 | 2012 | 2011 |
| Customer Class | | | | | | |
| Residential | \$ | 0.1819 | 0.1693 | 0.1486 | 0.1474 | 0.1498 |
| Commercial | | 0.1830 | 0.1696 | 0.1532 | 0.1541 | 0.1555 |
| Industrial | | 0.1648 | 0.1412 | 0.1267 | 0.1275 | 0.1300 |
| Lighting | | 0.0004 | 0.0006 | 0.0010 | 0.0008 | 0.0005 |

| | | Fiscal Year | | | | |
|----------------|----|-------------|--------|--------|--------|--------|
| | | 2010 | 2009 | 2008 | 2007 | 2006 |
| Customer Class | | | | | | |
| Residential | \$ | 0.1573 | 0.1704 | 0.1596 | 0.1474 | 0.1321 |
| Commercial | | 0.1631 | 0.1764 | 0.1651 | 0.1543 | 0.1365 |
| Industrial | | 0.1386 | 0.1506 | 0.1409 | 0.1308 | 0.1080 |
| Lighting | | 0.0003 | 0.0002 | 0.0002 | 0.0002 | 0.0002 |

Notes:

- (1) These are the average rates for the indicated customer classes, including energy cost adjustment charge.
- (2) On August 13, 2013, the City Council approved an 8% system average rate increase effective September 13, 2013. The City Council also approved electric rates to become effective July 1 of each of the 4 successive years in the amounts of 7%, 5%, 2%, and 2%. The rate plan puts the Electric Utility on the path to restored financial health by generating positive annual net income by fiscal year ending June 30, 2016, supporting a bond issue of \$60 million.

Source: Glendale Water & Power Department

Not covered by independent auditors' report

Schedule 7

CITY OF GLENDALE

Principal Electric Payer Groups

Current Year and Nine Years Ago

| Electric Payer Groups | Fiscal Year 2015 | | | Fiscal Year 2006 | | |
|------------------------------|----------------------|------|---|----------------------|------|---|
| | Electric Charges | Rank | Percentage of Total City Electric Charges | Electric Charges | Rank | Percentage of Total City Electric Charges |
| High-Rise Buildings | \$ 9,885,310 | 1 | 4.58% | \$ 5,349,323 | 5 | 3.14% |
| Entertainment Industry | 9,745,604 | 2 | 4.51% | 7,312,437 | 1 | 4.30% |
| Retail Stores/Malls | 8,624,763 | 3 | 3.99% | 5,894,901 | 2 | 3.46% |
| Hospitals/Medical Facilities | 8,315,911 | 4 | 3.85% | 5,409,579 | 4 | 3.18% |
| Government Agencies | 5,828,638 | 5 | 2.70% | 5,766,049 | 3 | 3.39% |
| Manufacturing | 4,629,753 | 6 | 2.14% | 1,904,525 | 9 | 1.12% |
| Schools/Colleges | 4,397,615 | 7 | 2.04% | 3,672,134 | 6 | 2.16% |
| Grocery Stores | 3,393,613 | 8 | 1.57% | 3,636,487 | 7 | 2.14% |
| Hotels/Motels | 1,337,189 | 9 | 0.62% | 1,172,868 | 10 | 0.69% |
| Utilities | 1,140,101 | 10 | 0.53% | 2,181,564 | 8 | 1.28% |
| Total | <u>\$ 57,298,497</u> | | <u>26.53%</u> | <u>\$ 42,299,867</u> | | <u>24.86%</u> |

Note:

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

Source: Glendale Water & Power Department

Not covered by independent auditors' report

Schedule 8

CITY OF GLENDALE

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years (in thousands)

| <u>Fiscal Year Ended June 30,</u> | <u>Residential Property</u> ⁽⁴⁾ | <u>Commercial Property</u> ⁽⁴⁾ | <u>Industrial Property</u> ⁽⁴⁾ | <u>Other Property</u> |
|---------------------------------------|--|---|---|-----------------------|
| 2006 | \$ 12,818,420 | \$ 3,595,247 | \$ 631,715 | \$ 1,559,282 |
| 2007 | 14,021,333 | 3,972,910 | 682,581 | 1,740,934 |
| 2008 | 15,044,118 | 4,334,682 | 716,251 | 1,835,689 |
| 2009 | 15,785,560 | 4,548,563 | 771,577 | 2,233,232 |
| 2010 | 15,588,384 | 4,649,949 | 774,196 | 2,318,317 |
| 2011 | 15,706,014 | 4,574,190 | 777,581 | 2,379,814 |
| 2012 | 16,233,512 | 4,785,127 | 761,299 | 2,047,080 |
| 2013 | 16,484,941 | 4,914,713 | 792,069 | 2,098,219 |
| 2014 | 17,201,465 | 5,110,372 | 794,497 | 2,158,685 |
| 2015 | 18,011,191 | 5,478,688 | 793,977 | 2,303,967 |

| <u>Fiscal Year Ended June 30,</u> | <u>Less: Tax- Exempt Property</u> ⁽⁵⁾ | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> ⁽²⁾⁽³⁾ |
|---------------------------------------|--|---|--|
| 2006 | \$ 599,470 | \$ 18,005,194 | 0.25043 |
| 2007 | 516,434 | 19,901,324 | 0.25543 |
| 2008 | 720,421 | 21,210,321 | 0.25637 |
| 2009 | 750,483 | 22,588,450 | 0.26764 |
| 2010 | 741,047 | 22,589,799 | 0.26915 |
| 2011 | 544,780 | 22,892,818 | 0.27303 |
| 2012 | 538,972 | 23,288,046 | 0.27112 |
| 2013 | 788,151 | 23,501,791 | 0.27241 |
| 2014 | 761,935 | 24,503,084 | 0.13096 |
| 2015 | 803,077 | 25,784,746 | 0.13108 |

Notes:

- (1) In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.
- (2) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.
- (3) In FY2011, as a result of moving all data to a different database/system, HdL's revenue calculations have been revised and refined, resulting in changes to prior year total direct rates. Nevertheless, HdL encourages users of its data to leave prior year data unchanged on their schedules.
- (4) "Assessed" values are reflected.
- (5) Both the Homeowners' Exemption and Exempt Use Code categories are reflected.

Source: HdL Coren & Cone

Not covered by independent auditors' report

Schedule 9

CITY OF GLENDALE

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

| <u>Fiscal Year</u> | <u>City's Share of 1% Levy Per Prop 13</u> | <u>Redevelopment Rate</u> | <u>Total Direct Tax Rule</u> |
|--------------------|--|---------------------------|----------------------------------|
| 2006 | 0.13573 | 1.00604 | 0.25043 |
| 2007 | 0.13573 | 1.00541 | 0.25543 |
| 2008 | 0.13573 | 1.00450 | 0.25637 |
| 2009 | 0.13573 | 1.00430 | 0.26764 |
| 2010 | 0.13573 | 1.00430 | 0.26915 |
| 2011 | 0.13573 | 1.00370 | 0.27303 |
| 2012 | 0.13573 | 1.00370 | 0.27112 |
| 2013 | 0.13573 | N/A (6) | 0.27241 |
| 2014 | 0.13573 | N/A (6) | 0.13096 |
| 2015 | 0.13573 | N/A (6) | 0.13108 |

| <u>Direct & Overlapping Rates</u> | | | | | |
|---------------------------------------|-------------------|--|---|---|--|
| <u>Fiscal Year</u> | <u>Basic Levy</u> | <u>County Detention Facilities 1987 Debt</u> | <u>Glendale Community College</u> | <u>Glendale Unified School District</u> | <u>La Canada Unified School District</u> |
| 2006 | 1.00000 | 0.00080 | 0.01857 | 0.05221 | 0.06708 |
| 2007 | 1.00000 | 0.00066 | 0.02213 | 0.05205 | 0.05923 |
| 2008 | 1.00000 | 0.00000 | 0.02408 | 0.04742 | 0.05630 |
| 2009 | 1.00000 | 0.00000 | 0.02119 | 0.04560 | 0.06475 |
| 2010 | 1.00000 | 0.00000 | 0.02366 | 0.04603 | 0.07043 |
| 2011 | 1.00000 | 0.00000 | 0.02344 | 0.03541 | 0.07329 |
| 2012 | 1.00000 | 0.00000 | 0.02452 | 0.04551 | 0.07086 |
| 2013 | 1.00000 | 0.00000 | 0.02466 | 0.04395 | 0.06974 |
| 2014 | 1.00000 | 0.00000 | 0.02341 | 0.03917 | 0.06722 |
| 2015 | 1.00000 | 0.00000 | 0.02220 | 0.05974 | 0.06477 |

Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.
- (4) RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.
- (5) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.
- (6) Due to the dissolution of the Glendale Redevelopment Agency (GRA) on February 1, 2012, the redevelopment rate is not applicable beginning FY2013.

Source: HdL Coren & Cone

Not covered by independent auditors' report

(Continued)

CITY OF GLENDALE

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

Last Ten Fiscal Years

| Direct & Overlapping Rates | | | | | |
|----------------------------|---|---------------|------------------------------|--------------------------------------|---------|
| Fiscal Year | LACC District Debt Service 2008, 2012 Series F | LACC District | L.A. County Flood Control | LAUSD Measure K 2010 Series Ky | LAUSD |
| 2006 | 0.00000 | 0.01429 | 0.00005 | 0.00000 | 0.08435 |
| 2007 | 0.00000 | 0.02146 | 0.00005 | 0.00000 | 0.10681 |
| 2008 | 0.00000 | 0.00879 | 0.00000 | 0.00000 | 0.12334 |
| 2009 | 0.00000 | 0.02212 | 0.00000 | 0.00000 | 0.12478 |
| 2010 | 0.00000 | 0.02311 | 0.00000 | 0.00000 | 0.15181 |
| 2011 | 0.00000 | 0.04031 | 0.00000 | 0.00000 | 0.18696 |
| 2012 | 0.00000 | 0.03530 | 0.00000 | 0.00000 | 0.16819 |
| 2013 | 0.01119 | 0.03756 | 0.00000 | 0.00001 | 0.17560 |
| 2014 | 0.00000 | 0.04454 | 0.00000 | N/A | 0.14644 |
| 2015 | N/A | N/A | 0.00000 | N/A | N/A |

| Direct & Overlapping Rates | | | | |
|----------------------------|--------------------------------|--|---|--|
| Fiscal Year | Metropolitan Water District | Pasadena Community College District Debt Service 2002, 2006 Ser D | Pasadena Community College District | Total Direct & Overlapping Tax Rates |
| 2006 | 0.00520 | 0.00000 | 0.00410 | 1.24665 |
| 2007 | 0.00470 | 0.00000 | 0.02080 | 1.28791 |
| 2008 | 0.00450 | 0.00000 | 0.01972 | 1.28416 |
| 2009 | 0.00430 | 0.00000 | 0.01742 | 1.30015 |
| 2010 | 0.00430 | 0.00000 | 0.02300 | 1.34234 |
| 2011 | 0.00370 | 0.00000 | 0.01986 | 1.38297 |
| 2012 | 0.00370 | 0.00000 | 0.01956 | 1.36763 |
| 2013 | 0.00350 | 0.00225 | 0.01830 | 1.38676 |
| 2014 | 0.00350 | N/A | 0.01899 | 1.34327 |
| 2015 | 0.00350 | N/A | 0.01032 | 1.16053 |

Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.
- (4) RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.
- (5) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.
- (6) Due to the dissolution of the Glendale Redevelopment Agency (GRA) on February 1, 2012, the redevelopment rate is not applicable beginning FY2013.

Source: HdL Coren & Cone

Not covered by independent auditors' report

Schedule 10

CITY OF GLENDALE

Principal Property Tax Payers

Current Year and Nine Years Ago (in thousands)

| Taxpayer | Fiscal Year 2015 | | | Fiscal Year 2006 | | |
|---|------------------------------|------|---|------------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Walt Disney World Company | \$ 582,753 | 1 | 2.26% | \$ 287,380 | 2 | 1.60% |
| Americana at Brand LLC | 280,173 | 2 | 1.09% | | | |
| Glendale Mall Associates LLC | 262,875 | 3 | 1.02% | | | |
| GGP Homart II | 247,774 | 4 | 0.96% | 389,205 | 1 | 2.16% |
| PR Glendale Plaza Office California LLC | 183,922 | 5 | 0.71% | | | |
| Glendale Successor Agency | 148,214 | 6 | 0.57% | | | |
| Wells Reit Glendale California LLC | 144,400 | 7 | 0.56% | 163,130 | 3 | 0.91% |
| North Brand Property Owner LLC | 135,701 | 8 | 0.53% | | | |
| DW Glendale California Landlord LLC | 111,299 | 9 | 0.43% | | | |
| PRIII Glendale Member LLC | 105,000 | 10 | 0.41% | | | |
| Maguire Partners | | | | 150,481 | 4 | 0.84% |
| Glendale Plaza Realty Holding Company | | | | 139,202 | 5 | 0.77% |
| Metropolitan Life Insurance Company | | | | 119,340 | 6 | 0.66% |
| CLPF-500 Brand | | | | 108,000 | 7 | 0.60% |
| DW Statutory Trust 2002 | | | | 84,786 | 8 | 0.47% |
| 101 N Brand LLC | | | | 73,440 | 9 | 0.41% |
| 550 North Brand Owners Corp Lessee | | | | 73,116 | 10 | 0.41% |
| Total | \$ <u>2,202,111</u> | | <u>8.54%</u> | \$ <u>1,588,080</u> | | <u>8.83%</u> |

Source: HdL Coren & Cone

Not covered by independent auditors' report

CITY OF GLENDALE

Property Tax Levies and Collections

Last Ten Fiscal Years (in thousands)

| City | | | | | | |
|----------------------------------|--|---|-----------------------|---------------------------------------|-------------------------------|-----------------------|
| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date (1) | |
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2006 | \$ 19,996 | \$ 19,208 | 96% | \$ 589 (3) | \$ 19,797 | 99% |
| 2007 | 22,247 | 21,228 | 95% | 827 (3) | 22,055 | 99% |
| 2008 | 23,853 | 22,460 | 94% | 1,209 (3) | 23,669 | 99% |
| 2009 | 24,731 | 23,552 | 95% | 1,201 (3) | 24,753 | 100% |
| 2010 | 23,814 | 22,698 | 95% | 902 (3) | 23,600 | 99% |
| 2011 | 24,737 | 23,811 | 96% | 620 (3) | 24,431 | 99% |
| 2012 | 25,402 | 24,726 | 97% | 554 (3) | 25,280 | 100% |
| 2013 | 24,839 | 25,612 | 103% (6) | 528 (3) | 26,140 | 105% |
| 2014 | 26,846 | 26,823 | 100% | 197 (3) | 27,020 | 101% |
| 2015 | 27,703 | 27,227 | 98% | - | 27,227 | 98% |

| Redevelopment Agency/Successor Agency | | | | | | |
|---------------------------------------|--|---|-----------------------|---------------------------------------|-------------------------------|-----------------------|
| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date (1) | |
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2006 | \$ 26,505 | \$ 25,798 | 97% | \$ 341 (3) | \$ 26,139 | 99% |
| 2007 | 29,118 | 27,415 | 94% | 472 (3) | 27,887 | 96% |
| 2008 | 31,205 | 30,505 | 98% | (19) (2)(3) | 30,486 | 98% |
| 2009 | 36,408 | 34,667 | 95% | 283 (3) | 34,950 | 96% |
| 2010 | 41,442 | 39,884 | 96% | 383 (3) | 40,267 | 97% |
| 2011 | 39,048 | 37,801 | 97% | 265 (3) | 38,066 | 97% |
| 2012 | 37,958 | 16,643 (4) | 44% | - | 16,643 | 44% |
| 2013 | - | 42,203 (5) | - | - | 42,203 | - |
| 2014 | - | 20,039 (5) | - | - | 20,039 | - |
| 2015 | - | 10,709 (5) | - | - | 10,709 | - |

Notes:

- (1) Education Revenue Augmentation Fund (ERAF) III payment to State, ERAF in lieu of Vehicle License Fee, SB211 Proposition Share for Central Project, supplemental property tax, and property tax penalty are excluded from property tax collections when compared to property tax levied in this schedule.
- (2) The negative collection is due to refunds to property owners for overpayment in prior years, which mainly resulted from lower property values.
- (3) Delinquent taxes should be reported by levy year rather than by collection year. [GASB-S44: 21c; 2005 GAAFR, page 307].
- (4) This amount only includes Property Tax Increment collections from July 2011 through January 2012 due to AB 1x 26 - Redevelopment Agencies Dissolution effective February 1, 2012.
- (5) Effective February 1, 2012, the Property Tax receipts from the County of LA to pay the former Redevelopment Agency's obligations are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (6) The amount collected during this fiscal year exceeded the Levy amount, which was mainly due to property tax (tax increment) collection timing for a few huge parcels in the Central Project Area.

Sources:

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

Not covered by independent auditors' report

CITY OF GLENDALE

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years (in thousands)

| Governmental Activities | | | | | | | |
|-------------------------|--------------------------------------|----------------|--------------------------|--------------------------|---------------|---|----------|
| Fiscal Year | Certificates of Participation (COPs) | Capital Leases | HUD Section 108 (2002-A) | HUD Section 108 (2011-A) | Notes Payable | Residential Development Loan Program (RDLP) | Subtotal |
| 2006 | \$ 59,600 | 4,273 | 1,450 | - | 2,769 | - | 68,092 |
| 2007 | 58,300 | 11,729 | 1,280 | - | 1,846 | - | 73,155 |
| 2008 | 56,900 | 9,935 | 1,100 | - | 923 | - | 68,858 |
| 2009 | 55,500 | 10,540 | 690 | - | - | - | 66,730 |
| 2010 | 54,000 | 8,866 | 690 | - | - | 4,643 | 68,199 |
| 2011 | 52,400 | 7,121 | 470 | - | - | 4,643 | 64,634 |
| 2012 | 50,700 | 5,302 | 240 | 2,000 | - | 4,643 | 62,885 |
| 2013 | 48,900 | 3,405 | - | 1,839 | - | 4,643 | 58,787 |
| 2014 | 41,195 | 1,426 | - | 1,669 | - | - | 44,290 |
| 2015 | 38,400 | 757 | - | 1,491 | - | - | 40,648 |

| Business-type Activities | | | | | | | | |
|--------------------------|----------------------------|----------------------------|----------------------------|------------------------------|----------------------------|-------------------------|-------------------------|----------|
| Fiscal Year | 2003 Electric Revenue Bond | 2006 Electric Revenue Bond | 2008 Electric Revenue Bond | 2013 Electric Refunding Bond | 2013 Electric Revenue Bond | 2008 Water Revenue Bond | 2012 Water Revenue Bond | Subtotal |
| 2006 | \$ 29,798 | 36,780 | - | - | - | - | - | 66,577 |
| 2007 | 28,983 | 36,212 | - | - | - | - | - | 65,195 |
| 2008 | 28,166 | 35,381 | 61,687 | - | - | 51,916 | - | 177,150 |
| 2009 | 27,350 | 34,482 | 61,630 | - | - | 51,851 | - | 175,313 |
| 2010 | 26,533 | 33,515 | 61,573 | - | - | 51,787 | - | 173,408 |
| 2011 | 25,718 | 32,481 | 61,516 | - | - | 51,722 | - | 171,437 |
| 2012 | 24,811 | 31,371 | 61,459 | - | - | 51,657 | - | 169,298 |
| 2013 | - | 31,484 | 61,403 | 24,276 (2) | - | 50,418 | 35,617 | 203,200 |
| 2014 | - | 30,106 | 61,342 | 24,042 | 64,490 | 49,138 | 35,595 | 264,713 |
| 2015 | - | 28,726 | 61,284 | 23,841 | 63,766 | 47,829 | 35,575 | 261,021 |

Notes:

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

(2) 2003 Electric Revenue Bond was refunded by 2013 Electric Refunding Bond in FY2013.

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

Schedule 12

CITY OF GLENDALE

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years (in thousands)

| Fiscal Year | Total Primary Government | Total Personal Income | Percentage of Personal Income | Population | per Capita |
|-------------|--------------------------|-----------------------|-------------------------------|------------|------------|
| 2006 | \$ 134,669 | 5,145,734 | 2.62% | 206 | 0.653 |
| 2007 | 138,350 | 5,455,272 | 2.54% | 207 | 0.668 |
| 2008 | 246,008 | 5,646,893 | 4.36% | 207 | 1.188 |
| 2009 | 242,043 | 5,695,235 | 4.25% | 207 | 1.168 |
| 2010 | 241,607 | 5,572,397 | 4.34% | 208 | 1.162 |
| 2011 | 236,071 | 5,390,591 | 4.38% | 192 | 1.227 |
| 2012 | 232,183 | 5,731,457 | 4.05% | 193 | 1.205 |
| 2013 | 261,987 | 5,782,449 | 4.53% | 194 | 1.353 |
| 2014 | 309,003 | 5,730,841 | 5.39% | 196 | 1.577 |
| 2015 | 301,669 | 5,758,750 | 5.24% | 199 | 1.515 |

Fiduciary Activities

| Fiscal Year | 2002 GRA Tax Allocation Bond | 2003 GRA Tax Allocation Bond | 2010 GRA Tax Allocation Bond | 2011 GRA Tax Allocation Bond | Low & Mod Loans Payable | 2013 GRA Tax Allocation Bond | Loans Payable | Total |
|-------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------------------|------------------------------|---------------|---------|
| 2006 | \$ 44,057 | 53,924 | - | - | - | - | - | 97,981 |
| 2007 | 41,971 | 51,544 | - | - | - | - | - | 93,515 |
| 2008 | 39,832 | 49,043 | - | - | - | - | - | 88,875 |
| 2009 | 37,626 | 46,418 | - | - | 13,352 | - | - | 97,396 |
| 2010 | 35,355 | 43,658 | 26,621 | - | 10,716 | - | - | 116,350 |
| 2011 | 33,008 | 40,758 | 26,644 | 50,000 | 7,991 | - | - | 158,401 |
| 2012 | 30,583 | 37,708 | 26,667 | 47,967 | 5,171 | - | - | 148,096 |
| 2013 | 28,078 | 34,563 | 26,691 | 46,528 | 2,254 | - | - | 138,114 |
| 2014 | - | - | 26,563 | 44,883 | - | 49,062 | 13,613 | 134,121 |
| 2015 | - | - | 26,312 | 43,163 | - | 43,020 | 12,104 | 124,599 |

Notes:

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

(2) 2003 Electric Revenue Bond was refunded by 2013 Electric Refunding Bond in FY2013.

Source: City Finance Department

Not covered by independent auditors' report

Schedule 13

CITY OF GLENDALE

Direct and Overlapping Governmental Activities Debt

As of June 30, 2015 (in thousands)

| | Gross Bonded Debt Balance | Percentage Applicable to Glendale | Amount Applicable to Glendale |
|--|---------------------------------|---|-------------------------------------|
| Direct Debt | | | |
| Certificates of Participation (COPs) | \$ 38,400 | 100% | \$ 38,400 |
| Capital Leases | 757 | 100% | 757 |
| Section 108 (Series 2011-A) | 1,491 | 100% | 1,491 |
| Total Direct Debt | | | <u>40,648</u> |
| Overlapping Debt | | | |
| Metropolitan Water District | 53,296 | 2.198% | 1,172 |
| Glendale CCD DS 2002 Series C | 8,321 | 89.125% | 7,416 |
| Glendale CCD DS Refunding Bond 02, 05 S-A | 2,376 | 89.125% | 2,118 |
| Glendale CCD DS 2002 Series 2006 | 1,975 | 89.125% | 1,760 |
| Glendale CCD 2002, 2011 Series E | 4,112 | 89.125% | 3,665 |
| Glendale CCD DS 2002, 2013 Series F | 13,995 | 89.125% | 12,473 |
| Glendale CCD DS 2014 REF Bonds | 25,980 | 89.125% | 23,155 |
| Pasadena CCD DS 2006 Series B | 25,385 | 0.181% | 46 |
| Pasadena CCD DS 2002, 2006 Series D | 24,160 | 0.181% | 44 |
| Pasadena CCD DS 2002, 2009 Series E (BABS) | 25,295 | 0.181% | 46 |
| Pasadena CCD DS 2014 REF Series A | 16,780 | 0.181% | 30 |
| Glendale USD DS 2009 REF Bonds | 35,715 | 89.125% | 31,831 |
| Glendale USD DS 2010 REF Bonds | 23,535 | 89.125% | 20,976 |
| Glendale USD DS 2010 REF Bonds Series B | 66,595 | 89.125% | 59,353 |
| Glendale USD DS 2011 REF Bonds | 22,615 | 89.125% | 20,156 |
| Glendale USD DS 2011 Series A1 CREB | 4,300 | 89.125% | 3,832 |
| Glendale USD DS 2012 Refund Bonds | 70,000 | 89.125% | 62,388 |
| La Canada USD DS 1995 SD | 2,959 | 2.084% | 62 |
| La Canada USD DS 1999 Series A | 1,830 | 2.084% | 38 |
| La Canada USD DS 2004 Series A | 1,120 | 2.084% | 23 |
| La Canada USD DS 2004 Series B | 4,165 | 2.084% | 87 |
| La Canada USD DS 2004 Series C | 4,125 | 2.084% | 86 |
| La Canada USD DS 2011 Refund Bond | 11,760 | 2.084% | 245 |
| Total Overlapping Debt | | | <u>251,001</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 291,649</u> |

Note:

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

Sources:

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

Not covered by independent auditors' report

CITY OF GLENDALE

Legal Debt Margin Information

Last Ten Fiscal Years (in thousands)

Legal Debt Margin Calculation for Fiscal Year 2015

| | |
|------------------------------------|-------------------|
| Assessed value | \$ 20,568,476 (2) |
| Debt limit (15% of assessed value) | 3,085,271 (1) |
| Less debt applicable to limit | - |
| Legal debt margin | \$ 3,085,271 |

| | Fiscal Year | | | | |
|---|--------------|-----------|-----------|-----------|-----------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Debt limit | \$ 3,085,271 | 2,945,332 | 2,829,443 | 2,809,769 | 3,433,923 |
| Total net debt applicable to limit | - | - | - | - | 147,872 |
| Legal debt margin | \$ 3,085,271 | 2,945,332 | 2,829,443 | 2,809,769 | 3,286,051 |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.00% | 4.31% |

| | Fiscal Year | | | | |
|---|--------------|-----------|-----------|-----------|-----------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Debt limit | \$ 3,388,470 | 3,388,268 | 3,181,548 | 2,985,199 | 2,700,779 |
| Total net debt applicable to limit | 107,985 | 88,936 | 87,980 | 92,570 | 96,985 |
| Legal debt margin | \$ 3,280,485 | 3,299,332 | 3,093,568 | 2,892,629 | 2,603,794 |
| Total net debt applicable to the limit as a percentage of debt limit | 3.19% | 2.62% | 2.77% | 3.10% | 3.59% |

Notes:

- (1) Under City Charter, the total bonded debt of the city shall at no time exceed a total of 15 percent of the assessed valuation of all property taxable for city purposes.
- (2) Due to the passage of AB 1x 26 in June 2011, the assessed value of the former Glendale Redevelopment Agency's (GRA) Project Areas are no longer included in this calculation. As a result, the debt associated with the former GRA became obligations of the Glendale Successor Agency. As such, effective FY2012, the debt of the former Agency is excluded from the Legal Debt Margin calculation.

Sources:

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

Not covered by independent auditors' report

Schedule 15
CITY OF GLENDALE
Pledged-Revenue Coverage
Last Ten Fiscal Years (in thousands)

| Electric Revenue Bonds | | | | | | | |
|------------------------|-------------------------------|--------------------------------|-----|-----------------------------|--------------|----------|----------|
| Fiscal Year | Utility Service Charges | Less: Operating Expenses | (5) | Net Available Revenue | Debt Service | | Coverage |
| | | | | | Principal | Interest | |
| 2006 | \$ 172,622 | \$ 168,551 | | \$ 4,071 | \$ 1,485 | \$ 3,580 | 0.80 |
| 2007 | 180,483 | 154,987 | | 25,496 | 1,520 | 2,833 | 5.86 |
| 2008 | 211,037 | 167,947 | | 43,090 | 1,755 | 3,044 | 8.98 |
| 2009 | 208,881 | 168,478 | | 40,403 | 1,805 | 5,591 | 5.46 |
| 2010 | 178,804 | 142,787 | | 36,017 | 1,855 | 5,658 | 4.79 |
| 2011 | 191,153 | 159,806 | | 31,347 | 1,905 | 5,576 | 4.19 |
| 2012 | 199,462 | 174,000 | | 25,462 | 1,965 | 5,488 | 3.42 |
| 2013 | 177,565 | 144,645 | | 32,920 | 2,020 | 5,372 | 4.45 |
| 2014 | 203,633 | 162,800 | | 40,833 | 1,290 | 6,706 | 5.11 |
| 2015 | 219,861 (6) | 154,053 (7) | | 65,808 | 1,920 | 8,498 | 6.32 |

| Water Revenue Bonds | | | | | | | |
|---------------------|-------------------------------|--------------------------------|-----|-----------------------------|--------------|----------|----------|
| Fiscal Year | Utility Service Charges | Less: Operating Expenses | (5) | Net Available Revenue | Debt Service | | Coverage |
| | | | | | Principal | Interest | |
| 2006 | \$ - | \$ - | | \$ - | \$ - | \$ - | - |
| 2007 | - | - | | - | - | - | - |
| 2008 | 35,990 | 26,974 | | 9,016 | - | - | - |
| 2009 | 37,242 | 28,934 | | 8,308 | - | 2,188 | 3.80 |
| 2010 | 37,006 | 29,125 | | 7,881 | - | 2,310 | 3.41 |
| 2011 | 39,166 | 29,128 | | 10,038 | - | 2,310 | 4.35 |
| 2012 | 43,237 | 34,823 | | 8,414 | - | 2,310 | 3.64 |
| 2013 | 47,205 | 35,797 | | 11,408 | 1,175 | 2,970 | 2.75 |
| 2014 | 45,666 (4) | 40,611 | | 5,055 | 1,210 | 3,658 | 1.04 |
| 2015 | 51,094 (6) | 36,694 (7) | | 14,400 | 1,245 | 3,463 | 3.06 |

| Tax Allocation Bonds recorded in Fiduciary Funds (1) | | | | | | | |
|--|------------------------------|--------------------------------|-----|-----------------------------|--------------|----------|----------|
| Fiscal Year | Property Tax Increment | Less: Operating Expenses | (5) | Net Available Revenue | Debt Service | | Coverage |
| | | | | | Principal | Interest | |
| 2006 | \$ 18,233 | \$ 5,063 | | \$ 13,170 | \$ 4,235 | \$ 4,366 | 1.53 |
| 2007 | 19,872 | 4,301 | | 15,571 | 4,415 | 4,189 | 1.81 |
| 2008 | 19,301 | 4,174 | | 15,127 | 4,590 | 4,004 | 1.76 |
| 2009 | 21,561 | 5,900 (2) | | 15,661 | 4,780 | 3,808 | 1.82 |
| 2010 | 25,254 | 17,166 (2) | | 8,088 | 4,980 | 3,599 | 0.94 |
| 2011 | 22,693 (3) | 8,296 (3) | | 14,397 | 4,995 | 5,201 | 1.41 |
| 2012 | 25,237 (8) | 4,538 (9) | | 20,699 | 5,425 | 8,839 | 1.45 |
| 2013 | 27,456 (8) | 4,275 (9) | | 23,181 | 7,330 | 8,091 | 1.50 |
| 2014 | 27,678 (8) | 2,998 (9) | | 24,680 | 7,795 | 6,477 | 1.73 |
| 2015 | 31,937 (8) | 3,410 (9) | | 28,527 | 7,095 | 7,636 | 1.94 |

Notes:

- (1) Due to the dissolution of the Glendale Redevelopment Agency (GRA) on February 1, 2012, all of the GRA's debt have been moved to Glendale Successor Agency Private Purpose Fiduciary Fund.
- (2) The Operating Expenses increase between FY2009 & FY2010 was due to the GRA's transfer to "SERAF" in the amount of \$11.2 million in FY2010.
- (3) FY2011 Property Tax Increment and Operating Expenses have been restated and reflect the "SERAF" transfer of \$2.3 million.
- (4) This amount is net of \$3.4 million fireline refund resulted from over charging customers in the prior years.
- (5) The amounts on this column exclude depreciation expenses.
- (6) Revenues available for debt service include charges for services, miscellaneous revenues, interest revenues, and sales of property and exclude contribution in aid of \$2,085 for Electric Fund and \$663 for Water Fund for FY2015.
- (7) Expenses exclude depreciation, gas depletion, transfers to the City's General Fund, interest expenses, and bond-related expenses of \$33 for Electric Fund and \$12 for Water Fund for FY2015.
- (8) This is the gross amount of former Tax Increment that was available to the Successor Agency from the Central Glendale Redevelopment Project.
- (9) Tax sharing and administrative costs for the Central Glendale Redevelopment Project.

Source: City Finance Department

Not covered by independent auditors' report

Schedule 16

CITY OF GLENDALE

Demographic and Economic Statistics

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Population</u> (I) | <u>Per Capita Personal Income</u> (II) | <u>Total Personal Income</u> | <u>Median Age</u> (II) |
|--------------------|-----------------------|--|----------------------------------|------------------------|
| 2006 | 206,308 | \$ 24,942 | \$ 5,145,734,136 | 37.5 |
| 2007 | 207,157 | 26,334 | 5,455,272,438 | 37.5 |
| 2008 | 207,157 | 27,259 | 5,646,892,663 | 39.0 |
| 2009 | 207,303 | 27,473 | 5,695,235,319 | 41.2 |
| 2010 | 207,902 | 26,803 | 5,572,397,306 | 39.0 |
| 2011 | 192,473 | 28,007 | 5,390,591,311 | 40.0 |
| 2012 | 192,654 | 29,750 | 5,731,456,500 | 40.6 |
| 2013 | 193,652 | 29,860 | 5,782,448,720 | 41.0 |
| 2014 | 195,799 | 29,269 | 5,730,840,931 | 41.1 |
| 2015 | 199,182 | 28,912 | 5,758,749,984 | 40.7 |

| <u>Fiscal Year</u> | <u>Percent High School Graduate or Higher</u> (II) | <u>Percent Bachelor's Degree or Higher</u> (II) | <u>School Enrollment</u> (III) | <u>Unemployment Rate</u> (II) |
|--------------------|--|---|------------------------------------|-----------------------------------|
| 2006 | 79.0% | 32.0% | 42,144 | 4.6% |
| 2007 | 81.0% | 33.3% | 42,223 | 4.1% |
| 2008 | 82.9% | 34.8% | 45,116 | 4.4% |
| 2009 | 83.3% | 35.8% | 50,606 | 6.5% |
| 2010 | 83.2% | 36.0% | 51,139 | 10.1% |
| 2011 | 84.4% | 37.2% | 48,582 | 11.1% |
| 2012 | 85.2% | 38.8% | 48,146 | 10.7% |
| 2013 | 85.1% | 39.0% | 47,892 | 8.1% |
| 2014 | 84.6% | 38.3% | 48,488 | 6.6% |
| 2015 | 84.4% | 38.2% | 45,723 | 8.0% |

Sources:

- (I) Population data are based on data obtained from the California State Department of Finance Demographic Research Unit, Population Estimates for California Cities, January 1 of every year (E-1).
- (II) Data are based on information provided by HdL Coren & Cone on calendar year basis. For example, fiscal year 2015 data is from calendar year 2014.
- (III) Enrollment data are based on Glendale Unified School District and Glendale Community College District school attendance reports.

Not covered by independent auditors' report

Schedule 17

CITY OF GLENDALE

Principal Employers

Current Year and Nine Years Ago

| Employer | 2015 | | | 2006 | | |
|-----------------------------------|----------------------------------|------|--|---------------------------------|------|--|
| | Employees ^(II) (1) | Rank | Percentage of Total City Employment ⁽³⁾ | Employees ^(I) (1) | Rank | Percentage of Total City Employment ⁽³⁾ |
| Glendale Adventist Medical Center | 2,567 | 1 | 2.55% | 1,999 | 3 | 2.62% |
| Glendale Unified School District | 2,400 | 2 | 2.39% | 2,681 | 2 | 3.51% |
| City of Glendale | 2,017 | 3 | 2.00% | 2,706 | 1 | 3.55% |
| Glendale Community College | 1,877 | 4 | 1.87% | 1,141 | 6 | 1.50% |
| Dream Works Animation | 1,478 ⁽⁴⁾ | 5 | 1.47% | | | |
| Glenair Inc. | 1,300 | 6 | 1.29% | | | |
| Nestle Company | 1,270 | 7 | 1.26% | 1,735 ⁽²⁾ | 4 | 2.27% |
| Glendale Memorial Medical Center | 1,050 | 8 | 1.04% | 1,248 | 5 | 1.64% |
| USC Verdugo Hills Hospital | 656 | 9 | 0.65% | | | |
| Public Storage Inc. | 338 | 10 | 0.34% | 967 | 7 | 1.27% |
| Bank of America North America | | | | 834 | 8 | 1.09% |
| Walt Disney Imagineering | | (5) | | 765 | 9 | 1.00% |
| Acco Engineered Systems | | | | 711 | 10 | 0.93% |

Notes:

- (1) Both actual full-time and hourly employees are included.
- (2) Includes the three subsidiaries of Nestle Company located in Glendale.
- (3) In FY2015, the percentage of total employment is calculated using a baseline of 100,600 workers employed in Glendale. In FY2006, the percentage of total employment was calculated using a baseline of 76,276 workers employed in Glendale.
- (4) Employee count is from FY2014, current data is unavailable.
- (5) Walt Disney Imagineering is presumed to be a significant employer in the City of Glendale. However, an accurate employee headcount is unavailable.
- (6) Starting in FY2012, companies that have requested a confidentiality waiver from the state to block the release of employment data are not included.

Sources:

- (I) FY2006 data is from the Labor Market Information Division, California Employment Development Department.
- (II) FY2015 data, with the exception of the City of Glendale data, is from MuniServices LLC. FY2015 City of Glendale data is from the City Finance Department.

Not covered by independent auditors' report

Schedule 18

CITY OF GLENDALE

Authorized Salaried Positions by Department

Last Nine Fiscal Years

| <u>Department</u> | Fiscal Year | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Administrative Services - Finance | 30.27 | 35.27 | 31.05 | 34.05 | 35.05 |
| City Attorney | 17.21 | 18.26 | 18.16 | 20.16 | 20.16 |
| City Clerk | 6.00 | 7.00 | 7.00 | 10.00 | 10.00 |
| City Treasurer | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Community Development | 90.54 | 100.10 | 98.24 | 135.99 | - |
| Community Development & Housing | - | - | - | - | - |
| Community Planning | - | - | - | - | 85.01 |
| Community Redevelopment & Housing | - | - | - | - | 50.48 |
| Community Services & Parks | 97.38 | 105.37 | 107.70 | 158.38 | 165.05 |
| Development Services | - | - | - | - | - |
| Fire | | | | | |
| Sworn | 163.00 | 157.00 | 168.00 | 177.00 | 179.00 |
| Civilians | 42.00 | 42.00 | 43.25 | 47.00 | 46.00 |
| Glendale Water & Power | 312.00 | 315.00 | 330.00 | 415.50 | 408.00 |
| Human Resources | 18.85 | 20.85 | 20.85 | 27.85 | 28.00 |
| Information Services | 40.00 | 50.00 | 47.75 | 52.00 | 50.00 |
| Library, Arts & Culture | 45.00 | 50.00 | 50.00 | 59.00 | 61.00 |
| Management Services | 30.70 | 31.20 | 27.00 | 32.82 | 30.00 |
| Parks, Recreation & Community Services | - | - | - | - | - |
| Planning | - | - | - | - | - |
| Police | | | | | |
| Sworn | 241.10 | 252.60 | 252.60 | 253.60 | 255.10 |
| Civilians | 99.00 | 99.00 | 99.00 | 105.00 | 107.00 |
| Public Works | 281.95 | 299.35 | 298.40 | 340.65 | 354.15 |
| Total | <u>1,520.00</u> | <u>1,588.00</u> | <u>1,604.00</u> | <u>1,874.00</u> | <u>1,889.00</u> |

Notes:

- (1) Administrative Services Department includes data for Purchasing.
- (2) Prior to FY2009, Human Resources was part of Administrative Services.
- (3) Prior to FY2010, Graphics was part of the Administrative Services Department. As of July 1, 2009 Graphics is part of Management Services.
- (4) As of FY2011, central support staff (e.g. Administrative Services, City Attorney, Human Resources) that were charged to other funds were shifted back to their home departments and included in the citywide cost allocation plan.
- (5) The data in FY2011 reflects realignment and renaming of Planning, Development Services, Parks, Recreation and Community Services, and Community Development and Housing.
- (6) The data in FY2012 reflects the renaming of Community Planning and Community Redevelopment and Housing into Community Development.
- (7) Effective FY2012, the position count in Management Services includes the five (5) Councilmembers.
- (8) Effective FY2013, the position count in Community Services & Parks includes three (3) unclassified budgeted positions.
- (9) FY2013 position count was adjusted per balancing strategies.
- (10) Effective FY2014, the position count in Community Development includes one (1) unclassified budgeted position.
- (11) FY2015 position count adjusted to reflect revised position counts after retirement/separation incentive.
- (12) Data prior to FY2007 are not available.

Source: City's Budget book.

Not covered by independent auditors' report

(Continued)

Schedule 18

CITY OF GLENDALE

Authorized Salaried Positions by Department
Last Nine Fiscal Years

| <u>Department</u> | Fiscal Year | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2010 | 2009 | 2008 | 2007 |
| Administrative Services - Finance | 31.90 | 43.40 | 73.90 | 72.90 |
| City Attorney | 12.30 | 10.80 | 14.30 | 12.50 |
| City Clerk | 10.00 | 10.00 | 11.00 | 11.00 |
| City Treasurer | 5.00 | 5.00 | 5.00 | 5.00 |
| Community Development | - | - | - | - |
| Community Development & Housing | 102.47 | 103.63 | 107.63 | 115.11 |
| Community Planning | - | - | - | - |
| Community Redevelopment & Housing | - | - | - | - |
| Community Services & Parks | - | - | - | - |
| Development Services | 18.23 | 18.23 | 18.23 | 17.25 |
| Fire | | | | |
| Sworn | 185.00 | 187.00 | 192.00 | 192.00 |
| Civilians | 45.00 | 49.00 | 51.00 | 52.00 |
| Glendale Water & Power | 416.15 | 426.15 | 426.15 | 425.50 |
| Human Resources | 31.00 | 31.00 | - | - |
| Information Services | 42.00 | 45.00 | 47.00 | 50.00 |
| Library, Arts & Culture | 64.00 | 65.00 | 65.00 | 66.00 |
| Management Services | 31.00 | 26.00 | 26.00 | 26.00 |
| Parks, Recreation & Community Services | 128.00 | 134.00 | 140.00 | 130.00 |
| Planning | 26.95 | 27.95 | 28.95 | 28.00 |
| Police | | | | |
| Sworn | 255.10 | 258.10 | 269.70 | 267.70 |
| Civilians | 108.00 | 120.00 | 120.00 | 125.00 |
| Public Works | 391.90 | 381.74 | 390.14 | 378.04 |
| Total | <u>1,904.00</u> | <u>1,942.00</u> | <u>1,986.00</u> | <u>1,974.00</u> |

Notes:

- (1) Administrative Services Department includes data for Purchasing.
- (2) Prior to FY2009, Human Resources was part of Administrative Services.
- (3) Prior to FY2010, Graphics was part of the Administrative Services Department. As of July 1, 2009 Graphics is part of Management Services.
- (4) As of FY2011, central support staff (e.g. Administrative Services, City Attorney, Human Resources) that were charged to other funds were shifted back to their home departments and included in the citywide cost allocation plan.
- (5) The data in FY2011 reflects realignment and renaming of Planning, Development Services, Parks, Recreation and Community Services, and Community Development and Housing.
- (6) The data in FY2012 reflects the renaming of Community Planning and Community Redevelopment and Housing into Community Development.
- (7) Effective FY2012, the position count in Management Services includes the five (5) Councilmembers.
- (8) Effective FY2013, the position count in Community Services & Parks includes three (3) unclassified budgeted positions.
- (9) FY2013 position count was adjusted per balancing strategies.
- (10) Effective FY2014, the position count in Community Development includes one (1) unclassified budgeted position.
- (11) FY2015 position count adjusted to reflect revised position counts after retirement/separation incentive.
- (12) Data prior to FY2007 are not available.

Source: City's Budget book.

Not covered by independent auditors' report

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

| Function/Program | Fiscal Year | | | | |
|--|---------------------------|------------------------|----------------------|----------------------|----------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Police | | | | | |
| Physical arrests | 5,515 | 5,768 | 5,886 | 5,829 | 5,652 |
| Parking violations | 69,376 | 71,958 | 72,879 | 74,572 | 81,843 |
| Traffic violations | 15,747 ⁽¹⁾ | 20,076 | 17,197 | 18,566 | 25,667 |
| Fire | | | | | |
| Emergency responses | 18,798 | 17,825 | 17,253 | 16,591 | 15,447 |
| Fires extinguished | 290 ⁽²⁾ | 393 | 382 | 372 | 349 |
| Refuse collection | | | | | |
| Refuse collected (tons per day) | 195 ⁽³⁾ | 188 | 185 | 184 ⁽⁴⁾ | 195 |
| Recyclables collected (tons per day) | 30 | 30 | 29 | 29 | 31 |
| Inert waste recycling (tons per year) | | | | | |
| Brand Park landfill | - ⁽⁵⁾ | - ⁽⁵⁾ | 3,607 ⁽⁶⁾ | 3,545 ⁽⁶⁾ | 2,500 ⁽⁶⁾ |
| Public Works | 2,182 ⁽⁷⁾ | 2,923 | - | - | - |
| Glendale Water and Power | 1,281 ⁽⁸⁾ | 1,829 | - | - | - |
| Other public works | | | | | |
| Street resurfacing (miles) | 6.07 ⁽⁹⁾ | 2.70 ⁽⁹⁾ | 6.60 ⁽⁹⁾ | 5.85 ⁽⁹⁾ | 5.56 ⁽⁹⁾ |
| Street reconstructing (miles) | 0.03 ⁽¹⁰⁾ | - ⁽¹⁰⁾ | - ⁽¹⁰⁾ | 0.68 | 0.70 |
| Potholes repaired (square feet per year) | 14,553 ⁽¹¹⁾ | 10,909 ⁽¹¹⁾ | 16,592 | 21,962 | 21,012 |
| Library | | | | | |
| Volumes in collections | 521,389 | 571,942 | 619,871 | 643,598 | 688,818 |
| Total volumes borrowed | 1,310,873 ⁽¹²⁾ | 1,069,695 | 1,114,987 | 1,179,964 | 1,290,945 |

Notes:

- (1) In FY2015, there were fewer resources available for law enforcement due to training, special events, and other priority assignments that contributed to the decrease in traffic violations.
- (2) In FY2015, fire prevention efforts have contributed to the decrease in fires extinguished.
- (3) There has been no operational changes in Integrated Waste Management Division; therefore the increase in tons of refuse collected is due to external factors. The uptick in regional economic recovery and consumer confidence has led to this volume growth, bringing the City back to 2011 collection tonnage. However, the City is still 23% below the nine year average, indicating the success of the Public Works Department's robust recycling programs that are offered to residential and commercial customers for free.
- (4) Decrease in number of tons disposed is due to regional economic slow down and free recycling offered to residential and commercial accounts.
- (5) Since Brand Park Landfill has officially closed, each department has a contract with private haulers to dispose of citywide inert wastes.
- (6) Some inert wastes were diverted to an outside recycling company rather than using Brand Landfill.
- (7) In FY2015, the Public Works Department street maintenance crews concentrated their efforts on small asphalt overlay projects to repair streets instead of inert waste recycling.
- (8) The reduction in tonnage of inert waste recycling is the result of GWP, Electric section not having an underground construction crew to perform excavation work during FY2015. Also, the Water section construction is dependent on either capital projects and/or main breaks. There was a decrease in total number of main breaks compared to FY2014.
- (9) More street resurfacing was done from FY2010 to FY2013 than in prior years in an effort to take advantage of the low street resurfacing costs resulting from the economic downturn. In FY2014, the Public Works Department concentrated on other safety improvements such as railroad crossings and traffic signal improvement and significant sewer repair and reconstruction projects. In FY2015, the Public Works Department completed major infrastructure improvement projects that included road rehabilitation and resurfacing of major arterials in the City.
- (10) The Public Works Department focused its efforts on street resurfacing in lieu of street reconstruction and other capital improvement projects noted above in Note (9).
- (11) Reductions in street maintenance staffing and injuries have contributed to lower number of production in potholes repaired. During FY2015, Maintenance Services crews concentrated their efforts on repairing potholes as an effective measure of maintaining our streets infrastructure and responding to greater community need for well-maintained streets.
- (12) Data from May 18, 2015 - June 30, 2015 was unavailable, instead estimates were used. In FY2015, the reshelves are counted in the total volumes borrowed, and the number was not included in prior years. Reshelves are books that are removed from the shelf by the patron, and then found elsewhere in the library.

Sources: Various city departments

Not covered by independent auditors' report

(Continued)

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

| Function/Program | Fiscal Year | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Electric | | | | | |
| Average daily consumption (MWH) | 2,959 | 2,907 | 3,090 | 2,998 | 2,878 |
| Electricity generated (MWH) | 918,314 | 905,560 | 794,248 | 846,637 | 928,682 |
| Electricity purchased (MWH) | 1,131,229 | 999,932 | 769,224 ⁽¹⁾ | 1,289,843 | 1,195,972 ⁽¹⁾ |
| Electricity sold - Retail (MWH) | 1,080,077 | 1,061,028 | 1,127,696 | 1,094,194 | 1,050,450 |
| Electricity sold - Wholesale (MWH) | 686,784 | 683,179 | 297,254 ⁽¹⁾ | 897,830 | 884,686 ⁽¹⁾ |
| Peak demand (MW) | 337 | 317 | 311 | 316 | 336 |
| Water | | | | | |
| Average daily consumption (millions of gallons) | 23 | 24 | 25 | 23 | 21 |
| Water mains breaks | 12 | 20 | 10 | 14 | 10 |
| Water purchased (AF) | 17,045 | 20,341 | 18,761 | 17,319 | 16,959 |
| Water sold (AF) | 25,175 | 26,049 | 29,003 | 26,809 | 24,796 |
| Wastewater | | | | | |
| Average daily sewage treatment (millions of gallons) | 15 | 15 | 15 | 15 | 20 |
| Transit | | | | | |
| Total route miles | 741,287 ⁽²⁾ | 735,827 ⁽²⁾ | 731,036 ⁽²⁾ | 822,432 ⁽²⁾ | 880,655 ⁽²⁾ |
| Passengers | 1,884,454 ⁽³⁾ | 1,727,931 ⁽³⁾ | 1,888,016 ⁽³⁾ | 2,543,532 ⁽³⁾ | 2,724,121 |
| Parks and recreation | | | | | |
| Athletic field permits issued | 3,485 ⁽⁴⁾ | 682 | 614 | 682 ⁽⁵⁾ | 917 |
| Community center admissions | 5,643 ⁽⁶⁾ | 3,891 | 3,425 | 3,194 | 2,360 |

Notes:

- (1) The increases in the purchases and sales of MWHs correlates to the increase in wholesale revenue and sales to other utility revenue of approximately \$27.5 million. In FY2013, reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.
- (2) Route miles vary every year depending on the day of the week holiday service operates.
- (3) Reduced student enrollment and sustained unemployment have contributed to the decrease in the number of passengers from the previous year. In FY2015, the upturn in the economy has contributed to an increase in student and commuter ridership.
- (4) The significant increase in the number of permits issued in FY2015 is due to several factors: duplicate permits resulting from parallel testing of the new permit system for a period of time, change in the permit issuance process, and a change in the reporting capabilities between the two systems. Community Services & Parks upgraded the permitting and registration system from Safari to RecTrac in March 2015. The game permits were issued separately from practice permits in FY2015, allowing accurate tracking for the purpose of the permits. This means a large number of permit holders received twice as many permits as in previous years.
- (5) Prior to FY2012, separate permits were issued for practices vs. games. Starting FY2012, practices and games were covered under the same permit for effective staff management. One permit covered multiple facilities and multiple days/weeks/months of use.
- (6) Community center admissions is based on an unduplicated count of activity cards sold.

Sources: Various city departments

Not covered by independent auditors' report

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

| <u>Function/Program</u> | <u>Fiscal Year</u> | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|
| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
| Police | | | | | |
| Physical arrests | 5,857 | 6,405 | 6,254 | 6,717 | 7,087 |
| Parking violations | 87,621 | 83,706 | 89,700 | 87,971 | 80,374 |
| Traffic violations | 23,990 | 26,149 | 22,059 | 20,199 | 22,253 |
| Fire | | | | | |
| Emergency responses | 15,424 | 14,923 | 15,253 | 14,906 | 14,759 |
| Fires extinguished | 333 | 420 | 442 | 456 | 465 |
| Refuse collection | | | | | |
| Refuse collected (tons per day) | 197 | 279 | 283 | 289 | 299 |
| Recyclables collected (tons per day) | 32 | 48 | 51 | 140 | 135 |
| Inert waste recycling - | 3,000 (1) | 3,000 (1) | 3,000 (1) | 6,500 | 10,500 |
| Brand Park landfill (tons per year) | | | | | |
| Other public works | | | | | |
| Street resurfacing (miles) | 5.30 (2) | 1.62 | 0.42 | 1.36 | 3.47 |
| Street reconstructing (miles) | 0.50 | 0.13 | 0.91 | 0.82 | 2.97 |
| Potholes repaired (square feet per year) | 16,449 | 11,800 | 16,683 | 9,886 | 10,057 |
| Library | | | | | |
| Volumes in collections | 701,928 | 718,879 | 722,790 | 761,314 | 770,784 |
| Total volumes borrowed | 1,312,743 | 1,236,950 | 1,185,385 | 1,088,286 | 1,075,073 |

Notes:

- (1) Some inert wastes were diverted to an outside recycling company rather than using Brand Landfill.
- (2) More street resurfacing was done from FY2010 to FY2013 than in prior years in an effort to take advantage of the low street resurfacing costs resulting from the economic downturn. In FY2014, the Public Works Department concentrated on other safety improvements such as railroad crossings and traffic signal improvement and significant sewer repair and reconstruction projects. In FY2015, the Public Works Department completed major infrastructure improvement projects that included road rehabilitation and resurfacing of major arterials in the City.

Sources: Various city departments

Not covered by independent auditors' report

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

| <u>Function/Program</u> | <u>Fiscal Year</u> | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
| Electric | | | | | |
| Average daily consumption (MWH) | 3,020 | 3,154 | 3,180 | 3,142 | 3,130 |
| Electricity generated (MWH) | 960,061 | 940,051 | 1,007,011 | 1,025,235 | 887,263 |
| Electricity purchased (MWH) | 451,545 | 533,258 | 583,906 | 490,592 | 626,304 |
| Electricity sold - Retail (MWH) | 1,102,310 | 1,151,391 | 1,160,566 | 1,146,828 | 1,142,582 |
| Electricity sold - Wholesale (MWH) | 185,665 | 204,828 | 250,391 | 241,092 | 261,454 |
| Peak demand (MW) | 300 | 299 | 333 | 336 | 313 |
| Water | | | | | |
| Average daily consumption (millions of gallons) | 22 | 25 | 26 | 28 | 27 |
| Water mains breaks | 8 | 12 | 18 | 12 | 11 |
| Water purchased (AF) | 16,535 | 20,873 | 21,705 | 23,643 | 22,239 |
| Water sold (AF) | 25,489 | 29,465 | 30,691 | 31,889 | 29,907 |
| Wastewater | | | | | |
| Average daily sewage treatment (millions of gallons) | 20 | 17 | 17 | 17 | 17 |
| Transit | | | | | |
| Total route miles | 866,901 ⁽¹⁾ | 889,819 ⁽¹⁾ | 880,991 ⁽¹⁾ | 871,430 ⁽¹⁾ | 816,240 ⁽¹⁾ |
| Passengers | 2,574,396 | 2,260,263 | 2,152,200 | 2,271,548 | 2,273,843 |
| Parks and recreation | | | | | |
| Athletic field permits issued | 930 | 1,054 | 873 | 648 | 7,114 ⁽²⁾ |
| Community center admissions | 1,114 | 1,229 | 1,192 | 1,797 | 1,236 |

Notes:

- (1) Route miles vary every year depending on the day of the week holiday service operates.
- (2) Beginning January 2007, Parks department started using the Safari system to issue permits, which issues one permit for one participant for multiple events. The old system issues one permit for one participant for one event, so the number of permits issued is more in FY2006.

Sources: Various city departments

Not covered by independent auditors' report

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

| <u>Function/Program</u> | <u>Fiscal Year</u> | | | | |
|----------------------------|--------------------|-------------|-------------|-------------|-------------|
| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
| Police | | | | | |
| Stations | 3 (1) | 2 (1) | 2 (1) | 2 (1) | 2 (1) |
| Patrol units | 63 | 61 | 62 | 74 | 70 |
| Helicopters | 2.0 (2) | 1.5 (2) | 1.5 (2) | 1.5 (2) | 1.5 (2) |
| Motorcycles | 25 | 24 | 27 | 23 | 25 |
| Fire | | | | | |
| Stations | 9 | 9 | 9 | 9 | 9 |
| Refuse collection | | | | | |
| Collection trucks | 48 (3) | 49 (3) | 50 (3) | 48 (3) | 50 (3) |
| Other public works | | | | | |
| Streets (miles) | 350 | 350 | 350 | 350 | 350 |
| Traffic signals | 234 | 234 | 234 | 234 | 233 |
| Parks and recreation | | | | | |
| Open space acres | 5,034 | 5,034 | 5,034 | 5,034 | 5,034 |
| Developed parkland acres | 286 | 286 (7) | 286 (6) | 282 | 281 |
| Parks and other facilities | 43 | 43 (7) | 42 (6) | 41 (4) | 39 |
| Community centers | 4 | 4 | 4 | 4 (4) | 8 |
| Baseball/softball diamonds | 16 | 16 | 16 | 16 | 16 |
| Soccer/football fields | 3 | 3 | 3 | 3 | 3 |
| Golf course | 1 | 1 | 1 | 1 | 1 |
| Community pool | 1 | 1 | 1 | 1 | 1 |

Notes:

- (1) There is one main facility located at 131 N. Isabel and one substation located at the Glendale Galleria. In FY2015, the Montrose Substation was added.
- (2) Since May 14, 2007, three helicopters have been shared with the City of Burbank. As of June 30, 2015, a retired helicopter has not been sold.
- (3) This number does not include the small bin trucks or light duty vehicles. In FY2015, two automatic side loaders trucks, and one super dump truck were taken off service.
- (4) Beginning FY2012, community buildings are not separately accounted for as community centers. They are included in the parks and facilities count as part of the park in which they reside.
- (5) This includes Los Angeles County and Caltrans storm drains within the city boundaries.
- (6) The Glendale Narrows Riverwalk Park project was completed in FY2013, which increased the park count to 42, and park acreage by 3.94 acres (285.56 in total acres).
- (7) The Maryland Avenue Park project was completed in FY2014, which increased the park count to 43, and park acreage by 0.48 acres (286.04 in total acres).

Sources: Various city departments

Not covered by independent auditors' report

Schedule 20

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

| <u>Function/Program</u> | <u>Fiscal Year</u> | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|
| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
| Library | | | | | |
| Branches | 8 | 8 | 8 | 8 | 8 |
| Electric | | | | | |
| Number of electric meters | 86,782 | 86,012 | 85,629 | 85,358 | 84,962 |
| Number of streetlights | 11,207 | 11,192 | 10,740 | 10,735 | 10,725 |
| Grayson power plant capacity (MW) | 260 | 260 | 260 | 260 | 260 |
| Water | | | | | |
| Number of water meters | 33,976 | 33,900 | 33,801 | 33,744 | 33,374 |
| Water mains (miles) | 398 | 397 | 397 | 397 | 397 |
| Fire hydrants | 3,164 | 3,149 | 3,146 | 3,134 | 3,134 |
| Storage capacity (millions of gallons) | 184 | 184 | 184 | 184 | 184 |
| Wastewater | | | | | |
| Storm catch basin | 3,686 (5) | 3,686 (5) | 3,686 (5) | 3,686 (5) | 3,686 (5) |
| Sanitary sewers (miles) | 360 | 360 | 360 | 360 | 360 |
| LAGWRP Treatment capacity (millions of gallons) | 20 | 20 | 20 | 20 | 20 |
| Transit | | | | | |
| Buses | 34 | 34 | 34 | 34 | 34 |

Notes:

- (1) There is one main facility located at 131 N. Isabel and one substation located at the Glendale Galleria. In FY2015, the Montrose Substation was added.
- (2) Since May 14, 2007, three helicopters have been shared with the City of Burbank. As of June 30, 2015, a retired helicopter has not been sold.
- (3) This number does not include the small bin trucks or light duty vehicles. In FY2015, two automatic side loaders trucks, and one super dump truck were taken off service.
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- (6) The Glendale Narrows Riverwalk Park project was completed in FY2013, which increased the park count to 42, and park acreage by 3.94 acres (285.56 in total acres).
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Sources: Various city departments

Not covered by independent auditors' report

(Continued)

Schedule 20

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

| <u>Function/Program</u> | Fiscal Year | | | | |
|----------------------------|-------------|---------|---------|--------|--------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Police | | | | | |
| Stations | 2 (1) | 2 (1) | 2 (1) | 2 (1) | 2 (1) |
| Patrol units | 70 | 64 | 68 | 69 | 71 |
| Helicopters | 1.5 (2) | 1.5 (2) | 1.5 (2) | 2.0 | 2.0 |
| Motorcycles | 25 | 26 | 24 | 26 | 24 |
| Fire | | | | | |
| Stations | 9 | 9 | 9 | 9 | 9 |
| Refuse collection | | | | | |
| Collection trucks | 50 (3) | 46 (3) | 46 (3) | 45 (3) | 44 (3) |
| Other public works | | | | | |
| Streets (miles) | 350 | 350 | 350 | 350 | 350 |
| Traffic signals | 233 | 226 | 232 | 229 | 225 |
| Parks and recreation | | | | | |
| Open space acres | 5,029 | 5,020 | 5,020 | 5,020 | 5,020 |
| Developed parkland acres | 281 | 280 | 275 | 274 | 274 |
| Parks and other facilities | 39 | 39 | 39 | 37 | 37 |
| Community centers | 8 | 8 | 8 | 8 | 8 |
| Baseball/softball diamonds | 16 | 16 | 16 | 16 | 16 |
| Soccer/football fields | 3 | 3 | 3 | 3 | 3 |
| Golf course | 1 | 1 | 1 | 1 | 1 |

Notes:

- (1) There is one main facility located at 131 N. Isabel and one substation located at the Glendale Galleria. In FY2015, the Montrose Substation was added.
- (2) Since May 14, 2007, three helicopters have been shared with the City of Burbank. As of June 30, 2015, a retired helicopter has not been sold.
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Sources: Various city departments

Not covered by independent auditors' report

(Continued)

Schedule 20

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

| <u>Function/Program</u> | <u>Fiscal Year</u> | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|
| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
| Library | | | | | |
| Branches | 8 | 8 | 8 | 7 | 7 |
| Electric | | | | | |
| Number of electric meters | 84,800 | 84,554 | 84,167 | 83,644 | 83,433 |
| Number of streetlights | 10,714 | 10,692 | 10,622 | 11,117 | 10,210 |
| Grayson power plant capacity (MW) | 260 | 260 | 249 | 249 | 249 |
| Water | | | | | |
| Number of water meters | 33,509 | 33,407 | 33,173 | 33,120 | 32,995 |
| Water mains (miles) | 397 | 397 | 397 | 397 | 397 |
| Fire hydrants | 3,133 | 3,072 | 2,970 | 2,950 | 2,950 |
| Storage capacity (millions of gallons) | 185 | 185 | 185 | 185 | 185 |
| Wastewater | | | | | |
| Storm catch basin | 3,679 | 3,679 | 3,679 | 3,679 | 3,679 |
| Sanitary sewers (miles) | 360 | 360 | 360 | 360 | 360 |
| LAGWRP Treatment capacity (millions of gallons) | 20 | 20 | 20 | 20 | 20 |
| Transit | | | | | |
| Buses | 34 | 34 | 34 | 34 | 34 |

Notes:

- (1) There is one main facility located at 131 N. Isabel and one substation located at the Glendale Galleria. In FY2015, the Montrose Substation was added.
- (2) Since May 14, 2007, three helicopters have been shared with the City of Burbank. As of June 30, 2015, a retired helicopter has not been sold.
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Sources: Various city departments

Not covered by independent auditors' report

Schedule 21
CITY OF GLENDALE
 Schedule of Credits

Robert Elliot, CPA, Director of Finance

General Overview
 Letter of Transmittal

Michele Flynn, CPA, CIA, CGAP, Assistant Director of Finance

General Overview

Lily Fang, Finance Administrator

General Overview

Artak Khachatryan, Financial Applications Manager

PeopleSoft Nvision Report Writing

Shu-Jun Li, Accounting Manager

General Overview
 Management's Discussion & Analysis
 Financial Statements
 Notes to Financial Statements
 Pension and OPEB Reporting

Theresa Clark, Accounting Supervisor

Section tasks:

Rima Dagbashyan, Accountant II
 Ruzanna Garibyan, Accountant I
 Brandy Wu, Accountant I

Management's Discussion & Analysis
 Financial Statements
 Notes to Financial Statements
 Cover Design
 Fixed Assets Reporting
 Glendale Successor Agency Reporting
 Loans Receivable Reporting
 Statistical Section

Alwin De Leon, Accounting Supervisor

Section tasks:

Vanik Darabedian, Accountant II
 Liza Jue, Accountant II
 Juan Ruiz, Accountant I

Management's Discussion & Analysis
 Financial Statements
 Notes to Financial Statements
 Cash Reporting
 Debt Reporting
 Glendale Water & Power Reporting
 Internal Service Funds Reporting
 Single Audit

David Davis, CPA, Utility Finance Manager

Glendale Water & Power Notes

Tim Hsu, Senior Utility Financial Analyst

Eileen Donahue, Internal Audit Manager

General Overview

Thomas Lorenz, Director of Communications and Community Relations

Cover Design and Printing

Tamar Sadd, Community Outreach Assistant
 Dean Lopez, Senior Graphics Illustrator
 Douglas Alvarez, Graphics Illustrator
 Roberto Perez, Office Specialist I
 Awinda Matos, Duplicating Machine Operator

Comprehensive Annual Financial Report



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