

Comprehensive Annual Financial Report

The City of Glendale, California



Year Ended
June 30, 2006

**CITY OF GLENDALE
CALIFORNIA**

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2006

ADMINISTRATIVE SERVICES DIVISION
FINANCE SECTION

Robert J. Franz, Director of Administrative Services

Ron Ahlers, Assistant Finance Director

Lily Fang, Accounting Services Administrator

CITY OF GLENDALE, CALIFORNIA

Table of Contents

Exhibit

Page

INTRODUCTORY SECTION

(Not Covered by Independent Auditors' Report)

| | | |
|--|--|------|
| Letter of Transmittal | | i |
| Officials of the City of Glendale | | vii |
| Organizational Chart of the City of Glendale | | viii |
| Certificate of Achievement for Excellence in Financial Reporting | | ix |

FINANCIAL SECTION

| | | |
|--|-------------|----|
| Independent Auditors' Report on Financial Statements | | 1 |
| Management's Discussion and Analysis | | 3 |
| Basic Financial Statements: | | |
| Government-wide Financial Statements: | | |
| Statement of Net Assets | Exhibit A-1 | 17 |
| Statement of Activities | Exhibit A-2 | 18 |
| Fund Financial Statements | | |
| Balance Sheet – Governmental Funds | Exhibit B-1 | 19 |
| Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets | Exhibit B-2 | 20 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | Exhibit C-1 | 21 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund balances of Governmental Funds to the Statement of Activities | Exhibit C-2 | 22 |
| Statement of Revenues - Budget and Actual – General Fund | Exhibit D-1 | 23 |
| Statement of Expenditures – Budget and Actual – General Fund | Exhibit D-2 | 25 |
| Statement of Net Assets – Proprietary Funds | Exhibit E-1 | 29 |
| Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds | Exhibit E-2 | 30 |
| Statement of Cash Flows – Proprietary Funds | Exhibit E-3 | 31 |
| Notes to the Financial Statements | | 33 |
| Supplementary Information | | |
| Combining and Individual fund Statements and Schedules: | | |
| Combining Balance Sheet – Nonmajor Governmental Funds | Exhibit F-1 | 63 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds | Exhibit F-2 | 64 |
| Combining Balance sheet – Nonmajor Government Funds – Special Revenue | Exhibit G-1 | 67 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Government Funds – Special Revenue | Exhibit G-2 | 72 |
| Schedules of Revenues and Other Financing Sources – Budget and Actual – Nonmajor Governmental Funds – Special Revenue | Exhibit G-3 | 77 |
| Schedules of Expenditures and Other Financing Uses – Budget and Actual – Nonmajor Governmental Funds – Special Revenue | Exhibit G-4 | 81 |
| Combining Balance Sheet – Nonmajor Governmental Funds - Debt Service | Exhibit H-1 | 87 |

| | | |
|---|-------------|-----|
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – Debt Service | Exhibit H-2 | 88 |
| Schedules of Revenues and Other Financing Sources – Budget and Actual – Nonmajor Governmental Funds – Debt Service | Exhibit H-3 | 89 |
| Schedules of Expenditures and Other Financing Uses – Budget and Actual – Nonmajor Governmental Funds – Debt Service | Exhibit H-4 | 90 |
| Combining Balance Sheet – Nonmajor Governmental Funds – Capital Projects | Exhibit I-1 | 93 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – Capital Projects | Exhibit I-2 | 94 |
| Combining Statement of Net Assets – Proprietary Fund Type – Nonmajor Enterprise Funds | Exhibit J-1 | 97 |
| Combining Statement of Revenues, Expenditures and Changes in Net Assets – Proprietary Fund Type – Nonmajor Enterprise Funds | Exhibit J-2 | 98 |
| Combining Statement of Cash Flows – Proprietary Fund Type – Nonmajor Enterprise Funds | Exhibit J-3 | 99 |
| Schedule of Investment in Capital Assets – Nonmajor Enterprise Funds | Exhibit J-4 | 100 |
| Schedule of Changes in Capital Assets – Nonmajor Enterprise Funds | Exhibit J-5 | 101 |
| Combining Statement of Net Assets – Internal Service Funds | Exhibit K-1 | 105 |
| Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds | Exhibit K-2 | 109 |
| Combining Statement of Cash Flows – Internal Service Funds ... | Exhibit K-3 | 113 |
| Capital Assets used in the Operation of Governmental Funds Schedule by Function and Activity | Exhibit L-1 | 119 |
| Schedule of Changes of Function and Activity | Exhibit L-2 | 120 |

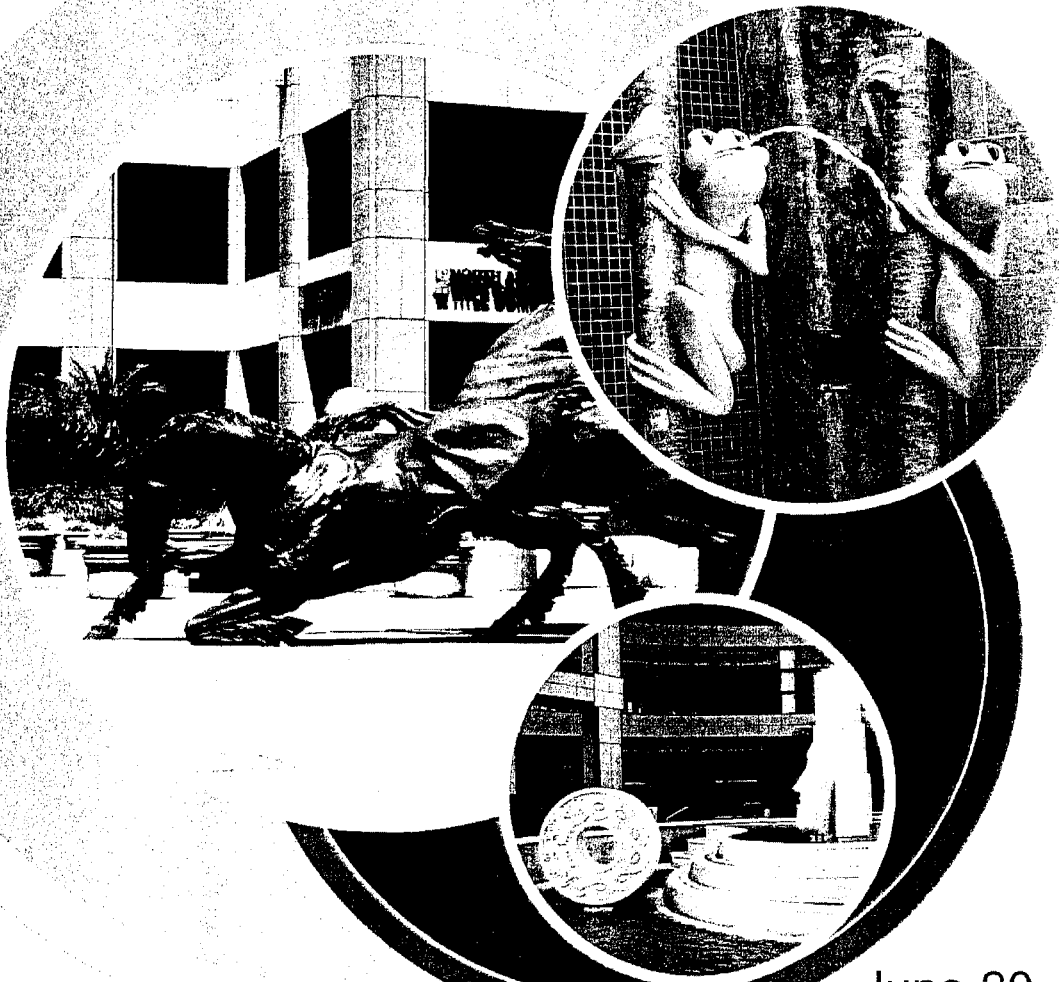
STATISTICAL SECTION:

(Not Covered by Independent Auditors' Report)

| | | |
|---|----|-----|
| Net Assets by Component | 1 | 121 |
| Changes in Net Assets | 2 | 122 |
| Fund Balances, Governmental Funds..... | 3 | 125 |
| Changes in Fund Balances, Governmental Funds..... | 4 | 126 |
| Assessed Value and Actual Value of Taxable Property..... | 5 | 128 |
| Direct and Overlapping Property Tax Rates | 6 | 129 |
| Principal Property Tax Payers..... | 7 | 130 |
| Property Tax Levies and Collections | 8 | 131 |
| Ratios of Outstanding Debt by Type..... | 9 | 132 |
| Direct & Overlapping Governmental Activities Debt..... | 10 | 133 |
| Legal Debt Margin Information | 11 | 134 |
| Pledged-Revenue Coverage..... | 12 | 135 |
| Demographic and Economic Statistics..... | 13 | 136 |
| Principal Employers | 14 | 137 |
| Full-time City Government Employees by Function/Program | 15 | 138 |
| Operations Indicators by Function/Program | 16 | 139 |
| Capital Asset Statistics by Function/Program | 17 | 140 |

Introductory Section

Comprehensive Annual Financial Report The City of Glendale, California



June 30, 2006

Transmittal Letter

CITY OF GLENDALE
Officials of the City of Glendale
June 30, 2006

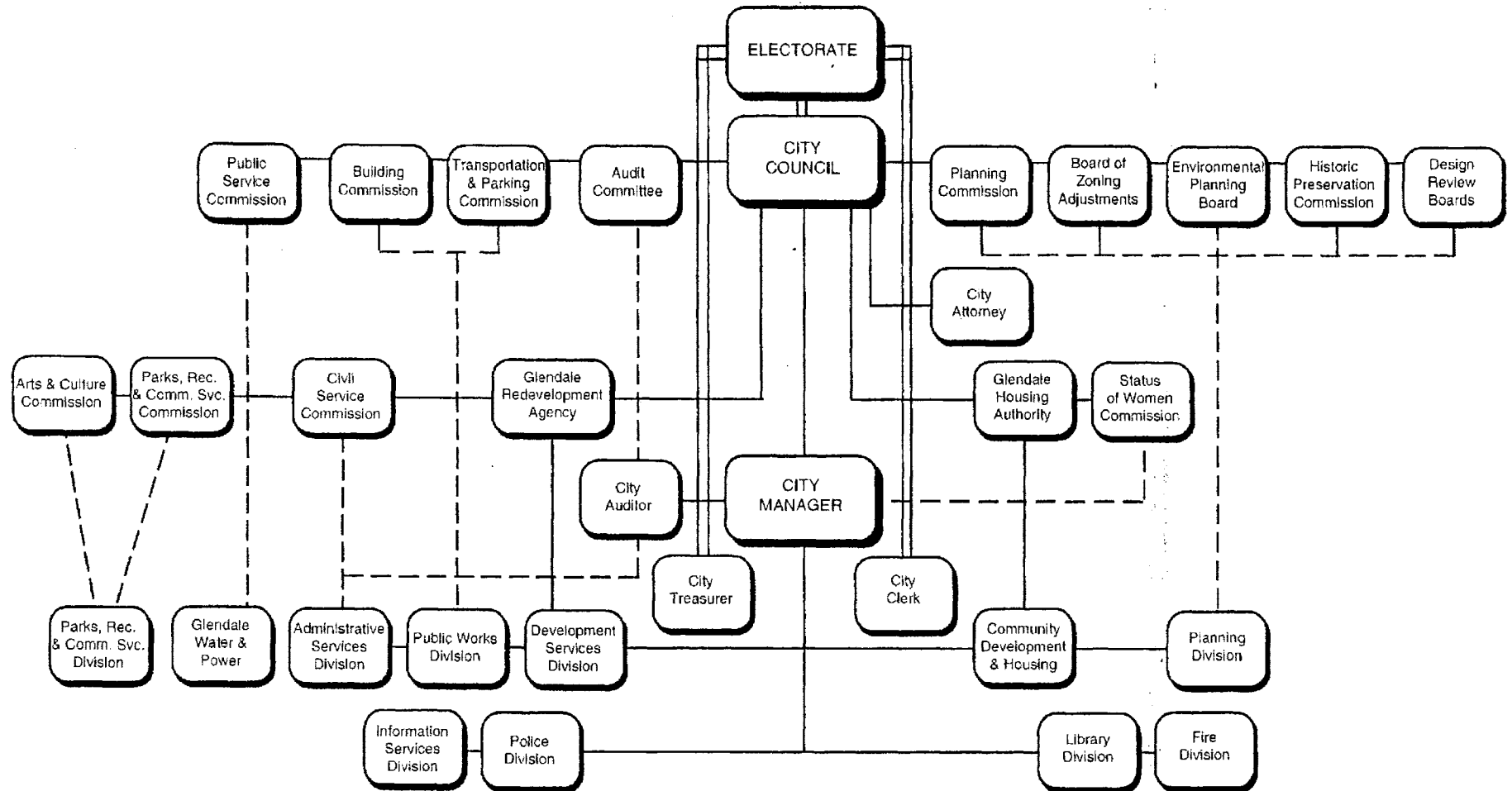
City Council

Dave Weaver, Mayor
Rafi Manoukian
Ara Najarian
Frank Quintero
Bob Yousefian

Administration and Division Heads

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

ORGANIZATIONAL CHART OF CITY OF GLENDALE



————— Administrative Control
 ===== Electoral Control
 - - - - - Advisory Control

ORGANIZATIONAL CHART

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, 2005

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



Carl E. Fung

President

Jeffrey R. Enen

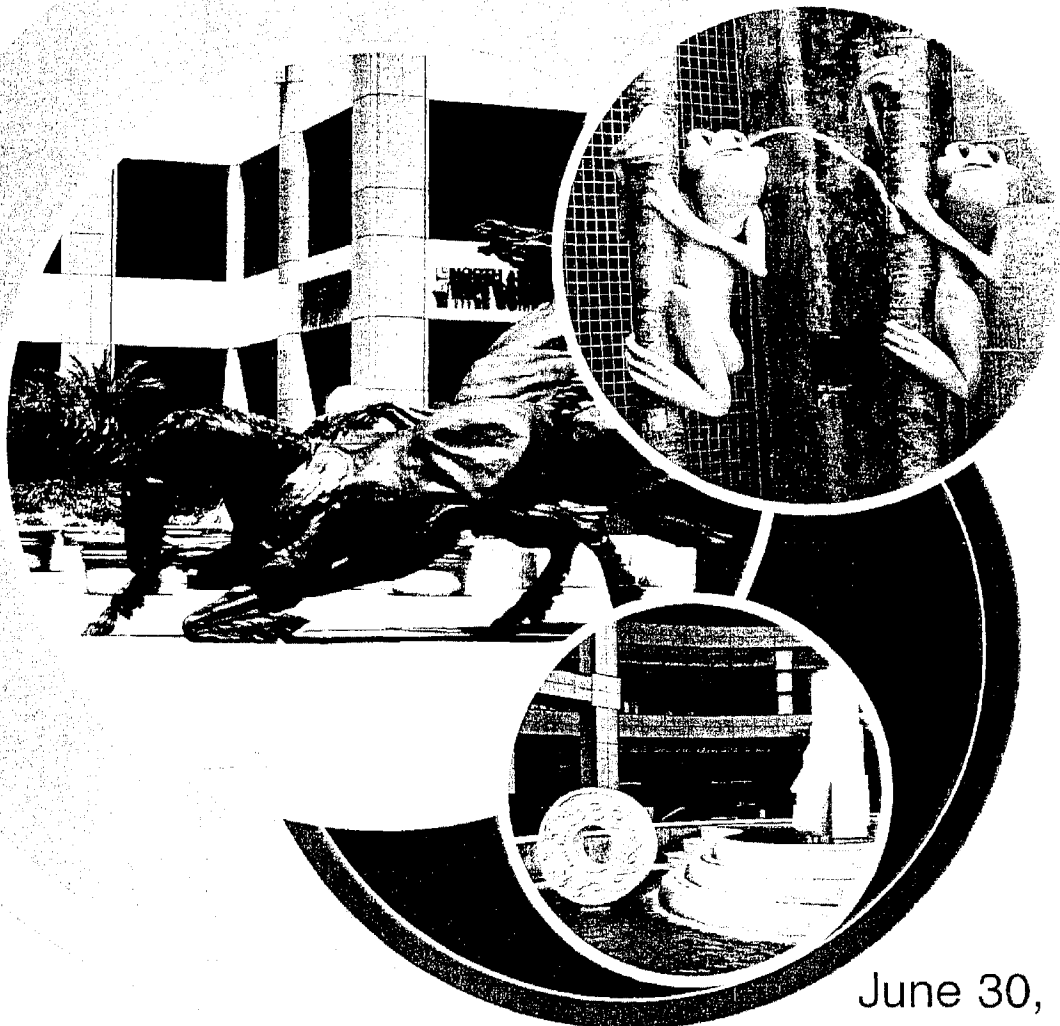
Executive Director

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Financial Section

Comprehensive Annual Financial Report

The City of Glendale, California



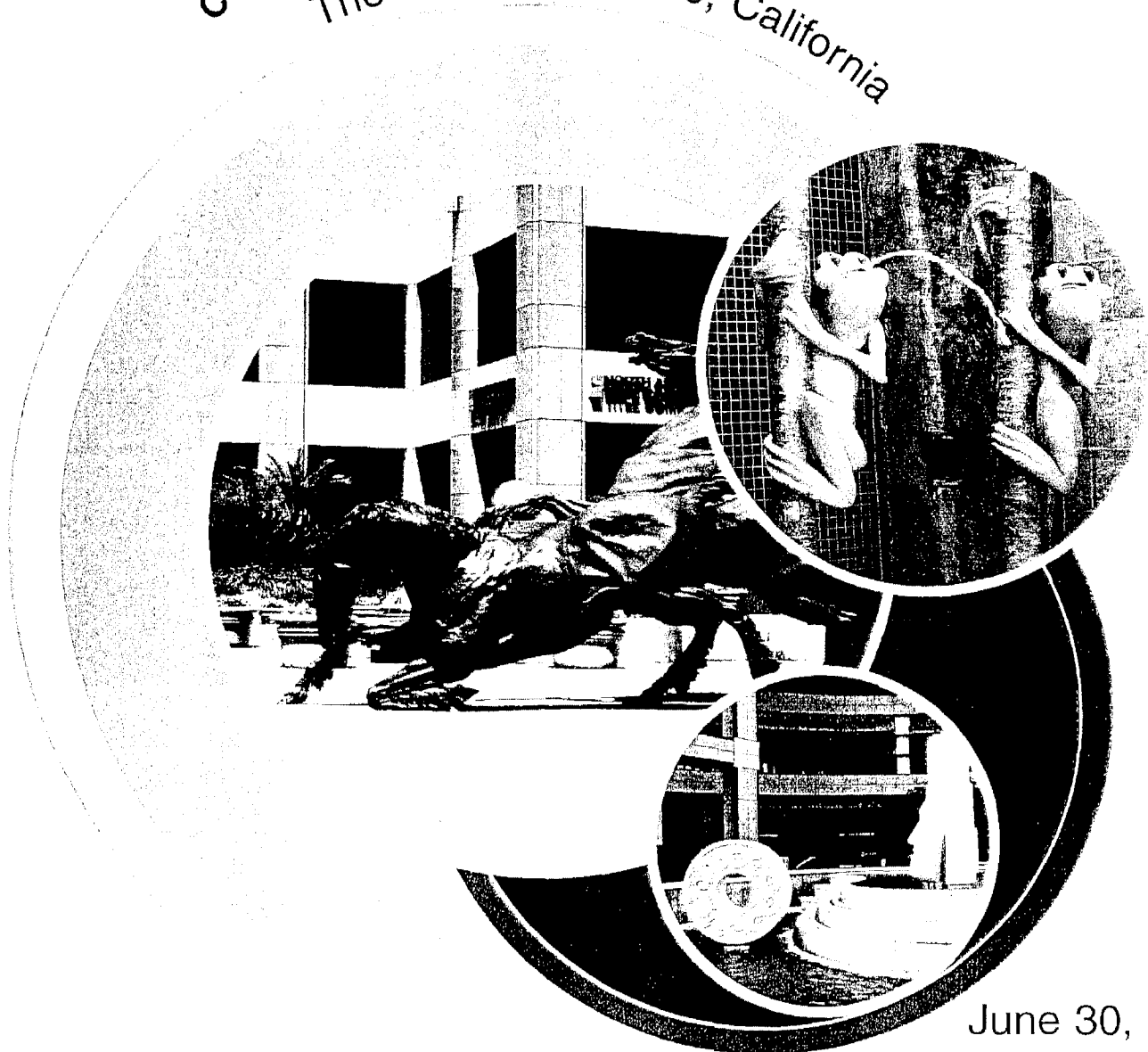
June 30, 2006

Auditor's Opinion

Management's Discussion and Analysis

comprehensive Annual Financial Report

The City of Glendale, California



June 30, 2006

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, 2006. 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 - v of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$1.6 billion (*net assets*). Of this amount, \$380.4 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. Of the \$380.4 million, \$221.2 million is in business type activities such as our electric, water, and sewer utilities.
- The City's total net assets increased by \$28.3 million. Most of this increase is attributable to an increase in capital assets.
- As of the close of the current fiscal year, the City governmental funds reported combined ending fund balances of \$304.8 million an decrease of \$15.7 million in comparison with the prior year. About 29 percent of this total amount, \$88.3 million, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance (\$30.6 million) and the charter required reserve (\$16.5 million for the general fund total \$47.1 million, or 34.1 percent of total general fund expenditures. City financial policy requires general fund reserve (including the Charter required reserve) equal to not less than 35% of the operating budget.
- The City's total debt decreased by \$23.7 million (7.4 percent) during the current fiscal year. The factors in this decrease were the combination of numerous decreases such as claims payable, capital lease and decreases such as bond retirements through regular annual payments.

Overview of the Financial Statements

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

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

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

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

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

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2006

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

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

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

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

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

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

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

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

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

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

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

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2006

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

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 61-117 of this report.

Government-wide Financial Analysis

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

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

By far the largest portion of the City's net assets (71 percent) reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Glendale's Net Assets

| (Millions of \$) | Governmental activities | | Business-type activities | | Total | |
|---|-------------------------|---------|--------------------------|-------|---------|---------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Current and other assets | \$ 396.3 | 416.4 | 255.4 | 304.6 | 651.7 | 721.0 |
| Capital Assets | 754.0 | 724.2 | 502.2 | 461.2 | 1,256.2 | 1,185.4 |
| Total assets | 1,150.3 | 1,140.6 | 757.6 | 765.8 | 1,907.9 | 1,906.4 |
| Long-term liabilities | 212.0 | 229.8 | 68.0 | 68.9 | 280.0 | 298.7 |
| Other liabilities | 38.1 | 40.3 | 24.0 | 29.9 | 62.0 | 70.2 |
| Total liabilities | 250.1 | 270.1 | 92.0 | 98.8 | 342.1 | 368.9 |
| Net assets: | | | | | | |
| Investment in capital assets, net of related debt | 679.2 | 658.4 | 435.8 | 393.3 | 1,115.0 | 1,051.7 |
| Restricted | 61.9 | 60.9 | 8.7 | 12.5 | 70.5 | 73.4 |
| Unrestricted | 159.1 | 151.2 | 221.2 | 261.2 | 380.4 | 412.4 |
| Total net assets | \$ 900.2 | 870.5 | 665.6 | 667.0 | 1,565.8 | 1,537.5 |

- 4.5% of the City's net assets represent resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$380.4 million) may be used to meet the government's ongoing obligations to citizens and creditors. Of the total, \$221.2 million is in business type activities such as our electric, water, and sewer utilities.

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

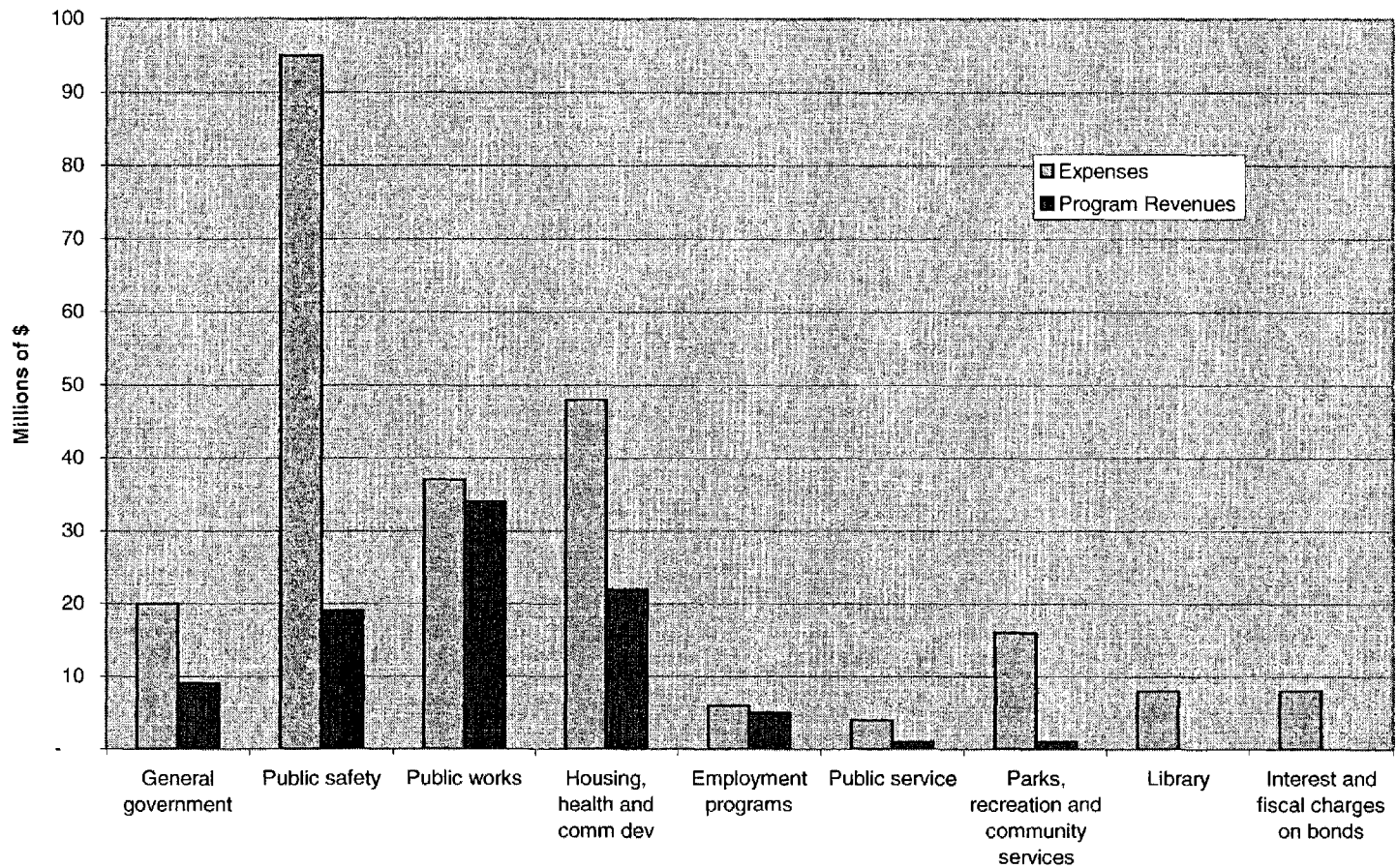
City of Glendale**Management's Discussion and Analysis, continued****June 30, 2006**

There was an increase of \$1 million in restricted net assets reported in connection with the City's governmental activities. Most of the increase resulted from the increased reserve for Charter.

Governmental activities. Governmental activities increased the City's net assets by \$29.7 million. Key elements of this increase are as follows:

- Charges for services increased by \$10.2 million (41.13 percent) during the year and the majority of the increase is due to the reclassification of fire paramedic fund from enterprise fund to special revenue fund in fiscal year 2006
- Operating grants and contribution increased by \$6.7 million (19.76 percent) during the year
- Capital Grants and contribution increased by \$8.7 million (127.94 percent) during the year
- Property tax increased by \$5.3 million (9.52 percent) during the year
- Miscellaneous revenue increased by \$6.9 million (44.52 percent) during the year
- Public safety expenses increased by \$11.7 million (14.10 percent) during the year and the majority of the increase is due to the reclassification of fire paramedic fund from enterprise fund to special revenue fund in fiscal year 2006
- Housing, health and community development increased \$7.9 million (19.90 percent) during the year
- Parks, recreation, and community services expenses increased by \$5.5 million (54.46 percent) during the year

Expenses and Program Revenues – Governmental Activities



City of Glendale's Changes in Net Assets

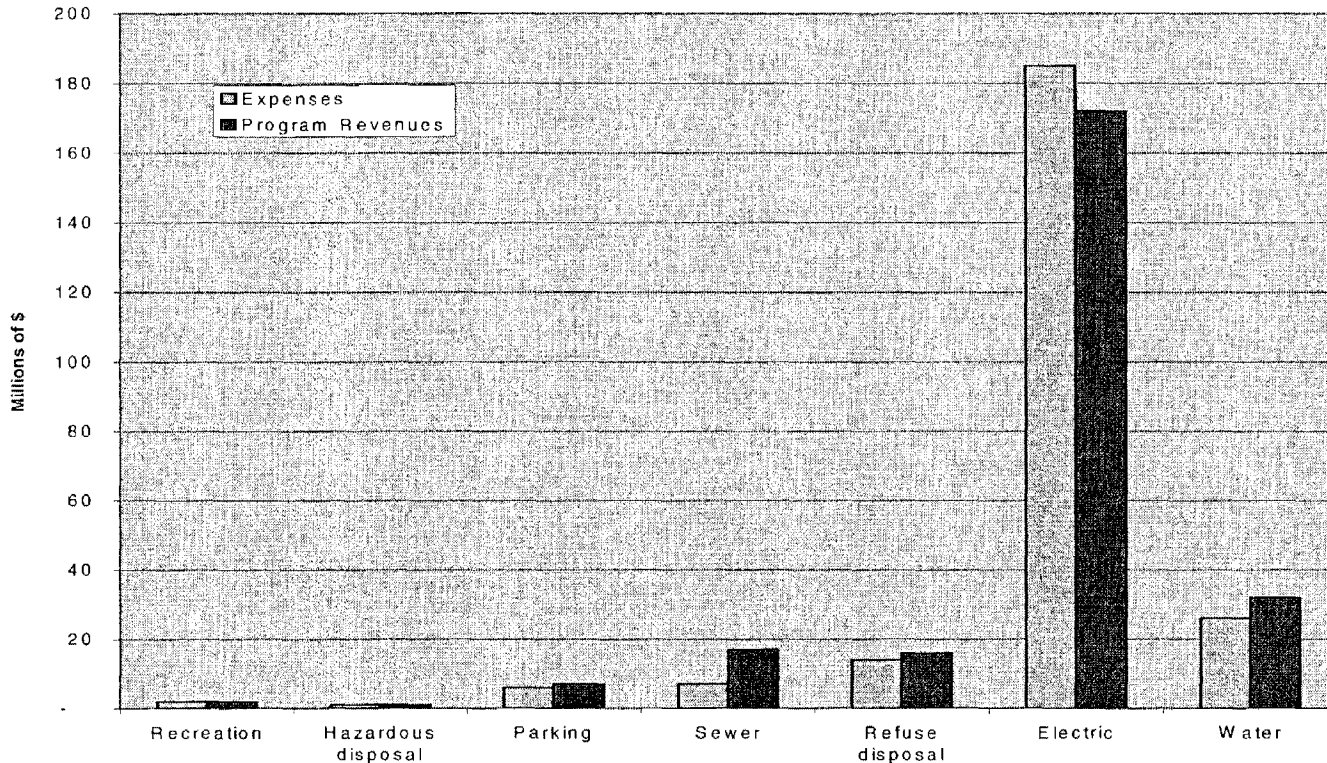
| (Millions of \$) | Governmental activities | | Business-type activities | | Total | |
|--|-------------------------|-------|--------------------------|--------|---------|---------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Revenue: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 35.0 | 24.8 | 244.5 | 227.4 | 279.5 | 252.2 |
| Operating grants & contrib | 40.6 | 33.9 | 0.5 | 0.7 | 41.1 | 34.6 |
| Capital grants & contrib | 15.5 | 6.8 | 2.7 | 1.4 | 18.2 | 8.2 |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | 61.0 | 55.7 | - | - | 61.0 | 55.7 |
| Sales Tax | 24.0 | 22.3 | - | - | 24.0 | 22.3 |
| Utility Users Tax | 24.4 | 23.8 | - | - | 24.4 | 23.8 |
| Misc. Taxes | 19.2 | 18.5 | - | - | 19.2 | 18.5 |
| Investment Income | 6.9 | 9.1 | 6.4 | 8.2 | 13.3 | 17.3 |
| Miscellaneous | 22.4 | 15.5 | 7.5 | 3.5 | 29.9 | 19.0 |
| Total revenues | 249.0 | 210.4 | 261.6 | 241.2 | 510.6 | 451.6 |
| Expenses: | | | | | | |
| General Government | 20.3 | 17.5 | - | - | 20.3 | 17.5 |
| Public Safety | 94.7 | 83.0 | - | - | 94.7 | 83.0 |
| Public Works | 37.0 | 39.3 | - | - | 37.0 | 39.3 |
| Housing, health & community devel. | 47.6 | 39.7 | - | - | 47.6 | 39.7 |
| Employment Programs | 6.1 | 5.1 | - | - | 6.1 | 5.1 |
| Public Service | 3.9 | 5.0 | - | - | 3.9 | 5.0 |
| Parks, recreation & comm. Services | 15.6 | 10.1 | - | - | 15.6 | 10.1 |
| Library | 7.9 | 7.0 | - | - | 7.9 | 7.0 |
| Interest & fiscal charges on bonds | 8.3 | 7.3 | - | - | 8.3 | 7.3 |
| Recreation | - | - | 1.8 | 2.1 | 1.8 | 2.1 |
| Hazardous disposal | - | - | 1.4 | 1.4 | 1.4 | 1.4 |
| Fire Paramedic | - | - | - | 8.1 | - | 8.1 |
| Parking | - | - | 5.6 | 5.9 | 5.6 | 5.9 |
| Sewer | - | - | 6.9 | 8.1 | 6.9 | 8.1 |
| Refuse Disposal | - | - | 14.4 | 14.6 | 14.4 | 14.6 |
| Electric | - | - | 184.8 | 147.4 | 184.8 | 147.4 |
| Water | - | - | 26.1 | 25.6 | 26.1 | 25.6 |
| Total expenses | 241.4 | 214.0 | 241.0 | 213.2 | 482.4 | 427.2 |
| Excess (deficiency) before transfers | 7.6 | (3.6) | 20.6 | 28.0 | 28.2 | 24.4 |
| Transfers | 24.4 | 27.1 | (24.4) | (27.1) | - | - |
| Increase (Decrease) in net assets | 32.0 | 23.5 | (3.8) | 0.9 | 28.2 | 24.4 |
| Net assets - Beg. of the year, as restated | 868.2 | 847.0 | 669.4 | 666.1 | 1,537.6 | 1,513.1 |
| Net assets - End of the year | \$ 900.2 | 870.5 | 665.6 | 667.0 | 1,565.8 | 1,537.5 |

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2006

Revenues By Source – Governmental Activities



Business-type activities. Business-type activities decreased the City of Glendale's net assets by \$1.4 million. Key elements of this decrease are as follows.

- Charges for services increased by \$17.1 million (7.52%) during the year
- Capital grants and contributions increased by \$1.3 million (92.86%) during the year
- Miscellaneous revenue increased by \$4.0 million (114.29 percent) during the year.
- Fire paramedic expense decreased by \$8.1 million (100 percent) during the year due to the reclassification of fire paramedic fund from enterprise fund to special revenue fund in fiscal year 2006.
- Electric expense increased by \$37.4 million (25.37 percent) during the year due to the increasing fuel costs.

Financial Analysis of the Government's Funds

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

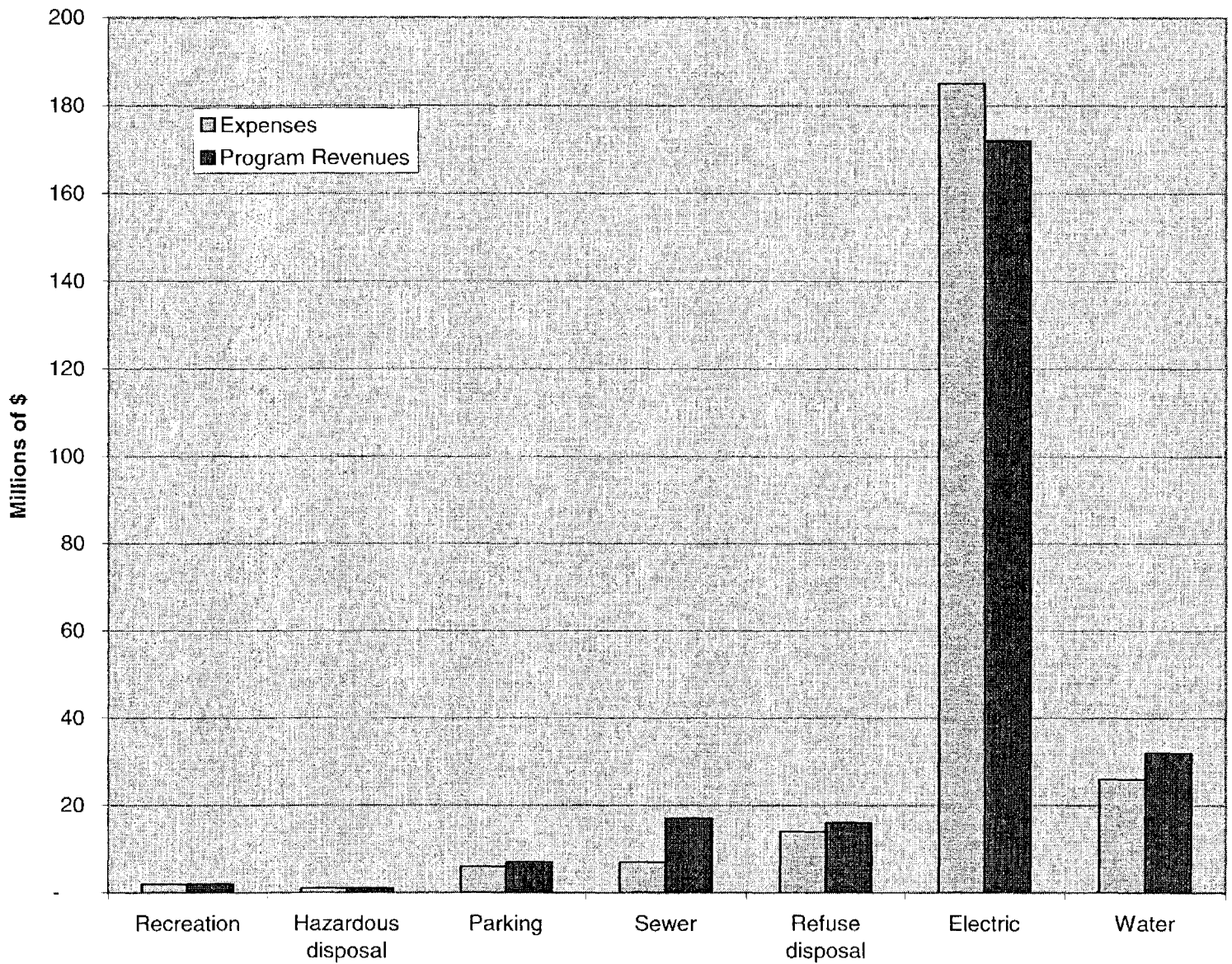
Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spending* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure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

City of Glendale

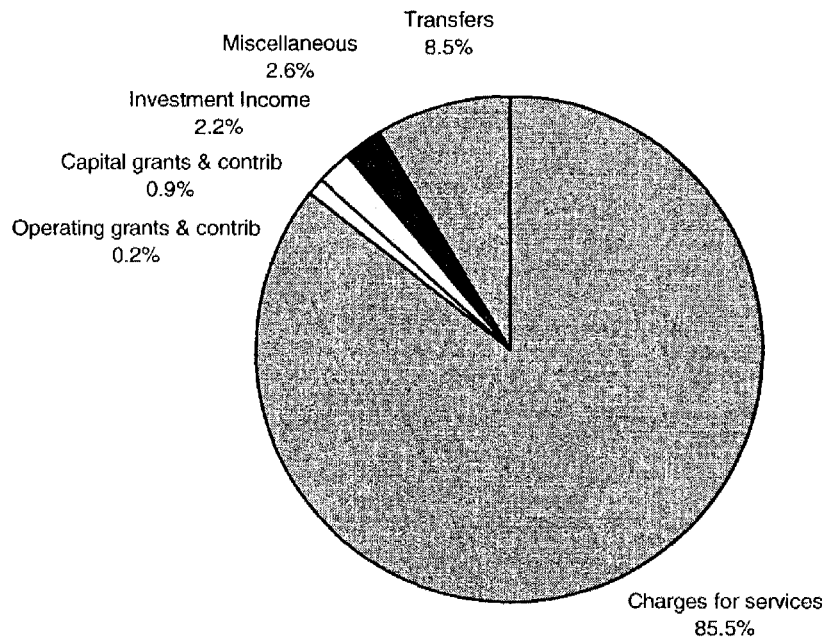
Management's Discussion and Analysis, continued

June 30, 2006

Expenses and Program Revenues –Business-type Activities



Revenues By Source –Business-type Activities



As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$304.8 million, a decrease of \$15.7 million in comparison with the prior year. About 28.9 percent of this total amount (\$88 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$25.1 million), 2) to meet the charter reserve requirement (\$16.5 million), 3) to hold property for future development (71.8 million), 4) to pay debt service (\$15.9 million), 5) advance of City funds to the Glendale Redevelopment Agency (\$66.6 million), 6) for prepaid items (\$1.8 million), 7) for the Scholl canyon landfill closure and post closure care (\$17 million), 8) for the return of deposits (\$0.007 million) or 9) for the loans to Glendale Unified School District (\$1.8 million).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance and the charter-required reserve of the general fund were \$30.6 million and \$16.5 million, respectively, while total fund balance was \$116.2 million. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance and the charter-required reserve, totaling \$47.1 million, represent 34.1 percent of total general fund expenditures.

The fund balance of the City's general fund decreased by \$1.7 million during the current fiscal year due to expenses exceeding revenues. Key factors in this decline are as follows:

- Public safety expenses increased by \$3.3 million (4.3%) this year
- Public works expenses increased by \$3.8 million (22.8%) this year

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2006

The debt service funds have a total fund balance of \$57.2 million, all of which is reserved for the payment of debt service, except \$45.0 million. The net decrease in fund balance during the current year in the debt service fund was \$1.8 million.

The Glendale Redevelopment Agency Fund has a total fund balance of \$38.0 million. The Agency has a deficit in unrestricted net assets of \$32.8 million due to the nature of redevelopment financing. Redevelopment agencies typically leverage current tax increment revenues by issuing long-term debt (including loans from the City) in order to raise capital to promote economic development within the project area. The new projects constructed, in turn, generate additional tax increment revenues, which again, may only be captured to the extent that the Agency incurs indebtedness. Indebtedness includes bonded indebtedness, notes, loans, advances, payments due under development agreements, and City loans. The Agency incurs debt based on future tax increments to fund infrastructure projects. Once the infrastructure projects are completed, the asset is transferred to the City, however, the debt remains with the Agency resulting in deficit net assets. Total fund balance in this fund decreased \$3.1 million during the current year mainly due to increased capital and debt service expenses.

The Capital Project Fund has a total fund balance of \$33.4 million, and \$28.8 million of the total fund balance is reserved. The two largest reserve commitments are for landfill post closure care (\$17 million) and for liquidation of contracts and purchase orders of the prior period (\$8 million).

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

At the end of the year, unrestricted net assets of the Sewer Fund amounted to \$72.1 million, those for the Electric Fund amounted to \$136.8 million, those for the Water Fund totaled \$8.1 million, and other proprietary funds had unrestricted net assets of \$12.8 million. The total growth in net assets for the Sewer Fund was \$10.4 million, for the Electric Fund was a \$25.0 million decrease, for the Water Fund was a \$3.0 million increase, and was a \$4.5 million increase for the other proprietary funds. Other factors concerning the finance of these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

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

- \$0.5 million in increases allocated to general government activities
- \$1.4 million in increases allocated to public safety
- \$0.8 million in increases allocated to the public works department

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

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2006, amounts to \$1.1 billion (net of accumulated depreciation). 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 6 percent (a 3.2 percent increase for governmental activities and a 10.8 percent increase for business-type activities).

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

- The purchase of open space properties, including \$10 million for the interstate 5/western interchange, \$6 million for Flint Canyon property, \$3 million for the affordable housing units at 6206 San Fernando, \$2.6 million for park development.
- The capitalization of the complete constructions of buildings and improvements, including \$63 million in the police building and \$13 million in the Edison Pacific Park.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2006

- As of the close of the fiscal year, the Sewer fund had a \$ 9.8 million increase in buildings and improvements compared to the prior year.
- As of the close of the fiscal year, the Electric fund had a \$26.3 million increase in machinery and equipment, a \$14.2 million in natural gas reserve compared to the prior year.
- As of the close of the fiscal year, the Water fund reflected a \$5.6 million increase in buildings and improvements, and a \$0.8 million increase in machinery and equipment compared to the prior year.

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

| (Millions of \$) | Governmental activities | | Business-type activities | | Total | |
|---------------------------------------|-------------------------|--------|--------------------------|--------|---------|---------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Land | \$ 361.7 | 340.5 | 15.0 | 14.9 | 376.7 | 355.4 |
| Natural Gas Reserve | - | - | 14.2 | - | 14.2 | - |
| Buildings and improvements | 221.3 | 135.3 | 335.2 | 319.2 | 556.5 | 454.5 |
| Machinery & equipment | 76.1 | 83.6 | 398.9 | 373.7 | 475.0 | 457.3 |
| Infrastructure | 216.3 | 202.7 | - | - | 216.3 | 202.7 |
| Drilling In Progress | - | - | - | - | - | - |
| Construction in progress | 62.2 | 139.0 | 46.1 | 42.8 | 108.3 | 181.8 |
| Total capital assets | 937.6 | 901.1 | 809.4 | 750.6 | 1,747.0 | 1,651.7 |
| Less: Accumulated depreciation | -183.6 | -176.9 | -306.5 | -289.4 | -490.1 | -466.3 |
| Less: Gas depletion | - | - | -.7 | - | -.7 | - |
| Net of depreciation | \$ 754.0 | 724.2 | 502.2 | 461.2 | 1,256.2 | 1,185.4 |

Additional information on the City's capital assets can be found in note III D on pages 44-45 as well as pages 119-120 of this report.

Long-term debt. At the end of the current fiscal year, the City has total debt outstanding of \$295.5 million. Of this amount, \$59.6 million is certificates of participation to fund the new police facility, \$97 million is tax allocation bonds backed by the property tax increment collected from the Central redevelopment project area, \$68 million is the revenue bonds secured solely by Electric Utility revenue, \$4.6 million is for bond premiums, a negative \$2.9 million is for a deferred amount on the refunding of the 2003 Tax Allocation Bonds, a negative \$2.2 million is for a deferred amount on the refunding of the 2006 Electric revenue bond, \$19.9 million is owed for the postclosure and postclosure care of Scholl Canyon landfill, \$4 million is for capital lease, \$0.1 million is for arbitrage rebate liability, \$11.6 million is for compensated absences, \$1.5 million is for section 108, \$2.8 million is for notes payable, , \$0.1 million is for accrued interest, \$25.7 million is for claims payable, and \$5.8 million is for post employment benefits.

City of Glendale's Outstanding Debt

| | Governmental activities | | Business-type activities | | Total | |
|---|-------------------------|--------------|--------------------------|-------------|--------------|--------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| (Millions of \$) | | | | | | |
| Bonds payable: | | | | | | |
| Police Facility Certificate of Participation | 59.6 | 60.8 | - | - | 59.6 | 60.8 |
| 2002 Tax allocation bonds | 42.4 | 44.3 | - | - | 42.4 | 44.3 |
| 2003 Tax allocation bonds | 54.6 | 56.9 | - | - | 54.6 | 56.9 |
| Electric Revenue Bonds, 2000 Series | - | - | - | 37.0 | - | 37.0 |
| Electric Revenue Bonds, 2003 Series | - | - | 29.3 | 30.1 | 29.3 | 30.1 |
| Electric Revenue Bonds, 2006 Series | - | - | 38.7 | - | 38.7 | - |
| Bond premium | 3.9 | 4.1 | .7 | .6 | 4.6 | 4.7 |
| Deferred Amount on Refunding - 2003 TAB | - 2.9 | - 3.1 | - | - | - 2.9 | - 3.1 |
| Deferred Amount on Refunding - 2006 Electric Bond | - | - | - 2.2 | - | - 2.2 | - |
| Total Bonds Payable | 157.6 | 163.1 | 66.5 | 67.6 | 224.0 | 230.7 |
| Landfill postclosure and postclosure care liability | 19.9 | 18.5 | - | - | 19.9 | 18.5 |
| Capital lease | 4.0 | 5.0 | - | - | 4.0 | 5.0 |
| Arbitrage rebate liability | .1 | - | - | - | .1 | - |
| Compensated absences | 8.7 | 8.1 | 2.9 | 2.9 | 11.6 | 11.0 |
| Section 108 | 1.5 | 1.6 | - | - | 1.5 | 1.6 |
| Notes payable | 2.8 | 3.7 | - | - | 2.8 | 3.7 |
| Accrued interest | .0 | - | .1 | .1 | .1 | .1 |
| Claims payable | 25.7 | 42.9 | - | - | 25.7 | 42.9 |
| Post employment benefits | 5.4 | 5.7 | .4 | - | 5.8 | 5.7 |
| Total general long term debt | 225.7 | 248.6 | 69.9 | 70.7 | 295.5 | 319.2 |

The City's total debt decreased by \$23.7 million (7.4 percent) during the current fiscal year. The factors in this decrease were the retirement of \$1.2 million of the Police Facility COPs, the retirement of \$4.2 million in GRA tax allocation bonds, an increase of \$0.9 million in Electric revenue bonds, and a net decrease in bond premiums of \$0.1 million, an increase in the net deferred amount of \$0.2 million on the refunding of the 2003 tax allocation bonds, an increase of a negative net deferred amount of \$2.2 million on the refunding of the 2006 Electric revenue bond, a \$1.4 million increase in the postclosure and postclosure care liability for the Scholl Canyon landfill, a \$1 million decrease in the capital lease, an increase of \$0.1 million in arbitrage rebate liability, an addition of compensated absences of \$0.6 million, a \$0.1 million decrease for Section 108, a net decrease of \$0.9 million decrease for notes payable, a \$17.2 million decrease of claims payable and a \$0.1 million increase in post employment benefit.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2006

The 2006 Electric revenue bond issue received a "Aaa" rating from Moody's, "AAA" rating from Standard & Poor's (S&P), and a "AAA" rating from Fitch based on insurance purchased related to the issues. The 2003 Electric revenue bond issue received a "Aaa" rating from Moody's, "AAA" rating from Standard & Poor's (S&P), and a "AAA" rating from Fitch based on insurance purchased related to the issues. The Agency's 2003 tax allocation bond issue received a "AAA" rating from Standard & Poor's and a "Aaa" rating from Moody's based on insurance purchased related to the issues. The Agency's 2002 tax allocation bond issue received a "Aaa" rating from Moody's and a S&P rating of "AAA" based on insurance purchased related to the issues. Also, the City of Glendale Financing Authority's certificates of participation received a "AA-" rating from Fitch and Standard & Poor's, and Moody's.

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

Economic Factors and Next Year's Budget and Rates

- Property tax revenue continues to show a steady increase due to the growth in real estate market values and sales.
- High natural gas prices are continuing into next year fueling higher landfill gas royalties.
- Utility users tax is also showing significant growth into next year.

All of these factors were considered in preparing the City's budget for the 2006-2007 fiscal year.

State Budget

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

Requests for Information

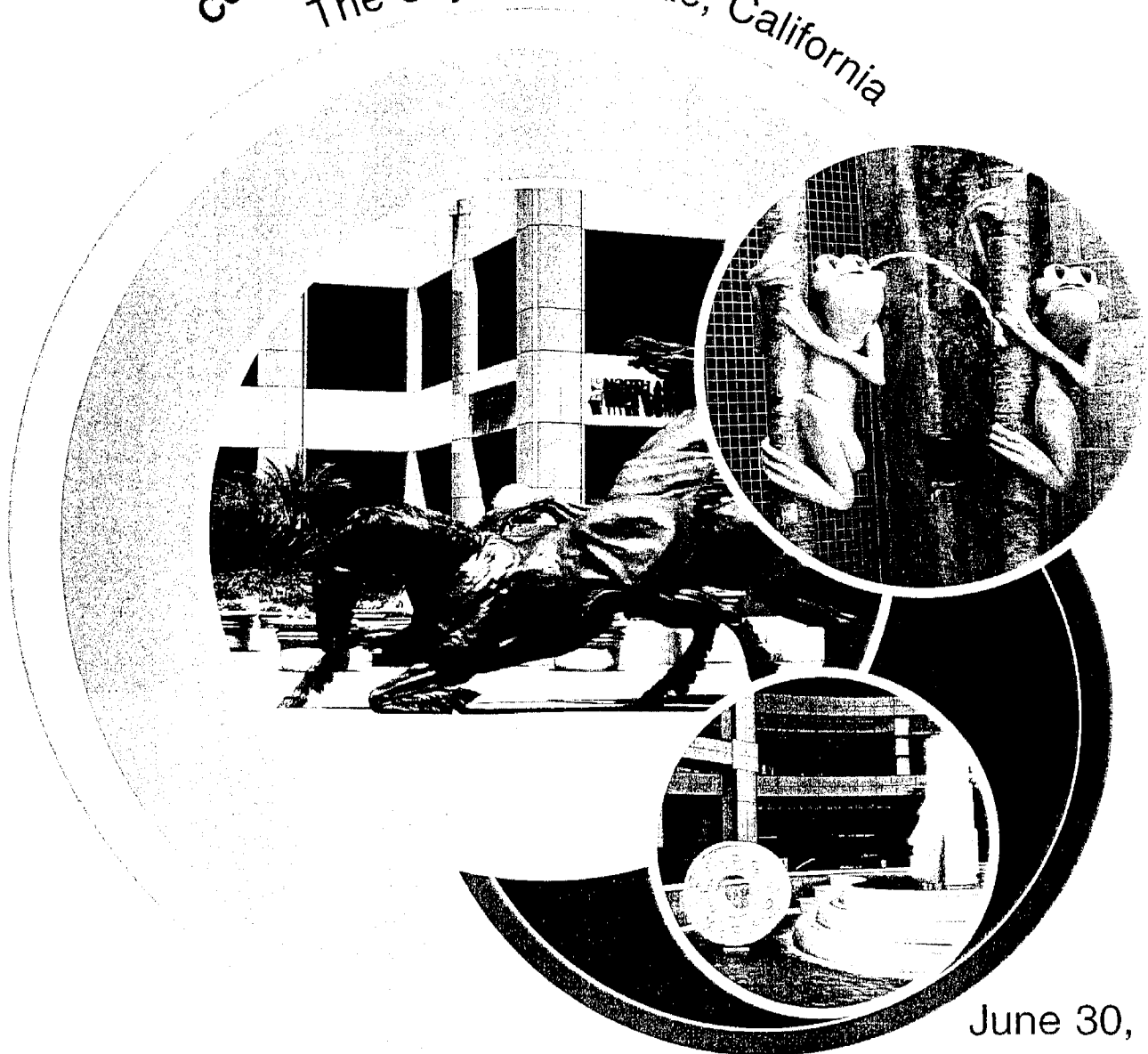
This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Administrative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

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Government-Wide Financial Statements

Comprehensive Annual Financial Report

The City of Glendale, California



June 30, 2006

CITY OF GLENDALE

Statement of Net Assets

June 30, 2006

| | Governmental Activities | Business Type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and invested cash | \$ 241,500,929 | 152,125,144 | 393,626,073 |
| Imprest cash | 25,280 | 4,200 | 29,480 |
| Cash with fiscal agent | 13,828,966 | 2,558,601 | 16,387,567 |
| Investment-gas/elec commodity | - | 2,814,247 | 2,814,247 |
| Interest receivable | 2,486,551 | 1,836,111 | 4,322,662 |
| Accounts receivable, net | 5,403,825 | 12,334,484 | 17,738,309 |
| Unbilled receivable | 1,273,207 | 20,681,713 | 21,954,920 |
| Intergovernmental receivable | - | - | - |
| Due from other agencies | 31,760,877 | 117,400 | 31,878,277 |
| Due from other funds | 1,945,803 | 1,331,140 | 3,276,943 |
| Internal balances | 15,132,867 | (8,554,777) | 6,578,090 |
| Deposits | 7,000 | 9,717 | 16,717 |
| Inventories | 96,091 | 5,510,638 | 5,606,729 |
| Prepaid items | 2,028,257 | 1,005,367 | 3,033,624 |
| Total current assets | 315,489,653 | 191,773,985 | 507,263,638 |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land | 361,753,091 | 14,985,968 | 376,739,059 |
| Natural Gas Reserve | - | 13,558,171 | 13,558,171 |
| Buildings and improvements | 168,384,797 | 246,872,357 | 415,257,154 |
| Machinery and equipment | 31,014,886 | 180,769,391 | 211,784,277 |
| Infrastructure | 130,634,241 | - | 130,634,241 |
| Construction in progress | 62,186,866 | 46,060,763 | 108,247,630 |
| Total capital assets | 753,973,881 | 502,246,650 | 1,256,220,532 |
| Designated & invested cash | 4,000,000 | 62,729,757 | 66,729,757 |
| Deferred charges | 3,238,901 | 898,635 | 4,137,536 |
| Loans receivable | 1,800,000 | - | 1,800,000 |
| Property held for resale | 71,776,823 | - | 71,776,823 |
| Total non current assets | 834,789,605 | 565,875,042 | 1,400,664,647 |
| Total assets | 1,150,279,258 | 757,649,027 | 1,907,928,285 |
| Liabilities and Net Assets | | | |
| Current liabilities: | | | |
| Accounts payable | 7,342,691 | 14,216,191 | 21,558,883 |
| Contracts-retained amount due | 1,785,167 | 2,053,545 | 3,838,713 |
| Accrued wages and withholding | 4,749,829 | 1,676,654 | 6,426,483 |
| Due to other agencies | 1,158,719 | 58,085 | 1,216,804 |
| Due to other funds | 3,276,943 | - | 3,276,943 |
| Interest payable | 456,757 | 807,062 | 1,263,818 |
| Claims Payable | 4,864,711 | - | 4,864,711 |
| Compensated absences | 1,613,257 | 453,721 | 2,066,978 |
| Long term debt,due in one year | 7,475,749 | 1,383,611 | 8,859,360 |
| Deferred revenues | 915,349 | 158,100 | 1,073,449 |
| Deposits | 4,730,318 | 3,167,636 | 7,897,954 |
| Total current liabilities | 38,369,491 | 23,974,604 | 62,344,095 |
| Noncurrent liabilities: | | | |
| Claims payable | 20,866,278 | - | 20,866,278 |
| Post employment benefits | 5,431,405 | 360,326 | 5,791,731 |
| Compensated absences | 7,063,967 | 2,479,733 | 9,543,700 |
| Long term debt | 178,335,641 | 65,194,852 | 243,530,493 |
| Total noncurrent liabilities | 211,697,291 | 68,034,911 | 279,732,202 |
| Total liabilities | 250,066,782 | 92,009,515 | 342,076,297 |
| Net assets: | | | |
| Investment in capital assets, net of rela | 679,204,502 | 435,757,427 | 1,114,961,930 |
| Restricted | | | |
| Charter | 16,494,682 | - | 16,494,682 |
| Low and moderate housing | 21,413,753 | - | 21,413,753 |
| Debt service | 23,969,805 | 2,397,824 | 26,367,629 |
| SCAQMD emission controls | - | 6,254,725 | 6,254,725 |
| Unrestricted | 159,129,733 | 221,229,536 | 380,359,269 |
| Total net assets | \$ 900,212,476 | 665,639,511 | 1,565,851,987 |

Exhibit A-2
CITY OF GLENDALE
Statement of Activities
For Fiscal Year Ended June 30, 2006

| | Expenses | Program Revenues | | | Net (Expenses) Revenues and Changes in Net Assets | | |
|--|----------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------|
| | | Charges for services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business Type Activities | Total |
| Governmental Activities: | \$ | | | | | | |
| General government | 20,288,977 | 8,762,201 | 100,667 | - | (11,426,109) | - | (11,426,109) |
| Public safety | 94,722,874 | 12,169,254 | 4,386,903 | 1,990,504 | (76,176,213) | - | (76,176,213) |
| Public works | 37,021,583 | 12,673,911 | 8,057,495 | 13,545,558 | (2,744,620) | - | (2,744,620) |
| Housing, health and comm dev | 47,579,613 | 110,157 | 22,199,451 | - | (25,270,005) | - | (25,270,005) |
| Employment programs | 6,101,639 | 1,154,398 | 4,189,364 | - | (757,877) | - | (757,877) |
| Public service | 3,897,611 | - | 981,860 | - | (2,915,751) | - | (2,915,751) |
| Parks, recreation and community services | 15,588,477 | 28,414 | 310,084 | - | (15,249,980) | - | (15,249,980) |
| Library | 7,913,125 | 201,576 | 390,925 | - | (7,320,624) | - | (7,320,624) |
| Interest and fiscal charges on bonds | 8,251,413 | - | - | - | (8,251,413) | - | (8,251,413) |
| Total governmental activities | 241,365,313 | 35,099,911 | 40,616,748 | 15,536,062 | (150,112,592) | - | (150,112,592) |
| Business-type activities: | | | | | | | |
| Recreation | 1,851,420 | 1,943,315 | 264,000 | 19,000 | - | 374,895 | 374,895 |
| Hazardous disposal | 1,419,147 | 1,403,386 | 9,789 | - | - | (5,972) | (5,972) |
| Parking | 5,589,183 | 7,024,251 | - | - | - | 1,435,069 | 1,435,069 |
| Sewer | 6,869,938 | 16,610,496 | - | - | - | 9,740,558 | 9,740,558 |
| Refuse disposal | 14,378,390 | 16,115,129 | 56,120 | 190,192 | - | 1,983,050 | 1,983,050 |
| Electric | 184,761,996 | 170,207,430 | 839 | 2,083,428 | - | (12,470,300) | (12,470,300) |
| Water | 26,150,586 | 31,188,695 | 180,637 | 419,607 | - | 5,638,353 | 5,638,353 |
| Total business-type activities | 241,020,660 | 244,492,701 | 511,385 | 2,712,227 | - | 6,695,652 | 6,695,652 |
| Total primary government | \$ 482,385,973 | 279,592,611 | 41,128,133 | 18,248,289 | (150,112,592) | 6,695,652 | (143,416,940) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | \$ 60,960,571 | - | 60,960,571 |
| Sales taxes | | | | | 23,984,472 | - | 23,984,472 |
| Utility users tax | | | | | 24,386,420 | - | 24,386,420 |
| Other taxes | | | | | 19,216,137 | - | 19,216,137 |
| Investment income | | | | | 6,888,268 | 6,420,738 | 13,309,005 |
| Other | | | | | 22,351,705 | 7,510,846 | 29,862,551 |
| Transfers | | | | | 24,357,406 | (24,357,406) | (0) |
| Total general revenues, transfers and special item | | | | | 182,144,979 | (10,425,823) | 171,719,156 |
| Change in net assets | | | | | 32,032,387 | (3,730,170) | 28,302,216 |
| Net assets, July 1 | | | | | 868,180,089 | 669,369,682 | 1,537,549,771 |
| Net assets, June 30 | | | | | \$ 900,212,476 | 665,639,511 | 1,565,851,987 |

Exhibit B-1
CITY OF GLENDALE
Balance Sheet
Governmental Funds
June 30, 2006

| Major Funds | | | | | |
|--|-----------------------|--|-----------------------------|--------------------------------|-----------------------------|
| | General Fund | Glendale Redevelopment Agency Fund | Capital Improvement Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| Assets | | | | | |
| Cash and invested cash | \$ 38,641,809 | 35,211,482 | 26,122,882 | 95,637,920 | 195,614,093 |
| Imprest cash | 24,780 | 500 | - | - | 25,280 |
| Cash with fiscal agent | - | - | - | 13,829,035 | 13,829,035 |
| Designated & invested cash | 4,000,000 | - | - | - | 4,000,000 |
| Interest receivable | 951,936 | 340,064 | - | 817,561 | 2,109,560 |
| Accounts receivable, net | 1,848,645 | - | 68,415 | 3,222,917 | 5,139,977 |
| Intergovernmental receivable | 67,051,639 | - | - | - | 67,051,639 |
| Unbilled receivable | 892,097 | - | - | 381,110 | 1,273,207 |
| Due from other agencies | 8,450,610 | 4,573,423 | 9,817,221 | 8,919,072 | 31,760,326 |
| Due from other funds | 10,362,601 | - | - | - | 10,362,601 |
| Deposits | - | 7,000 | - | - | 7,000 |
| Inventories | 96,091 | - | - | - | 96,091 |
| Prepaid items | - | - | - | 1,758,107 | 1,758,107 |
| Property held for resale | - | 64,340,799 | - | 7,436,024 | 71,776,823 |
| Total assets | 132,320,207 | 106,273,267 | 36,008,518 | 132,001,746 | 406,603,739 |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 2,347,910 | 692,058 | 1,138,682 | 2,356,318 | 6,534,968 |
| Contracts-retained amount due | 1,750,899 | - | - | 34,268 | 1,785,167 |
| Due to other funds | - | - | 1,331,140 | 9,788,743 | 11,119,883 |
| Due to other agencies | - | 422,867 | - | 735,852 | 1,158,719 |
| Interest payable | - | - | - | 32,856 | 32,856 |
| Long term debt, due in one year | - | - | - | - | - |
| Accrued wages and withholding | 3,628,674 | 64,501 | 66,158 | 719,228 | 4,478,560 |
| Accrued interest | - | - | - | - | - |
| Compensated absences | - | - | - | - | - |
| Deferred revenues | 3,959,739 | - | - | 915,349 | 4,875,088 |
| Deposits | 4,449,690 | 25,000 | 100,000 | 155,628 | 4,730,318 |
| Claims payable | - | - | - | - | - |
| Post employment benefits | - | - | - | - | - |
| Landfill | - | - | - | - | - |
| Long term debt | - | 67,051,639 | - | - | 67,051,639 |
| Total liabilities | 16,136,912 | 68,256,065 | 2,635,980 | 14,738,242 | 101,767,199 |
| Fund Balances: | | | | | |
| Reserved: | | | | | |
| Deposit | - | 7,000 | - | - | 7,000 |
| Prepaid | - | - | - | 1,758,107 | 1,758,107 |
| Charter | 16,494,682 | - | - | - | 16,494,682 |
| Debt service | - | - | 3,750,918 | 12,192,618 | 15,943,536 |
| Landfill post closure care | - | - | 17,000,000 | - | 17,000,000 |
| Encumbrances | 2,464,000 | 4,639,000 | 8,050,000 | 9,983,000 | 25,136,000 |
| Loans Receivable | - | 1,800,000 | - | - | 1,800,000 |
| City/Agency advances | 66,626,295 | - | - | - | 66,626,295 |
| Property Resale | - | 64,340,799 | - | 7,436,024 | 71,776,823 |
| Unreserved, reported in: | | | | | |
| General funds | 30,598,318 | - | - | - | 30,598,318 |
| Special revenue funds | - | (32,769,597) | - | 33,451,540 | 681,943 |
| Capital project funds | - | - | 4,571,620 | 7,458,678 | 12,030,298 |
| Debt service | - | - | - | 44,983,538 | 44,983,538 |
| Total fund balances | 116,183,295 | 38,017,202 | 33,372,538 | 117,263,505 | 304,836,540 |
| Total liabilities and fund balances | \$ 132,320,207 | 106,273,267 | 36,008,518 | 132,001,746 | 406,603,739 |

CITY OF GLENDALE

Reconciliation of Balance Sheet of

Governmental Funds to the Statement of Net Assets

June 30, 2006

| | | |
|-------------------------------------|----|-------------|
| Fund balances of governmental funds | \$ | 304,836,540 |
|-------------------------------------|----|-------------|

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

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

| | | | |
|----------------------------|----|-------------------|-------------|
| Land | \$ | 361,753,091 | |
| Buildings and improvements | | 168,384,797 | |
| Equipment | | 31,014,884 | |
| Infrastructure | | 130,634,243 | |
| Construction in progress | | <u>62,186,866</u> | 753,973,881 |

Costs of issuance of bonds were fully expended in the governmental
funds. This is the amount to establish the unamortized deferred charges.

| | | |
|---------------------------|------------------|-----------|
| Police building bonds | 552,000 | |
| 2002 Tax allocation bonds | 893,822 | |
| 2003 Tax allocation bonds | <u>1,793,078</u> | 3,238,900 |

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

Due within one year:

| | | |
|--|------------------|-------------|
| Police building bonds | (1,300,000) | |
| 2002 Tax allocation bonds | (1,980,000) | |
| 2003 Tax allocation bonds, net of deferred amount on refunding | (2,234,866) | |
| Capital lease | (743,633) | |
| Arbitrage Rebate | (124,250) | |
| Section 108 | (170,000) | |
| Notes payable | <u>(923,000)</u> | (7,475,749) |

Due more than one year:

| | | |
|------------------------------------|--------------------|---------------|
| Police building bonds | (58,300,000) | |
| 2002 Tax allocation bonds | (40,440,000) | |
| 2003 Tax allocation bonds | (49,461,553) | |
| Post closure and post closure care | (19,920,983) | |
| Bond Premium - GRA | (3,864,268) | |
| Capital lease | (3,222,837) | |
| Section 108 | (1,280,000) | |
| Notes payable | <u>(1,846,000)</u> | (178,335,641) |

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

| | | |
|--|-----------------|-----------|
| Police building certificate of participation | - | |
| 2002 Tax allocation bonds | (155,786) | |
| 2003 Tax allocation bonds | (200,843) | |
| Capital lease | (46,027) | |
| Section 108 | <u>(21,244)</u> | (423,900) |

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

3,959,739

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

20,438,706

| | | |
|---------------------------------------|----|---------------------------|
| Net assets of governmental activities | \$ | <u><u>900,212,476</u></u> |
|---------------------------------------|----|---------------------------|

Exhibit C-1

CITY OF GLENDALE

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Fund

Year Ended June 30, 2006

| | Major Funds | | | | |
|--|----------------|--|-----------------------------|------------------------------------|-----------------------------|
| | General Fund | Glendale Redevelopment Agency Fund | Capital Improvement Fund | Non Major Governmental Funds | Total Governmental Funds |
| Revenues: | | | | | |
| Property taxes | \$ 33,029,808 | 13,743,382 | - | 14,187,380 | 60,960,571 |
| Other taxes | 58,840,505 | - | 7,329,624 | 3,002,192 | 69,172,321 |
| Revenue from other agencies | 2,527,792 | 1,415,830 | 10,538,573 | 41,764,699 | 56,246,893 |
| Licenses and permits | 6,247,516 | - | - | - | 6,247,516 |
| Fines and forfeitures | 1,342,090 | - | - | 329,092 | 1,671,181 |
| Charges for services | 3,515,232 | 14,156 | 4,970,078 | 12,579,378 | 21,078,844 |
| Use of money and property | 4,830,944 | 1,241,051 | - | 2,842,287 | 8,914,282 |
| Intergovernmental revenue | 1,500,000 | - | - | - | 1,500,000 |
| Interfund revenue | 7,492,550 | - | 281,000 | - | 7,773,550 |
| Miscellaneous revenue | 1,218,922 | 276,948 | (18,657) | 9,421,875 | 10,899,088 |
| Total Revenues | 120,545,360 | 16,691,367 | 23,100,617 | 84,126,901 | 244,464,246 |
| Expenditures: | | | | | |
| Operating expenditures | | | | | |
| General government | 17,284,727 | - | 17,138 | 682,469 | 17,984,333 |
| Community promotion | 244,919 | - | - | - | 244,919 |
| Public safety | 79,660,175 | - | 2,006,193 | 15,799,342 | 97,465,709 |
| Public works | 20,528,245 | - | 567,938 | 8,670,972 | 29,767,155 |
| Housing, health and community development | 2,156,748 | 10,528,249 | 17,344 | 25,044,231 | 37,746,572 |
| Employment programs | - | - | - | 6,129,225 | 6,129,225 |
| Public service | - | - | - | 3,931,324 | 3,931,324 |
| Parks, recreation and community services | 10,763,422 | - | 748,937 | 453,983 | 11,966,341 |
| Library | 7,402,855 | - | (23,349) | 288,094 | 7,667,599 |
| Capital | 284,428 | 9,227,037 | 30,627,996 | 13,088,715 | 53,228,177 |
| Debt service | - | - | - | 11,953,990 | 11,953,990 |
| Total expenditures | 138,325,519 | 19,755,286 | 33,962,196 | 86,042,344 | 278,085,345 |
| Excess of revenues over (under) expenditures | (17,780,159) | (3,063,918) | (10,861,579) | (1,915,443) | (33,621,099) |
| Other financing sources (use): | | | | | |
| Transfer from | - | - | - | - | - |
| Transfer-General Fund | - | - | 6,075,000 | 934,911 | 7,009,911 |
| Transfer-Special Revenue | - | - | - | 100,000 | 100,000 |
| Transfer-Capital Funds | 1,800,000 | - | - | - | 1,800,000 |
| Transfer-GRA | - | 417,000 | - | - | 417,000 |
| Transfer-Sewer Fund | 1,000,000 | - | - | - | 1,000,000 |
| Transfer-Electric | 17,683,587 | - | - | - | 17,683,587 |
| Transfer-Water | 3,873,819 | - | - | - | 3,873,819 |
| Transfer-Parking | 1,800,000 | - | - | - | 1,800,000 |
| Transfer to | | | | | |
| Transfer-General Fund | - | - | (1,800,000) | - | (1,800,000) |
| Transfer-Special Revenue | (934,911) | (417,000) | - | (100,000) | (1,451,911) |
| Transfer-Capital Funds | (6,075,000) | - | - | - | (6,075,000) |
| Transfer-Int Service | (3,034,699) | - | (1,045,810) | - | (4,080,509) |
| Total financing sources (use) | 16,112,796 | - | 3,229,190 | 934,911 | 20,276,897 |
| Net change in fund balances | (1,667,363) | (3,063,918) | (7,632,390) | (980,532) | (13,344,203) |
| Fund balance, July 1 | 117,850,658 | 41,081,120 | 41,004,928 | 118,244,036 | 318,180,743 |
| Fund Balance, June 30 | \$ 116,183,295 | 38,017,202 | 33,372,538 | 117,263,505 | 304,836,540 |

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
For Fiscal Year Ended June 30, 2006

| | | | |
|---|----|------------------|--------------------------|
| Net change in fund balances - total governmental funds | | \$ | (13,344,203) |
| Amounts reported for governmental activities in the statement of activities are different because: | | | |
| Governmental funds report capital assets as expenditures | | | 43,764,581 |
| In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. | | | (15,181,736) |
| In the statement of activities, bond issuance costs are deferred and allocated to expense over the life of bonds: | | | |
| Police building bonds | \$ | (23,000) | |
| 2002 Tax allocation bonds | | (57,666) | |
| 2003 Tax allocation bonds | | <u>(117,762)</u> | (198,428) |
| In the statement of activities, the deferred amounts on refunding are allocated over the life of the bonds as a component of expense. | | | (200,134) |
| In the statement of activities, the bond premium is allocated over the life of bonds as revenue | | | |
| 2002 Tax allocation bonds | | 105,619 | |
| 2003 Tax allocation bonds | | <u>145,251</u> | 250,870 |
| In the statement of activities, bond proceeds, bond premium, and other long term debts which are other financing sources in governmental funds are classified as liabilities. | | | |
| Capital lease - Suntrust Leasing | | | |
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets: | | | |
| Police building bonds | | 1,200,000 | |
| 2002 Tax allocation bonds | | 1,920,000 | |
| 2003 Tax allocation bonds | | 2,315,000 | |
| Capital lease | | 716,230 | |
| Section 108 | | 140,000 | |
| Notes payable | | <u>923,000</u> | 7,214,230 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds: | | | |
| Accrued interest, June 30, 2006 | | | |
| 2002 Tax Allocation Bonds | | (155,786) | |
| 2003 Tax Allocation Bonds | | (200,843) | |
| Section 108 | | (21,244) | |
| Capital lease | | <u>(46,027)</u> | (423,900) |
| Accrued interest, June 30, 2005 | | | |
| 2002 Tax Allocation Bonds | | 160,586 | |
| 2003 Tax Allocation Bonds | | 210,489 | |
| Section 8 | | 22,640 | |
| Capital Leases | | <u>59,832</u> | 453,547 |
| Landfill postclosure care liability increased from prior year | | | (1,468,263) |
| Arbitrage Liability | | | (124,250) |
| Deferred revenue in the governmental funds is a revenue in the statement of activities. | | | 1,116,538 |
| Change in net assets of Internal Service funds allocated to governmental activities | | | <u>10,173,535</u> |
| Change in net assets for governmental activities | | \$ | <u><u>32,032,387</u></u> |

Exhibit D-1
CITY OF GLENDALE
Statement of Revenues - Budget to Actual
General Fund
Year Ended June 30, 2006

| | Budgeted Amounts | | Actual | Variance Favorable (Unfavorable) |
|--|------------------|------------|------------|-------------------------------------|
| | Original | Final | | |
| Property taxes | \$ 28,455,000 | 31,105,000 | 33,029,808 | 1,924,808 |
| Other Taxes | | | | |
| Sales Tax | 20,000,000 | 20,000,000 | 20,619,446 | 619,446 |
| ERAF in Lieu of Sales Tax | 6,425,000 | 6,425,000 | 5,391,066 | (1,033,934) |
| State 1/2% Sales Tax | 1,400,000 | 1,400,000 | 1,585,291 | 185,291 |
| Utility Users Tax | 23,600,000 | 23,800,000 | 24,386,420 | 586,420 |
| Franchise Tax | 2,550,000 | 2,550,000 | 2,850,317 | 300,317 |
| Occupancy Tax | 2,300,000 | 2,300,000 | 2,653,344 | 353,344 |
| Property Transfer Tax | 900,000 | 1,100,000 | 1,354,621 | 254,621 |
| Total | 57,175,000 | 57,575,000 | 58,840,505 | 1,265,505 |
| Licenses and permits: | | | | |
| Dog Licenses | 160,000 | 160,000 | 146,692 | (13,308) |
| Cat Licenses | - | - | 5 | 5 |
| Bicycle Licenses | - | - | (70) | (70) |
| Building Permits | 3,310,000 | 3,310,000 | 3,947,305 | 637,305 |
| Plan Check Fees | 150,000 | 150,000 | 205,231 | 55,231 |
| Variance Permits | 650,000 | 900,000 | 1,184,778 | 284,778 |
| Grading Permits | 30,000 | 30,000 | 55,973 | 25,973 |
| Street Permits | 140,000 | 140,000 | 277,062 | 137,062 |
| Business License Permits | 450,000 | 450,000 | 430,541 | (19,459) |
| Total | 4,890,000 | 5,140,000 | 6,247,516 | 1,107,516 |
| Fines and forfeitures - Traffic safety fines | 1,550,000 | 1,400,000 | 1,342,090 | (57,910) |
| Use of money and property: | | | | |
| Interest & Inv. Revenue | 3,200,000 | 3,200,000 | 2,444,006 | (755,994) |
| Interest & Inv GASB 31 | - | - | (505,104) | (505,104) |
| Landfill Gas Royalties | 1,600,000 | 2,500,000 | 2,765,634 | 265,634 |
| Rental Income | 103,000 | 103,000 | 126,408 | 23,408 |
| Total | 4,903,000 | 5,803,000 | 4,830,944 | (972,056) |
| Revenue from other agencies: | | | | |
| Federal Library Grant | - | 126,630 | - | (126,630) |
| Disaster Relief Reimb | - | - | 227,576 | 227,576 |
| Mutual Aid Reimbursement | - | - | 126,631 | 126,631 |
| State Grants | - | - | 20,435 | 20,435 |
| Disaster Relief Reimb - State | - | - | 114,642 | 114,642 |
| State AB 1662 Booking Fee | 25,000 | 25,000 | - | (25,000) |
| State S/B 90 | - | - | 383,485 | 383,485 |
| Motor Vehicle in Lieu | 1,000,000 | 1,000,000 | 1,344,532 | 344,532 |
| State Library Grant | 50,000 | 50,000 | 75,423 | 25,423 |
| State H/O Exemptions | 200,000 | 200,000 | 222,020 | 22,020 |
| County Grants | 10,000 | 10,000 | 13,050 | 3,050 |
| Total | 1,285,000 | 1,411,630 | 2,527,792 | 1,116,162 |
| Miscellaneous revenue: | | | | |
| Donations & Contribution | 60,000 | 70,000 | 234,175 | 164,175 |
| Designated Donation - M&O | - | - | 10,667 | 10,667 |
| Rose Float Donations | 40,000 | 40,000 | 90,000 | 50,000 |
| Sponsorships | 600,000 | 1,000,000 | - | (1,000,000) |
| Unclaimed money & prop | - | - | 43,300 | 43,300 |
| Miscellaneous Revenue | 350,000 | 365,000 | 518,035 | 153,035 |
| Sales of property | - | - | 322,744 | 322,744 |
| Total | \$ 1,050,000 | 1,475,000 | 1,218,922 | (256,078) |

Exhibit D-1
CITY OF GLENDALE
Statement of Revenues - Budget to Actual
General Fund
Year Ended June 30, 2006

| | Budgeted Amounts | | Actual | Variance Favorable (Unfavorable) |
|----------------------------------|------------------|-------------|-------------|-------------------------------------|
| | Original | Final | | |
| Charges for services: | | | | |
| Zoning-Subdivision Fees | 43,000 | 43,000 | 72,283 | 29,283 |
| Map and Publication Fees | 25,000 | 25,000 | 27,959 | 2,959 |
| Filing-Certification Fee | 10,000 | 10,000 | 9,444 | (556) |
| Finger Print Fees | 125,000 | 125,000 | 87,627 | (37,373) |
| Special Police Fees | 962,000 | 1,174,000 | 761,663 | (412,337) |
| Vehicle Tow Admin Fee (VTACR) | 200,000 | 200,000 | 223,685 | 23,685 |
| Fire Inspection Fees | 300,000 | 300,000 | 328,492 | 28,492 |
| Fire Communication Fees | 185,000 | 185,000 | 230,916 | 45,916 |
| Hydrant Flow Test Fees | 5,000 | 5,000 | 5,620 | 620 |
| Hazardous Vegetation Fee | 3,000 | 3,000 | 4,627 | 1,627 |
| Code Enforcement Fees | 100,000 | 100,000 | 110,157 | 10,157 |
| Youth Employment Fees | 1,469,500 | 1,939,000 | 1,154,398 | (784,602) |
| Express Plan Check Fees | 250,000 | 400,000 | (18,338) | (418,338) |
| Excavation Fees | 32,000 | 32,000 | 58,656 | 26,656 |
| Resurfacing Fees | 5,000 | 5,000 | - | (5,000) |
| Collectible Jobs Vehicle | 100,000 | 100,000 | 67,800 | (32,200) |
| Collectible Jobs - A & G | 105,000 | 105,000 | 144,592 | 39,592 |
| Library Fines and Fees | 145,000 | 145,000 | 138,936 | (6,064) |
| Library Misc Fees | - | - | 60 | 60 |
| Rental Civic Auditorium | - | - | (3,300) | (3,300) |
| Rental Bldgs/Facilities | 20,000 | 20,000 | 529 | (19,471) |
| Registrations Fees | 30,000 | 30,000 | - | (30,000) |
| Aquatics | 30,000 | 30,000 | 31,185 | 1,185 |
| Parks Misc Fees | 5,000 | 5,000 | - | (5,000) |
| Local Assessment Fees | 100,000 | 100,000 | 78,242 | (21,758) |
| Total | 4,249,500 | 5,081,000 | 3,515,232 | (1,565,768) |
| Interfund revenue | | | | |
| Charges to enterprise funds for: | | | | |
| Charges to Ent-Council | 170,000 | 170,000 | 199,022 | 29,022 |
| Charges to Ent-Manager | 750,000 | 750,000 | 801,495 | 51,495 |
| Charges to Ent-Auditor | 230,000 | 230,000 | 307,035 | 77,035 |
| Charges to Ent-Clerk | 380,000 | 380,000 | 415,844 | 35,844 |
| Charges to Ent-Finance | 1,250,000 | 1,250,000 | 1,193,146 | (56,854) |
| Charges to Ent-EDP | 2,000,000 | 2,000,000 | 2,216,897 | 216,897 |
| Charges to Ent-Treasurer | 200,000 | 200,000 | 216,210 | 16,210 |
| Charges to Ent-Purchasing | 165,000 | 165,000 | 172,869 | 7,869 |
| Charges to Ent-Legal | 750,000 | 750,000 | 804,302 | 54,302 |
| Charges to Ent-Personnel | 420,000 | 420,000 | 482,373 | 62,373 |
| Charges to Ent-Training | 50,000 | 50,000 | 26,664 | (23,336) |
| Charges to Ent-Parks-Rec | 58,000 | 58,000 | 51,524 | (6,476) |
| Charges to Ent-G.G. Bldg | 47,000 | 47,000 | 45,840 | (1,160) |
| Charges to Ent-Mem & Due | 19,000 | 19,000 | 18,875 | (125) |
| Charges to Ent-PW Admin | 330,000 | 330,000 | 287,953 | (42,047) |
| Salary O/H Budget Job | 300,000 | 300,000 | 252,502 | (47,498) |
| Total | 7,119,000 | 7,119,000 | 7,492,550 | 373,550 |
| Intergovernmental revenue | 1,500,000 | 1,500,000 | 1,500,000 | - |
| Total revenues | \$ 112,176,500 | 117,609,630 | 120,545,360 | 2,935,730 |

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2006

| | Salaries and Benefits | | | | Maintenance and Operation | | | |
|-------------------------|-----------------------|------------|------------|--------------------------|---------------------------|-----------|-----------|--------------------------|
| | Original | Final | Actual | Variance (Over)/Under | Original | Final | Actual | Variance (Over)/Under |
| General government: | | | | | | | | |
| City council | 297,583 | 336,819 | 330,414 | 6,405 | 87,603 | 91,206 | 106,668 | (15,462) |
| City clerk | 778,358 | 805,538 | 795,541 | 9,997 | 155,984 | 155,984 | 117,725 | 38,259 |
| Elections | 14,658 | 14,987 | 550 | 14,437 | 8,564 | 20,264 | 1,194 | 19,070 |
| City treasurer | 400,571 | 413,447 | 429,714 | (16,267) | 64,758 | 64,758 | 45,111 | 19,647 |
| City manager | 1,246,453 | 1,317,329 | 1,404,521 | (87,192) | 566,527 | 439,746 | 316,242 | 123,504 |
| City auditor | 509,861 | 555,106 | 567,470 | (12,364) | 56,648 | 150,352 | 117,576 | 32,776 |
| Legal | 1,726,651 | 1,771,501 | 1,617,526 | 153,975 | 141,983 | 166,983 | 148,897 | 18,086 |
| Finance | 1,880,287 | 1,817,877 | 1,692,007 | 125,870 | 747,020 | 920,670 | 928,381 | (7,711) |
| Purchasing | 367,887 | 380,023 | 362,057 | 17,966 | 26,998 | 26,998 | 17,612 | 9,386 |
| Information services | 3,315,412 | 3,422,318 | 3,317,763 | 104,555 | 477,104 | 477,104 | 591,472 | (114,368) |
| Communications services | - | - | - | - | - | - | - | - |
| Planning | 2,632,992 | 2,699,852 | 2,730,549 | (30,697) | 125,959 | 143,333 | 201,561 | (58,228) |
| Personnel | 1,077,303 | 1,111,276 | 1,064,601 | 46,675 | 410,652 | 394,652 | 303,938 | 90,714 |
| Training | - | - | - | - | 232,035 | 182,035 | 75,638 | 106,397 |
| Total | 14,248,016 | 14,646,073 | 14,312,712 | 333,361 | 3,101,835 | 3,234,085 | 2,972,015 | 262,070 |
| Community promotion: | | | | | | | | |
| Special Events | 25,000 | 15,000 | 263 | 14,737 | - | 160,000 | 191,113 | (31,113) |
| Membership and dues | - | - | - | - | 58,789 | 58,789 | 53,543 | 5,246 |
| Total | 25,000 | 15,000 | 263 | 14,737 | 58,789 | 218,789 | 244,656 | (25,867) |
| Public safety: | | | | | | | | |
| Police | 40,396,824 | 40,914,252 | 40,369,410 | 544,842 | 5,382,207 | 5,385,631 | 6,152,337 | (766,706) |
| Fire | 27,174,482 | 27,933,084 | 28,361,316 | (428,232) | 2,080,465 | 2,124,765 | 2,346,212 | (221,447) |
| Fire prevention | 1,243,756 | 1,263,552 | 1,361,633 | (98,081) | 121,147 | 121,147 | 105,227 | 15,920 |
| Fire communications | - | - | - | - | 769,669 | 769,669 | 786,714 | (17,045) |
| Emergency services | 129,312 | 131,092 | 131,908 | (816) | 38,139 | 38,139 | 45,419 | (7,280) |
| Total | \$ 68,944,374 | 70,241,980 | 70,224,267 | 17,713 | 8,391,627 | 8,439,351 | 9,435,908 | (996,557) |

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2006

| | Capital Outlay | | | | Total | | | |
|-------------------------|----------------|---------|---------|--------------------------|------------|------------|------------|--------------------------|
| | Original | Final | Actual | Variance (Over)/Under | Original | Final | Actual | Variance (Over)/Under |
| General government: | \$ | | | | | | | |
| City council | 5,000 | 5,000 | - | 5,000 | 390,186 | 433,025 | 437,083 | (4,058) |
| City clerk | - | - | - | - | 934,342 | 961,522 | 913,266 | 48,256 |
| Elections | - | - | - | - | 23,222 | 35,251 | 1,743 | 33,508 |
| City treasurer | - | - | - | - | 465,329 | 478,205 | 474,825 | 3,380 |
| City manager | - | - | - | - | 1,812,980 | 1,757,075 | 1,720,764 | 36,311 |
| City auditor | - | - | - | - | 566,509 | 705,458 | 685,046 | 20,412 |
| Legal | - | - | - | - | 1,868,634 | 1,938,484 | 1,766,423 | 172,061 |
| Finance | - | - | - | - | 2,627,307 | 2,738,547 | 2,620,388 | 118,159 |
| Purchasing | - | - | - | - | 394,885 | 407,021 | 379,668 | 27,353 |
| Information services | - | - | - | - | 3,792,516 | 3,899,422 | 3,909,236 | (9,814) |
| Communications services | - | - | - | - | - | - | - | - |
| Planning | - | - | - | - | 2,758,951 | 2,843,185 | 2,932,110 | (88,925) |
| Personnel | - | 16,000 | - | 16,000 | 1,487,955 | 1,521,928 | 1,368,539 | 153,389 |
| Training | - | - | - | - | 232,035 | 182,035 | 75,638 | 106,397 |
| Total | 5,000 | 21,000 | - | 21,000 | 17,354,851 | 17,901,158 | 17,284,727 | 616,431 |
| Community promotion: | | | | | | | | |
| Special Events | - | - | - | - | 25,000 | 175,000 | 191,376 | (16,376) |
| Membership and dues | - | - | - | - | 58,789 | 58,789 | 53,543 | 5,246 |
| Total | - | - | - | - | 83,789 | 233,789 | 244,919 | (11,130) |
| Public safety: | | | | | | | | |
| Police | 35,470 | 53,314 | 56,679 | (3,365) | 45,814,501 | 46,353,197 | 46,578,426 | (225,229) |
| Fire | - | 50,700 | 50,590 | 110 | 29,254,947 | 30,108,549 | 30,758,117 | (649,568) |
| Fire prevention | - | - | - | - | 1,364,903 | 1,384,699 | 1,466,860 | (82,161) |
| Fire communications | - | - | - | - | 769,669 | 769,669 | 786,714 | (17,045) |
| Emergency services | - | - | - | - | 167,451 | 169,231 | 177,327 | (8,096) |
| Total | \$ 35,470 | 104,014 | 107,269 | (3,255) | 77,371,471 | 78,785,345 | 79,767,443 | (982,098) |

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2006

| | Salaries and Benefits | | | | Maintenance and Operation | | | |
|--|-----------------------|-------------|-------------|--------------------------|---------------------------|------------|------------|--------------------------|
| | Original | Final | Actual | Variance (Over)/Under | Original | Final | Actual | Variance (Over)/Under |
| Public works: | \$ | | | | | | | |
| Public works | 484,717 | 502,611 | 478,842 | 23,769 | 57,934 | 57,934 | 54,813 | 3,121 |
| Project management | 220,102 | 235,956 | 315,036 | (79,080) | 21,762 | 21,762 | 28,666 | (6,904) |
| Engineering | 2,749,070 | 2,882,335 | 2,956,812 | (74,477) | 169,365 | 257,488 | 527,222 | (269,734) |
| Building inspection | 2,921,726 | 3,008,761 | 2,620,747 | 388,014 | 305,550 | 305,550 | 262,929 | 42,621 |
| Corporation yard | - | - | - | - | 104,535 | 104,535 | 142,604 | (38,069) |
| Custodial services | 846,272 | 884,865 | 624,814 | 260,051 | 97,063 | 97,063 | 69,683 | 27,380 |
| Building services | 1,242,738 | 1,104,679 | 1,104,566 | 113 | 1,059,420 | 983,420 | 971,720 | 11,700 |
| Street administration | 288,371 | 297,092 | 308,071 | (10,979) | 80,197 | 80,197 | 87,039 | (6,842) |
| Street maintenance | 1,244,726 | 1,285,112 | 1,193,374 | 91,738 | 202,202 | 275,552 | 306,236 | (30,684) |
| Sidewalk maintenance | 1,156,763 | 1,200,041 | 1,142,051 | 57,990 | 1,422,262 | 1,663,558 | 1,823,027 | (159,469) |
| Street trees maintenance | 868,258 | 900,163 | 853,903 | 46,260 | 320,663 | 320,663 | 341,876 | (21,213) |
| Mechanical maintenance | 609,822 | 652,021 | 342,261 | 309,760 | 787,096 | 787,096 | 1,300,139 | (513,043) |
| Warehouse | 122,847 | 127,598 | 107,152 | 20,446 | 6,563 | 6,563 | 5,613 | 950 |
| Traffic engineering | 684,655 | 715,949 | 731,789 | (15,840) | 408,478 | 505,658 | 408,223 | 97,435 |
| Traffic signals | 92,407 | 95,290 | 78,755 | 16,535 | 1,033,406 | 1,033,406 | 929,699 | 103,707 |
| Traffic safety controls | 354,078 | 365,664 | 323,809 | 41,855 | 106,030 | 106,030 | 86,774 | 19,256 |
| Total | 13,886,552 | 14,258,137 | 13,181,984 | 1,076,153 | 6,182,526 | 6,606,475 | 7,346,261 | (739,786) |
| Housing, health and community development: | | | | | | | | |
| Economic development | - | - | - | - | 27,000 | 27,000 | 2,533 | 24,467 |
| Neighborhood services | 2,177,799 | 1,800,476 | 1,809,040 | (8,564) | 431,927 | 475,455 | 345,175 | 130,280 |
| Total | 2,177,799 | 1,800,476 | 1,809,040 | (8,564) | 458,927 | 502,455 | 347,709 | 154,746 |
| Parks, recreation and community services: | | | | | | | | |
| Parks administration | 1,228,782 | 1,214,718 | 1,118,704 | 96,014 | 301,031 | 164,031 | 133,935 | 30,096 |
| Parks | 4,066,190 | 4,110,681 | 4,044,305 | 66,376 | 1,648,450 | 1,814,834 | 2,021,534 | (206,700) |
| Facility & events services | 1,065,862 | 1,124,091 | 1,100,638 | 23,453 | 209,766 | 219,766 | 203,436 | 16,330 |
| Recreation & community services | 1,631,925 | 1,608,361 | 1,566,746 | 41,615 | 494,883 | 514,757 | 574,124 | (59,367) |
| Total | 7,992,759 | 8,057,851 | 7,830,393 | 227,458 | 2,654,130 | 2,713,388 | 2,933,029 | (219,641) |
| Library | 5,500,918 | 5,498,692 | 5,457,095 | 41,597 | 1,611,335 | 1,891,325 | 1,945,760 | (54,435) |
| Total expenditures | \$ 112,750,418 | 114,503,209 | 112,815,754 | 1,702,455 | 22,459,169 | 23,605,868 | 25,225,337 | (1,619,469) |

Exhibit D-2

CITY OF GLENDALE

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2006

| | Capital Outlay | | | | Total | | | |
|--|----------------|---------|---------|--------------------------|-------------|-------------|-------------|--------------------------|
| | Original | Final | Actual | Variance (Over)/Under | Original | Final | Actual | Variance (Over)/Under |
| Public works: | \$ | | | | | | | |
| Public works | - | - | - | - | 542,651 | 560,545 | 533,655 | 26,890 |
| Project management | - | - | - | - | 241,864 | 257,718 | 343,702 | (85,984) |
| Engineering | - | - | 15,961 | (15,961) | 2,918,435 | 3,139,823 | 3,499,994 | (360,171) |
| Building inspection | - | - | - | - | 3,227,276 | 3,314,311 | 2,883,677 | 430,634 |
| Corporation yard | - | - | - | - | 104,535 | 104,535 | 142,604 | (38,069) |
| Custodial services | - | - | 43,026 | (43,026) | 943,335 | 981,928 | 737,523 | 244,405 |
| Building services | - | 15,000 | 14,563 | 437 | 2,302,158 | 2,103,099 | 2,090,848 | 12,251 |
| Street administration | - | - | - | - | 368,568 | 377,289 | 395,109 | (17,820) |
| Street maintenance | - | - | 26,308 | (26,308) | 1,446,928 | 1,560,664 | 1,525,918 | 34,746 |
| Sidewalk maintenance | - | - | - | - | 2,579,025 | 2,863,599 | 2,965,078 | (101,479) |
| Street trees maintenance | - | - | - | - | 1,188,921 | 1,220,826 | 1,195,779 | 25,047 |
| Mechanical maintenance | - | - | - | - | 1,396,918 | 1,439,117 | 1,642,400 | (203,283) |
| Warehouse | - | - | - | - | 129,410 | 134,161 | 112,765 | 21,396 |
| Traffic engineering | - | 24,950 | - | 24,950 | 1,093,133 | 1,246,557 | 1,140,012 | 106,545 |
| Traffic signals | - | - | - | - | 1,125,813 | 1,128,696 | 1,008,454 | 120,242 |
| Traffic safety controls | - | - | - | - | 460,108 | 471,694 | 410,584 | 61,110 |
| Total | - | 39,950 | 99,858 | (59,908) | 20,069,078 | 20,904,562 | 20,628,103 | 276,459 |
| Housing, health and community development: | | | | | | | | |
| Economic development | - | - | - | - | 27,000 | 27,000 | 2,533 | 24,467 |
| Neighborhood services | - | 82,840 | 31,600 | 51,240 | 2,609,726 | 2,358,771 | 2,185,815 | 172,956 |
| Total | - | 82,840 | 31,600 | 51,240 | 2,636,726 | 2,385,771 | 2,188,348 | 197,423 |
| Parks, recreation and community services: | | | | | | | | |
| Parks administration | - | - | - | - | 1,529,813 | 1,378,749 | 1,252,639 | 126,110 |
| Parks | 52,000 | 135,627 | 45,702 | 89,925 | 5,766,640 | 6,061,142 | 6,111,541 | (50,399) |
| Facility & events services | - | 25,000 | - | 25,000 | 1,275,628 | 1,368,857 | 1,304,073 | 64,784 |
| Recreation & community services | - | 55,000 | - | 55,000 | 2,126,808 | 2,178,118 | 2,140,871 | 37,247 |
| Total | 52,000 | 215,627 | 45,702 | 169,925 | 10,698,889 | 10,986,866 | 10,809,124 | 177,742 |
| Library | - | - | - | - | 7,112,253 | 7,390,017 | 7,402,855 | (12,838) |
| Total expenditures | \$ 92,470 | 463,431 | 284,428 | 179,003 | 135,327,057 | 138,587,508 | 138,325,519 | 261,989 |

Exhibit E-1
CITY OF GLENDALE
Statement of Net Assets
Proprietary Funds
June 30, 2006

| | Sewer Fund | Electric Fund | Water Fund | All Major Enterprise Fund | Nonmajor Enterprise Fund | Total | Governmental Activities Internal Service Fund |
|--|-----------------------|--------------------|-------------------|------------------------------|-----------------------------|--------------------|---|
| Assets | | | | | | | |
| Current assets: | | | | | | | |
| Cash and invested cash | \$ 71,629,078 | 64,118,796 | 4,088,027 | 139,835,901 | 12,289,243 | 152,125,144 | 45,886,836 |
| Imprest cash | - | 3,200 | 1,000 | 4,200 | - | 4,200 | - |
| Cash with fiscal agent | - | 2,558,601 | - | 2,558,601 | - | 2,558,601 | (68) |
| Interest receivable | 627,326 | 1,057,558 | 54,923 | 1,739,807 | 96,304 | 1,836,111 | 376,991 |
| Investment in assessment bonds | - | - | - | - | - | - | - |
| Investment-gas/elec commodity | - | 2,814,247 | - | 2,814,247 | - | 2,814,247 | - |
| Accounts receivable, net | 818,854 | 8,655,952 | 1,589,784 | 11,064,590 | 1,269,894 | 12,334,484 | 263,845 |
| Unbilled receivable | 1,301,802 | 15,259,810 | 3,058,015 | 19,619,627 | 1,062,087 | 20,681,714 | - |
| Intergovernmental receivable | - | - | - | - | - | - | - |
| Due from other agencies | - | 46,909 | 46,441 | 93,350 | 24,050 | 117,400 | 551 |
| Due from other funds | - | 1,331,140 | - | 1,331,140 | - | 1,331,140 | - |
| Deposits | - | 9,717 | - | 9,717 | - | 9,717 | - |
| Inventories | - | 5,510,638 | - | 5,510,638 | - | 5,510,638 | - |
| Prepaid items | - | 977,317 | - | 977,317 | 28,050 | 1,005,367 | 270,150 |
| Total current assets | 74,377,060 | 102,343,884 | 8,838,190 | 185,559,135 | 14,769,627 | 200,328,763 | 46,798,306 |
| Noncurrent assets: | | | | | | | |
| Designated & invested cash | - | 60,087,138 | 2,642,619 | 62,729,757 | - | 62,729,757 | - |
| Deferred charges | - | 898,635 | - | 898,635 | - | 898,635 | - |
| | - | 60,985,773 | 2,642,619 | 63,628,392 | - | 63,628,392 | - |
| Capital assets: | | | | | | | |
| Land | 578,447 | 6,083,674 | 1,033,999 | 7,696,120 | 7,289,848 | 14,985,968 | - |
| Natural Gas Reserve | - | 14,245,862 | - | 14,245,862 | - | 14,245,862 | - |
| Buildings and improvements | 153,613,390 | 56,519,076 | 76,396,475 | 286,528,941 | 48,642,192 | 335,171,133 | - |
| Machinery and equipment | 1,679,359 | 343,295,366 | 40,622,633 | 385,597,357 | 13,325,736 | 398,923,093 | 187,913 |
| Infrastructure | - | - | - | - | - | - | - |
| Bldg & impro acem depreciation | (24,223,027) | (207,733,762) | (46,947,584) | (278,904,373) | (27,548,105) | (306,452,478) | (72,492) |
| Gas Depletion | - | (687,692) | - | (687,692) | - | (687,692) | - |
| Construction in progress | - | 37,137,222 | 8,923,541 | 46,060,763 | - | 46,060,763 | - |
| Total capital assets | 131,648,169 | 248,859,746 | 80,029,064 | 460,536,978 | 41,709,672 | 502,246,649 | 115,421 |
| Total non-current assets | 131,648,169 | 309,845,519 | 82,671,683 | 524,165,370 | 41,709,672 | 565,875,041 | 115,421 |
| Total assets | 206,025,229 | 412,189,403 | 91,509,873 | 709,724,505 | 56,479,299 | 766,203,804 | 46,913,727 |
| Liabilities and Net Assets | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable | 1,780,641 | 9,835,706 | 1,911,871 | 13,528,218 | 687,973 | 14,216,191 | 808,398 |
| Contracts-retained amount due | - | 1,889,840 | 163,706 | 2,053,545 | - | 2,053,545 | - |
| Accrued wages and withholding | 66,870 | 1,127,582 | 145,579 | 1,340,032 | 336,622 | 1,676,654 | 271,268 |
| Due to other agencies | - | - | - | - | 58,085 | 58,085 | - |
| Due to other funds | - | - | - | - | - | - | 573,859 |
| Interest payable | - | 807,062 | - | 807,062 | - | 807,062 | - |
| Claims Payable | - | - | - | - | - | - | 4,864,711 |
| Compensated absences | 15,411 | 265,012 | 88,337 | 368,760 | 84,961 | 453,721 | 1,613,257 |
| Long term debt, due in one year | - | 1,383,611 | - | 1,383,611 | - | 1,383,611 | - |
| Deferred revenues | - | 158,100 | - | 158,100 | - | 158,100 | - |
| Deposits | 274,785 | 2,085,673 | 528,003 | 2,888,461 | 279,175 | 3,167,636 | - |
| Total current liabilities | 2,137,707 | 17,552,585 | 2,837,497 | 22,527,789 | 1,446,816 | 23,974,605 | 8,131,492 |
| Noncurrent liabilities: | | | | | | | |
| Claims payable | - | - | - | - | - | - | 20,866,278 |
| Compensated absences | 80,560 | 1,464,509 | 488,170 | 2,033,239 | 446,494 | 2,479,733 | 7,063,967 |
| Post employment benefits | 10,930 | 198,517 | 66,172 | 275,620 | 84,706 | 360,326 | 5,431,405 |
| Long term debt | - | 65,194,852 | - | 65,194,852 | - | 65,194,852 | 3,435,877 |
| Total noncurrent liabilities | 91,491 | 66,857,878 | 554,343 | 67,503,712 | 531,200 | 68,034,911 | 36,797,527 |
| Total liabilities | 2,229,198 | 84,410,463 | 3,391,840 | 90,031,501 | 1,978,016 | 92,009,516 | 44,929,019 |
| Net assets: | | | | | | | |
| Investment in capital assets, net of related d | 131,648,169 | 182,370,523 | 80,029,064 | 394,047,756 | 41,709,672 | 435,757,428 | 93,179 |
| Restricted | - | - | - | - | - | - | - |
| Debt service | - | 2,397,824 | - | 2,397,824 | - | 2,397,824 | - |
| SCAQMD emission controls | - | 6,254,725 | - | 6,254,725 | - | 6,254,725 | - |
| Unrestricted | 72,147,863 | 136,755,868 | 8,088,970 | 216,992,701 | 12,791,612 | 229,784,313 | 1,891,529 |
| Total net assets | \$ 203,796,032 | 327,778,939 | 88,118,034 | 619,693,005 | 54,501,284 | 674,194,289 | 1,984,708 |

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.

(12,182,652)

Total net assets of business-type activities

\$ 662,011,637

Exhibit E-2
CITY OF GLENDALE
Statement of Revenues, Expenses and
Changes in Net Assets
Proprietary Funds
June 30, 2006

| | Sewer Fund | Electric Fund | Water Fund | All Major Enterprise Funds | Nonmajor Enterprise Funds | Total | Governmental Activities Internal Service Funds |
|--|----------------|---------------|-------------|----------------------------------|------------------------------|----------------|--|
| Operating revenues: | \$ | | | | | | |
| Charges for services | 16,610,496 | 170,207,430 | 31,188,695 | 218,006,621 | 26,486,080 | 244,492,701 | 28,661,074 |
| Miscellaneous revenue | 57,064 | 2,414,656 | 981,647 | 3,453,367 | 201,756 | 3,655,123 | 43,557 |
| Total operating revenue | 16,667,560 | 172,622,086 | 32,170,342 | 221,459,988 | 26,687,836 | 248,147,824 | 28,704,631 |
| Operating expenses | 4,956,916 | 167,863,486 | 23,951,161 | 196,771,563 | 21,227,419 | 217,998,982 | 21,794,893 |
| Claims and settlement | - | - | - | - | - | - | (1,795,812) |
| Vehicle purchased | - | - | - | - | - | - | 3,981,060 |
| Depreciation | 1,972,445 | 14,620,507 | 2,199,425 | 18,792,377 | 2,211,722 | 21,004,099 | 17,878 |
| Gas depletion | - | 687,692 | - | 687,692 | - | 687,692 | - |
| Total operating expenses | 6,929,361 | 183,171,685 | 26,150,586 | 216,251,632 | 23,439,141 | 239,690,773 | 23,998,019 |
| Operating income (loss) | 9,738,199 | (10,549,599) | 6,019,756 | 5,208,356 | 3,248,695 | 8,457,051 | 4,706,612 |
| Non operating revenues (expenses): | | | | | | | |
| Use of money and property | 1,697,335 | 4,531,640 | 222,768 | 6,451,742 | 196,843 | 6,648,585 | 1,129,078 |
| Disaster Relief Reimb | - | 839 | 9,548 | 10,387 | - | 10,387 | - |
| Recyclables - State grant | - | - | - | - | 56,120 | 56,120 | - |
| Disaster Relief Reimb - State | - | 2,097 | 9,294 | 11,391 | - | 11,391 | - |
| County Grants | - | - | - | - | 4,000 | 4,000 | - |
| Proprietary Grants | - | - | 171,089 | 171,089 | 269,789 | 440,878 | - |
| Interest on Bonds | - | - | - | - | - | - | - |
| Interest on Loan | - | - | - | - | - | - | (147,033) |
| Interest on Bonds | - | (3,402,983) | - | (3,402,983) | - | (3,402,983) | - |
| Donations & Contribution | - | 2,081,331 | 410,313 | 2,491,644 | 209,192 | 2,700,836 | - |
| Designated Donation - Capital | - | - | - | - | - | - | 29,571 |
| Total non operating revenues, net | 1,697,335 | 3,212,924 | 823,012 | 5,733,271 | 735,944 | 6,469,214 | 1,011,617 |
| Income before transfers | 11,435,534 | (7,336,675) | 6,842,768 | 10,941,627 | 3,984,639 | 14,926,265 | 5,718,229 |
| Transfer in | | | | | | | |
| Transfer-General Fund | - | - | - | - | - | - | 3,034,699 |
| Transfer-Capital Funds | - | - | - | - | - | - | 1,045,810 |
| Transfer-Internal Service Fund | - | - | - | - | - | - | 100,000 |
| Transfer out | | | | | | | |
| Transfer-General Fund | - | (17,683,587) | (3,873,819) | (21,557,406) | (1,800,000) | (23,357,406) | - |
| Transfer-Special Revenue | (1,000,000) | - | - | (1,000,000) | - | (1,000,000) | - |
| Transfer-Int Service | - | - | - | - | - | - | (100,000) |
| Total transfers | (1,000,000) | (17,683,587) | (3,873,819) | (22,557,406) | (1,800,000) | (24,357,406) | 4,080,509 |
| Change in net assets | 10,435,534 | (25,020,262) | 2,968,949 | (11,615,779) | 2,184,639 | (9,431,141) | 9,798,738 |
| Total net asset, July 1 | 193,360,498 | 352,799,202 | 85,149,085 | 631,308,785 | 52,316,645 | 683,625,430 | (7,814,031) |
| Total net assets, June 30 | \$ 203,796,032 | 327,778,940 | 88,118,034 | 619,693,006 | 54,501,284 | 674,194,289 | 1,984,707 |
| 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. | | | | | | (12,182,652) | |
| Total net assets of business-type activities | | | | | | \$ 662,011,637 | |

Exhibit E-3
CITY OF GLENDALE
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2006

| | Business-type Activities - Enterprise Funds | | | | | | Governmental Activities |
|--|---|---------------|--------------|----------------------------------|-------------------------------|---------------|-------------------------|
| | | | | Total All Major Enterprise Funds | Non Major Funds - Proprietary | Total | Internal Service Funds |
| | Sewer Fund | Electric Fund | Water Fund | | | | |
| Cash flows from operating activities: | | | | | | | |
| Cash from customers | \$ 16,609,914 | 169,966,011 | 31,930,630 | 218,506,555 | 26,524,881 | 245,031,436 | 29,738,140 |
| Cash paid to employees | (1,709,168) | (33,697,600) | (3,367,445) | (38,774,213) | (10,350,224) | (49,124,437) | (7,395,929) |
| Cash paid to suppliers | (2,524,696) | (141,474,451) | (20,238,896) | (164,238,043) | (10,517,541) | (174,755,584) | (33,108,077) |
| Net cash provided (used) by operating activities | 12,376,050 | (5,206,040) | 8,324,289 | 15,494,299 | 5,657,116 | 21,151,415 | (10,765,866) |
| Cash flows from noncapital financing activities: | | | | | | | |
| Operating transfers out | (1,000,000) | (17,683,587) | (3,873,819) | (22,557,406) | (1,800,000) | (24,357,406) | (100,000) |
| Operating transfers in | - | - | - | - | - | - | 4,180,509 |
| Operating grant received | - | 2,936 | 189,931 | 192,867 | 329,909 | 522,776 | - |
| Net cash provided (used) by noncapital financing activities | (1,000,000) | (17,680,651) | (3,683,888) | (22,364,539) | (1,470,091) | (23,834,630) | 4,080,509 |
| Cash flows from capital and related financing activities: | | | | | | | |
| Interest on long term debt | - | (3,970,338) | - | (3,970,338) | - | (3,970,338) | (147,033) |
| Bond, premium and interest accrued | - | (1,179,721) | - | (1,179,721) | - | (1,179,721) | (306,415) |
| Capital Lease | - | - | - | - | - | - | - |
| Contribution in aid | - | 2,081,331 | 410,313 | 2,491,644 | 209,192 | 2,700,836 | 29,571 |
| Acquisition of property, plant, gas and equipment | (10,001,598) | (46,493,718) | (6,646,680) | (63,141,996) | (141,491) | (63,283,487) | (49,561) |
| Investment - gas/electric commodity | - | 1,131,321 | - | 1,131,321 | - | 1,131,321 | - |
| Net cash provided (used in) capital and related financing activities | (10,001,598) | (48,431,125) | (6,236,367) | (64,669,090) | 67,701 | (64,601,389) | (473,438) |
| Cash provided by investing activities - interest received | 1,593,805 | 4,912,541 | 231,645 | 6,737,991 | 164,215 | 6,902,206 | 1,041,983 |
| Net increase (decrease) in cash and cash equivalents | 2,968,257 | (66,405,275) | (1,364,321) | (64,801,339) | 4,418,941 | (60,382,398) | (6,116,812) |
| Cash and cash equivalents at beginning of year | 68,660,821 | 193,173,010 | 8,095,967 | 269,929,798 | 7,870,302 | 277,800,100 | 52,003,580 |
| Cash and cash equivalents at end of year | 71,629,078 | 126,767,735 | 6,731,646 | 205,128,459 | 12,289,243 | 217,417,702 | 45,886,768 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | | | | |
| Operating income (loss) | 9,738,199 | (10,549,600) | 6,019,756 | 5,208,355 | 3,248,695 | 8,457,050 | 4,706,612 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | | | |
| Depreciation | 1,972,445 | 14,620,507 | 2,199,425 | 18,792,377 | 2,211,722 | 21,004,099 | 17,878 |
| Gas Depletion | - | 687,692 | - | 687,692 | - | 687,692 | - |
| (Increase)Decrease Accounts receivable net | (22,447) | 2,014,151 | 191,851 | 2,183,554 | (298,214) | 1,885,340 | 1,033,509 |
| (Increase)Decrease Unbilled receivable | (35,199) | (4,623,316) | (459,878) | (5,118,393) | (124,646) | (5,243,039) | - |
| (Increase)Decrease Due from other agencies | - | (46,909) | 28,315 | (18,594) | 259,906 | 241,312 | - |
| (Increase)Decrease Due from other funds | - | - | - | - | - | - | - |
| (Increase)Decrease Inventories | - | (1,040,181) | - | (1,040,181) | - | (1,040,181) | - |
| (Increase)Decrease Prepaid expenses | - | (377,686) | - | (377,686) | (26,177) | (403,863) | - |
| (Increase)Decrease Deposits | - | - | - | - | - | - | - |
| (Increase)Decrease Deferred charges | - | 251,513 | - | 251,513 | - | 251,513 | - |
| Increase(Decrease) Accrued salaries and withholding | 12,506 | 48,076 | 7,257 | 67,839 | (27,219) | 40,620 | 49,190 |
| Increase(Decrease) Compensated absences | 15,640 | 114,151 | 38,050 | 167,840 | 7,054 | 174,894 | 530,984 |
| Increase(Decrease) Post employment benefit | - | - | - | - | - | - | (274,916) |
| Increase(Decrease) Accounts payable | 630,910 | (7,804,814) | 341,826 | (6,832,078) | 261,942 | (6,570,136) | (213,881) |
| Increase(Decrease) Deferred revenues | - | 158,100 | - | 158,100 | - | 158,100 | - |
| Increase(Decrease) Contracts - retention | - | 1,170,190 | (115,625) | 1,054,565 | - | 1,054,565 | - |
| Increase(Decrease) Due to other agencies | - | - | - | - | 58,085 | 58,085 | - |
| Increase(Decrease) Due to other funds | - | - | - | - | - | - | 573,859 |
| Increase(Decrease) Deposits | 63,997 | 172,087 | 73,312 | 309,396 | 85,969 | 395,365 | - |
| Increase(Decrease) Claims payable | - | - | - | - | - | - | (17,189,100) |
| Total adjustments | 2,637,851 | 5,343,559 | 2,304,533 | 10,285,943 | 2,408,422 | 12,694,365 | (15,472,478) |
| Net cash provided (used) by operating activities | \$ 12,376,050 | (5,206,041) | 8,324,289 | 15,494,298 | 5,657,117 | 21,151,415 | (10,765,866) |
| Noncash investing, capital, and financing activities: | | | | | | | |
| Contributions of capital assets from government | | | | | | | |
| Increase in fair value of investments | (1,589,238) | (2,679,167) | (139,138) | (4,407,543) | (243,973) | (4,651,516) | (955,051) |

Exhibit E-3
CITY OF GLENDALE
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2006

| | Business-type Activities - Enterprise Funds | | | | | | Governmental Activities |
|--|---|---------------|--------------|----------------------------------|-------------------------------|---------------|-------------------------|
| | Sewer Fund | Electric Fund | Water Fund | Total All Major Enterprise Funds | Non Major Funds - Proprietary | Total | Internal Service Funds |
| Cash flows from operating activities: | | | | | | | |
| Cash from customers | \$ 16,609,914 | 169,966,011 | 31,930,630 | 218,506,555 | 26,524,881 | 245,031,436 | 29,738,140 |
| Cash paid to employees | (1,709,168) | (33,697,600) | (3,367,445) | (38,774,213) | (10,350,224) | (49,124,437) | (7,395,929) |
| Cash paid to suppliers | (2,524,696) | (141,474,451) | (20,238,896) | (164,238,043) | (10,517,541) | (174,755,584) | (33,108,077) |
| Net cash provided (used) by operating activities | 12,376,050 | (5,206,040) | 8,324,289 | 15,494,299 | 5,657,116 | 21,151,415 | (10,765,866) |
| Cash flows from noncapital financing activities: | | | | | | | |
| Transfers out | (1,000,000) | (17,683,587) | (3,873,819) | (22,557,406) | (1,800,000) | (24,357,406) | (100,000) |
| Transfers in | - | - | - | - | - | - | 4,180,509 |
| Grant received | - | 2,936 | 189,931 | 192,867 | 329,909 | 522,776 | - |
| Net cash provided (used) by noncapital financing activities | (1,000,000) | (17,680,651) | (3,683,888) | (22,364,539) | (1,470,091) | (23,834,630) | 4,080,509 |
| Cash flows from capital and related financing activities: | | | | | | | |
| Interest on long term debt | - | (3,970,338) | - | (3,970,338) | - | (3,970,338) | (147,033) |
| Bond, premium and interest accrued | - | (1,179,721) | - | (1,179,721) | - | (1,179,721) | (306,415) |
| Capital Lease | - | - | - | - | - | - | - |
| Contribution in aid | - | 2,081,331 | 410,313 | 2,491,644 | 209,192 | 2,700,836 | 29,571 |
| Acquisition of property, plant, gas and equipment | (10,001,598) | (46,493,718) | (6,646,680) | (63,141,996) | (141,491) | (63,283,487) | (49,561) |
| Investment - gas/electric commodity | - | 1,131,321 | - | 1,131,321 | - | 1,131,321 | - |
| Net cash provided (used in) capital and related financing activities | (10,001,598) | (48,431,125) | (6,236,367) | (64,669,090) | 67,701 | (64,601,389) | (473,438) |
| Cash provided by investing activities - interest received | 1,593,805 | 4,912,541 | 231,645 | 6,737,991 | 164,215 | 6,902,206 | 1,041,983 |
| Net increase (decrease) in cash and cash equivalents | 2,968,257 | (66,405,275) | (1,364,321) | (64,801,339) | 4,418,941 | (60,382,398) | (6,116,812) |
| Cash and cash equivalents at beginning of year | 68,660,821 | 193,173,010 | 8,095,967 | 269,929,798 | 7,870,302 | 277,800,100 | 52,003,580 |
| Cash and cash equivalents at end of year | 71,629,078 | 126,767,735 | 6,731,646 | 205,128,459 | 12,289,243 | 217,417,702 | 45,886,768 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | | | | |
| Operating income (loss) | 9,738,199 | (10,549,600) | 6,019,756 | 5,208,355 | 3,248,695 | 8,457,050 | 4,706,612 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | | | |
| Depreciation | 1,972,445 | 14,620,507 | 2,199,425 | 18,792,377 | 2,211,722 | 21,004,099 | 17,878 |
| Gas Depletion | - | 687,692 | - | 687,692 | - | 687,692 | - |
| (Increase)Decrease Accounts receivable net | (22,447) | 2,014,151 | 191,851 | 2,183,554 | (298,214) | 1,885,340 | 1,033,509 |
| (Increase)Decrease Unbilled receivable | (35,199) | (4,623,316) | (459,878) | (5,118,393) | (124,646) | (5,243,039) | - |
| (Increase)Decrease Due from other agencies | - | (46,909) | 28,315 | (18,594) | 259,906 | 241,312 | - |
| (Increase)Decrease Due from other funds | - | - | - | - | - | - | - |
| (Increase)Decrease Inventories | - | (1,040,181) | - | (1,040,181) | - | (1,040,181) | - |
| (Increase)Decrease Prepaid expenses | - | (377,686) | - | (377,686) | (26,177) | (403,863) | - |
| (Increase)Decrease Deposits | - | - | - | - | - | - | - |
| (Increase)Decrease Deferred charges | - | 251,513 | - | 251,513 | - | 251,513 | - |
| Increase(Decrease) Accrued salaries and withholding | 12,506 | 48,076 | 7,257 | 67,839 | (27,219) | 40,620 | 49,190 |
| Increase(Decrease) Compensated absences | 15,640 | 114,151 | 38,050 | 167,840 | 7,054 | 174,894 | 530,984 |
| Increase(Decrease) Post employment benefit | - | - | - | - | - | - | (274,916) |
| Increase(Decrease) Accounts payable | 630,910 | (7,804,814) | 341,826 | (6,832,078) | 261,942 | (6,570,136) | (213,881) |
| Increase(Decrease) Deferred revenues | - | 158,100 | - | 158,100 | - | 158,100 | - |
| Increase(Decrease) Contracts retention | - | 1,170,190 | (115,625) | 1,054,565 | - | 1,054,565 | - |
| Increase(Decrease) Due to other agencies | - | - | - | - | 58,085 | 58,085 | - |
| Increase(Decrease) Due to other funds | - | - | - | - | - | - | 573,859 |
| Increase(Decrease) Deposits | 63,997 | 172,087 | 73,312 | 309,396 | 85,969 | 395,365 | - |
| Increase(Decrease) Claims payable | - | - | - | - | - | - | (17,189,100) |
| Total adjustments | 2,637,851 | 5,343,559 | 2,304,533 | 10,285,943 | 2,408,422 | 12,694,365 | (15,472,478) |
| Net cash provided (used) by operating activities | \$ 12,376,050 | (5,206,041) | 8,324,289 | 15,494,298 | 5,657,117 | 21,151,415 | (10,765,866) |
| Noncash investing, capital, and financing activities: | | | | | | | |
| Contributions of capital assets from government | | | | | | | |
| Increase in fair value of investments | (1,589,238) | (2,679,167) | (139,138) | (4,407,543) | (243,973) | (4,651,516) | (955,051) |

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CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2006

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

Component Units

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

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

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

B. Government-wide and Fund Financial Statements

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

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

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

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues, and expenditures or expenses, as appropriate.

The City reports a total of 51 funds comprising of 1 General Fund, 24 Special Revenue Funds, 3 Debt Service Funds, 3 Capital Project Funds, 8 Enterprise Funds and 17 Internal Service Funds.

1) Governmental Fund Types

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

The following comprise the City's major governmental funds:

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

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

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

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

2) Proprietary Fund Types

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

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The current tax receivable represents the 2004-05 property tax levy that was based on the assessed value of secured and unsecured property as of the lien date of January 1, 2004. Property taxes are levied on July 1. Unsecured taxes are delinquent if not paid by August 31. Secured taxes are payable in two installments that are deemed delinquent after December 10 and April 10. The County Treasurer/Tax Collector bills and collects property taxes for the City and the County Auditor-Controller then allocates these taxes to the City. Property taxes are considered available if received within 60 days of year-end.

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.

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

D. Encumbrances

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

E. Assets, Liabilities and Net Assets or Equity

1. *Cash and Investments*

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

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

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

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

2. *Designated Cash and Investments*

Cash Reserve Policy for Electric Fund was first established in 2003. Its provision calls for annual review of the reserves to determine if the recommended levels are sufficient. The annual review of the Cash Reserve Policy for fiscal year ending June 30, 2006, established a target of \$66,400,000 of designated cash in the following categories: \$40,400,000 for contingency reserve; \$10,000,000 for rate stabilization reserve; and \$16,000,000 for Reserve for Gas Reserve Project. As of June 30, 2006, \$60,087,138 is designated with the goal of meeting the remaining balance of \$6,312,862 with future available cash. .

In December of 2003, GWP management received approval from the City Council to implement a cash reserve policy for the Water Fund to ensure a long term sustainable financial health of the water operation. The policy calls for annual review of the reserves to determine if the recommended levels are sufficient. The annual review of the Cash Reserve Policy for fiscal year ending June 30, 2006, established a target of \$7,500,000 of designated cash in the following categories: \$6,500,000 for contingency reserve; and \$1,000,000 for rate stabilization reserve. As of June 30, 2006, \$2,642,619 is designated with the goal of meeting the remaining \$4,857,381 with future available cash. .

3 *Derivative Products*

The City has entered into the following agreements, which represent derivative products:

- a. The City has negotiated fixed-for-float swap transactions based on the commodity price of natural gas at the San Juan and Permian basins to mitigate the market risk of its long-term take-or-pay landfill gas purchase contract.
- b. The City has purchased and sold options {calls and puts} in natural gas futures contracts at appropriate strike prices in upcoming months. These transactions allow the City to stabilize the ultimate purchase price of natural gas for the City's power plant. They, and other transactions, also give the City the ability to manage its overall exposure to fluctuations in the purchase price of natural gas. The options are carried at the lower of cost or market in the accompanying financial statements. At June 30, 2006, carrying value and market value of the options are \$510,000 and \$219,050, respectively.

4 *Receivables and Payables*

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

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

Unbilled receivable - The City records utility and other services delivered to customers but not billed as of June 30, 2006.

Inter-fund Transactions

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

Due to/from Other Funds are used when a fund has a temporary cash overdraft. Noncurrent portions of long-term inter-fund loan receivables are reported as advances within the governmental funds, and are offset equally by a fund balance reserve account which indicated that they do not constitute expendable available financial resources, and therefore, are not available for appropriations.

5 *Inventories and Prepaid Items*

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

6 *Capital Assets*

Capital assets including land, buildings, improvements, equipment and infrastructure assets (e.g. roads, sidewalks, traffic lights and signals, street lights and etc), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial,

individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

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

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

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

GWP has reserved \$16 million for future additional gas field acquisitions and drilling programs to achieve the estimated peak daily volume of 2,000 mmBtu per day. Costs of the drilling program that result in producing wells are capitalized as a component of Natural Gas Reserve. Costs of the drilling program that resulted in non-producing wells are expensed. As of June 30, 2006, \$1,068,358 was capitalized from the drilling program.

7 *Compensated Absences*

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

8 *Post Employment Benefit*

All City Employees that are eligible for retirement with accumulated sick leave are entitled to convert their sick leave hours valued at the rate stated in their respective MOU or Ordinance, into a Retiree Health Savings Plan (RHSP). This RHSP account is controlled by the retiree and money deposited into the account is non-taxable. Money withdrawn from this account, when used for eligible medical expenses as specified in IRS Publication 502, are non-taxable to the retiree. As of June 30, 2006, \$5,431,404.51 had been set-aside in the Internal Service Fund-Employee Benefits Fund related to such benefits.

For GCEA and Management employees that retired prior to July 2001, GPOA employees that retired prior to December 2001 and GFFA employees that retired prior to September 2002, the number of sick leave days, accumulated over the number of sick leave days specified in their respective MOU or Ordinance, are multiplied by the value of those days based on the benefit of their respective bargaining units. There are 77 retirees currently receiving this old City paid benefit.

9 *Deferred Revenue*

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

10 *Real Property Held for Resale*

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

11 *City/Agency Debt*

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

12 *Fund Equity*

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

13 *Net Assets*

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

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

II. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

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

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

The City utilizes an "encumbrance system". Under this procedure, encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Operational appropriations expire at year-end except for management approved items determined on a case by case basis. Therefore, outstanding encumbrances at year-end are recorded as restricted fund balances. Open capital project appropriations carry over to the next year.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

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

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

The following operating units over expended their appropriations by \$25,000 or more as of June 30, 2006:

| General Fund: | Amount Over Expended |
|------------------------|----------------------------|
| Planning | \$ 88,925 |
| Police | 225,229 |
| Fire | 649,568 |
| Fire prevention | 82,161 |
| Project management | 85,984 |
| Engineering | 360,171 |
| Public works yard | 38,069 |
| Street maintenance | 101,479 |
| Mechanical maintenance | 203,283 |
| Parks | 50,399 |
| | <u>\$ 1,885,268</u> |

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2006

III. Detailed Notes on All Funds

A. Cash and Investments

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

| | | |
|-------------------------|----|--------------------|
| Investments | \$ | 466,122,189 |
| Cash with fiscal agents | | <u>16,387,567</u> |
| | | 482,509,756 |
| Cash on hand | | <u>(2,922,632)</u> |
| Total | \$ | <u>479,587,124</u> |

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

| | | |
|-----------------------------------|----|--------------------|
| Cash and investments | \$ | 394,819,567 |
| Imprest cash | | 29,480 |
| Cash with fiscal agents | | 16,387,567 |
| Investment-gas/electric commodity | | 2,814,247 |
| Designated cash and investments | | <u>65,536,263</u> |
| Total | \$ | <u>479,587,124</u> |

Authorized Investments

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

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

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

Investments Authorized by Debt Agreements

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

- 1) Federal Securities
- 2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

- 3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by non-full faith and credit U.S. Government agencies
- 4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard and Poor's of AAAm-G, AAA-m, or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2
- 5) Certificates of deposits secured at all times by collateral described in (1) and (2)
- 6) Certificates of deposits savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF
- 7) Investment Agreements
- 8) Commercial papers rated, at the time of purchase, Prime-1 by Moody's and A-1 or better by Standard and Poor's.
- 9) Bonds or notes issued by any state or municipality which are rated by Moody's and Standard and Poor's in one of the two highest rating categories assigned by such agencies
- 10) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of Prime-1 or A3 or better by Moody's and A-1 or A or better by Standard and Poor's
- 11) Repurchase Agreements
- 12) Local Agency Investment Fund of the State of California.

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

Disclosure Relating to Interest Rate Risk

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

| | | | Remaining Maturity (in Months) | | | |
|---------------------------------|----|-------------|--------------------------------|-----------------|-----------------|---------------------|
| | | | 12 Months or Less | 13 to 24 Months | 25 to 60 Months | More than 60 Months |
| Commercial Paper | \$ | 27,364,310 | 27,364,310 | - | - | - |
| Federal Agency Term Notes | | 88,295,418 | 81,478,514 | 6,816,904 | - | - |
| Federal Agency Callable Bonds | | 306,674,280 | 76,158,671 | 170,833,799 | 59,681,810 | - |
| Corporate Notes | | 12,256,334 | 2,990,754 | 2,937,285 | 6,328,295 | - |
| State Investment Pool | | 28,947,389 | 28,947,389 | - | - | - |
| Money Market | | 2,584,458 | 2,584,458 | - | - | - |
| Held by Fiscal Agents | | | | | | |
| Federal Agency Term Notes | | 8,772,148 | 8,772,148 | - | - | - |
| Guaranteed Investment Contracts | | 7,325,020 | - | - | - | 7,325,020 |
| Money Market | | 290,399 | 290,399 | - | - | - |
| | \$ | 482,509,756 | 228,586,643 | 180,587,988 | 66,010,105 | 7,325,020 |

The City assumes that callable investments will not be called.

Disclosures Relating to Credit Risks

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

| | | Rating as of Year End | | | | |
|---------------------------------|----------------|-----------------------|-----------|-----------|------------|------------|
| | | AAA | AA | Aa2 | A1,P1 | Unrated |
| Commercial Paper | \$ 27,364,310 | - | - | - | 27,364,310 | - |
| Federal Agency Term Notes | 88,295,418 | 88,295,418 | - | - | - | - |
| Federal Agency Callable Bonds | 306,674,280 | 306,674,280 | - | - | - | - |
| Corporate Notes | 12,256,334 | 4,916,750 | 7,339,584 | - | - | - |
| State Investment Pool | 28,947,389 | - | - | - | - | 28,947,389 |
| Money Market | 2,584,458 | 2,584,458 | - | - | - | - |
| Held by Fiscal Agent | | | | | | |
| Federal Agency Term Notes | 8,772,148 | 8,772,148 | - | - | - | - |
| Guaranteed Investment Contracts | 7,325,020 | - | - | 7,325,020 | - | - |
| Money Market | 290,399 | 290,399 | - | - | - | - |
| | \$ 482,509,756 | 414,453,613 | 7,339,584 | 7,325,020 | 27,364,310 | 28,947,389 |

Concentration on Credit Risk

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

| Issuer | Investment Type | Reported Amount |
|--------|-------------------------------|-----------------|
| LAIF | State Investment Pool | \$ 28,947,389 |
| FHLB | Federal Agency Term Notes | 38,453,125 |
| FHLB | Federal Agency Callable Bonds | 201,056,234 |
| | Total | 239,509,359 |
| FHLMC | Federal Agency Term Notes | 30,622,450 |
| FHLMC | Federal Agency Callable Bonds | 47,219,052 |
| | Total | 77,841,502 |
| FNMA | Federal Agency Term Notes | 9,889,062 |
| FNMA | Federal Agency Callable Bonds | 48,616,182 |
| | Total | \$ 58,505,244 |

Custodial Credit Risk

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

At June 30, 2006, the carrying amount of the City's deposits was (\$2,922,632) and the corresponding bank balance was \$2,039,505. The difference of \$4,962,137 was principally due to outstanding warrants, wires and deposits in transit. Of the Bank balance, \$100,000 was insured by the FDIC depository insurance and \$1,939,505 was uncollateralized and not insured by FDIC depository insurance.

Investment in State Investment Pool

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

D. Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

| | Balance at July 1 | Increases / CIP Reclass | Decreases / Reclass | Ending Balance |
|---|-------------------|-------------------------|---------------------|----------------|
| Governmental activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | 340,453,410 | 21,299,681 | - | 361,753,091 |
| Construction in progress | 139,028,255 | (76,841,389) | - | 62,186,866 |
| Total assets not being depreciated | 479,481,665 | (55,541,708) | - | 423,939,957 |
| Other capital assets | | | | |
| Building and improvements | 135,384,286 | 85,773,741 | 129,043 | 221,287,070 |
| Machinery and equipment | 83,577,338 | 5,824,038 | (13,301,862) | 76,099,514 |
| Infrastructure | 202,700,232 | 8,182,296 | 5,406,452 | 216,288,980 |
| Total other capital assets at cost | 421,661,856 | 99,780,075 | (7,766,367) | 513,675,564 |
| Less accumulated depreciation: | | | | |
| Building and improvements | 49,041,397 | 3,822,164 | 38,713 | 52,902,273 |
| Machinery and equipment | 42,644,594 | 8,175,710 | (5,735,674) | 45,084,630 |
| Infrastructure | 85,214,716 | 5,356,058 | (4,916,037) | 85,654,737 |
| Total accumulated depreciation | 176,900,707 | 17,353,932 | (10,612,998) | 183,641,640 |
| Total assets being depreciated | 244,761,150 | 82,426,143 | 2,846,631 | 330,033,924 |
| Governmental activities capital assets, net | 724,242,815 | 26,884,435 | 2,846,631 | 753,973,881 |
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | 14,877,968 | 108,000 | - | 14,985,968 |
| Construction in progress | 42,828,346 | 3,232,417 | - | 46,060,763 |
| Total assets not being depreciated | 57,706,314 | 3,340,417 | - | 61,046,731 |
| Other capital assets: | | | | |
| Natural Gas | - | 14,245,862 | - | 14,245,862 |
| Building and improvements | 319,173,150 | 15,432,865 | 565,116 | 335,171,131 |
| Machinery and equipment | 373,733,846 | 30,406,485 | (5,217,237) | 398,923,094 |
| Total other capital assets at cost | 692,906,996 | 60,085,212 | (4,652,121) | 748,340,087 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

| | Balance at July 1 | Increases / CIP Reclass | Decreases / Reclass | Ending Balance |
|--|-------------------|-------------------------|---------------------|----------------|
| Less accumulated depreciation: | | | | |
| Gas Depletion | | 687,692 | | 687,692 |
| Building and improvements | 82,347,913 | 5,385,745 | 565,116 | 88,298,774 |
| Machinery and equipment | 207,058,721 | 15,595,290 | (4,500,307) | 218,153,704 |
| Total accumulated depreciation | 289,406,634 | 21,668,727 | (3,935,191) | 307,140,170 |
| Total assets being depreciated | 403,500,362 | 38,416,485 | (716,930) | 441,199,917 |
| Business-type activities capital assets, net | 461,206,676 | 41,756,902 | (716,930) | 502,246,650 |

*\$187,913 of Machinery & Equipment from Internal Service Funds is included in the Governmental Activities.

**\$72,493 of depreciation from Internal Service Funds is included in the Governmental Activities.

Depreciation expense was charged to functions of the City for the year ended June 30, 2006 as follows:

| | |
|---|----------------------|
| Governmental activities: | |
| General Government | \$ 5,044,901 |
| Public Safety | 2,894,934 |
| Public Works | 6,974,737 |
| Parks | 1,877,141 |
| Library | 285,775 |
| Housing & Com Dev | 276,444 |
| Total governmental activities depreciation expense | <u>17,353,932</u> |
| Business-type activities: | |
| Sewer | 1,972,446 |
| Electric | 15,308,199 |
| Water | 2,199,425 |
| Recreation | 7,539 |
| Hazardous Disposal | 40,539 |
| Parking | 1,111,462 |
| Refuse | 1,029,117 |
| Total business-type activities depreciation expense | <u>\$ 21,668,727</u> |

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2006

E. Long-Term Debt

The City's long-term debt as of June 30, 2006 consists of the following:

| | Outstanding at June 30, 2005 | Additions | Retirements | Amount outstanding at June 30, 2006 | Due within one year |
|---|---------------------------------|------------|-------------|--|------------------------|
| Governmental Activities | | | | | |
| Bonds Payable | | | | | |
| Police Facility Certificates of Participation | \$ 60,800,000 | - | 1,200,000 | 58,300,000 | 1,300,000 |
| 2002 Tax Allocation Bond | 44,340,000 | - | 1,920,000 | 42,420,000 | 1,980,000 |
| 2003 Tax Allocation Bond | 56,880,000 | - | 2,315,000 | 54,565,000 | 2,435,000 |
| Bond Premium | 4,115,138 | - | 250,870 | 3,864,268 | 250,870 |
| Deferred amount on refunding - 2003 Tax Allocation Bond | (3,068,714) | - | (200,134) | (2,868,580) | (200,134) |
| Total bonds payable | 163,066,424 | - | 5,485,736 | 156,280,688 | 5,765,736 |
| Landfill closure and postclosure care liability | 18,452,720 | 1,468,263 | - | 19,920,983 | - |
| Capital lease | 4,989,115 | - | 716,232 | 4,272,883 | 743,633 |
| Arbitrage rebate liability | - | 124,250 | - | 124,250 | - |
| Section 108 | 1,590,000 | - | 140,000 | 1,450,000 | 170,000 |
| Notes payable | 3,692,000 | - | 923,000 | 2,769,000 | 923,000 |
| Compensated absences | 8,146,242 | | | | |
| Claims payable | 42,920,089 | | | | |
| Post employment benefits | 5,706,321 | | - | | - |
| Total governmental long term liabilities | 248,562,910 | | | | |
| Business Type Activities | | | | | |
| Bonds Payable: | | | | | |
| Electric Revenue Bonds, 2000 Series | 37,000,000 | - | 37,000,000 | - | - |
| Electric Revenue Bonds, 2003 Series | 30,050,000 | - | 795,000 | 29,255,000 | 795,000 |
| Electric Revenue Bonds, 2006 Refunding Series | - | 38,830,000 | - | 38,830,000 | 725,000 |
| Accrued interest | 130,662 | - | 4,900 | 125,762 | 4,900 |
| Bond Premium | 577,522 | 302,228 | 161,897 | 717,853 | 31,214 |
| Deferred Amount on Refunding | - | 2,394,772 | 44,619 | 2,350,153 | 172,504 |
| Total bonds payable | 67,758,184 | 41,527,000 | 38,006,416 | 71,278,768 | 1,728,618 |
| Compensated absences | 2,894,989 | | | | |
| Total business type long term liabilities | \$ 70,653,173 | | | | |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

THE CITY OF GLENDALE FINANCING AUTHORITYVariable Rate Demand Certificates of Participation (2000 Police Building Project)

The bonds issued on July 11, 2000 mature in increasing amounts ranging from \$1,100,000 to \$4,200,000 annually from 2004-2030. The Certificates are subject to purchase on the demand of the holder while they are outstanding at a variable rate. Payment of these demand certificates shall be made from the proceeds of the resale of such certificates by the City's remarketing agent. Should there be insufficient funds from this source; funds will be made available from a liquidity facility. The bond indebtedness is secured by a lease to the City and is payable from rentals received under terms of the lease agreement dated July 1, 2000.

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

GLENDALE REDEVELOPMENT AGENCY BONDS2002 Tax Allocation Bonds

The Agency issued \$48,015,000 in tax allocation bonds with an average rate of 4.5% to fund economic development activities of the Agency primarily relating to the Town Center development, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The 2002 Bonds mature in regularly increasing principal amounts ranging from \$1,810,000 to \$3,655,000 from 2004 to 2022. The bond indebtedness are secured by a pledge of 80% of all incremental property taxes, on parity with Agency's outstanding 1993 Tax Allocation Bonds, allocated to and received by the Agency for the Central Project Area. The bonds maturing on or before December 1, 2012, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2013, are subject to redemption at the option of the Agency on any interest payment date at a price ranging from 101% to 100% of the principal value. The City Treasurer shall invest the bond proceeds in government securities.

2003 Tax Allocation Refunding Bonds

The Agency issued \$58,880,000 in 2003 tax allocation refunding bonds with an average rate of 4.18% to pay Agency's outstanding Central Glendale Redevelopment Project 1993 Tax Allocation Bonds (the "Prior Bonds") with an average interest rate of 5.5%, to and to pay the cost of issuance of the 2003 Bonds. The 2003 Bonds mature in regularly increasing principal amounts ranging from \$2,000,000 to \$4,520,000 from 2004 to 2022. The bond indebtedness is secured by a pledge of 80% of all incremental property taxes allocated to and received by the Agency for the Central Project Area on a parity with the Agency's previously issued 2002 Tax Allocation Bonds. The bonds maturing on or before December 1, 2013, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2014 are subject to redemption prior to maturity at the option of the Agency and by lot within a maturity, from any source of available funds at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The current refunding of the 1993 Tax Allocation Bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,402,270. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to governmental activities through the year 2021 using the effective interest method

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

CAPITAL IMPROVEMENT PROJECTS

Landfill Closure and Postclosure Care Costs

Pursuant to Assembly Bill 2448 and the regulations established by the California Integrated Waste Management Board (Board), landfill operators are required to submit an initial cost estimate of closure and postclosure maintenance and to establish a financial mechanism to demonstrate the availability of funding to conduct closure and postclosure maintenance activities. The City selected a trust fund as the financial mechanism and the Board approved this. The City Treasurer was designated as the trustee to ensure that the City set aside annual required deposits. The City subcontracts with Los Angeles County Sanitation District to operate Scholl Canyon and as part of this contract, the County is responsible for the closure cost of Scholl Canyon. The City is responsible for the postclosure maintenance cost of Scholl Canyon. According to Los Angeles County Sanitation District's records, the permitted capacity filled between August 18, 1989 and July 11, 2006 was 8.15 million tons. The total permitted capacity remains 14.75 million tons. Therefore, the City has 6.60 million tons unfilled capacity remaining. Based on an estimated average annual filled capacity of 460,000 tons the Scholl Canyon Landfill has a remaining life of approximately 15 years. Using an inflation factor from the U.S. Department of Commerce, Bureau of Economic Analysis of 1.028, the revised postclosure cost was \$36,071,017. Using the data above, the amount of \$19,920,983, is recognized as a long-term liability on the Statement of Net Assets. Accordingly, the portion of the estimated total obligation for landfill closure and post closure costs that has not been recognized in the financial statements is \$16,150,034. The City records the annual provision for the required landfill deposits as expenditure in the Capital Project Fund-Capital Improvement Fund. At the end of June 30, 2006 the City has set aside \$17,000,000 of this in the Capital Projects Fund.

Capital Lease Obligations

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

Suntrust Leasing Corporation. The City entered into a Master Lease Agreement with Suntrust Leasing Corporation to provide funds for acquisition of fire equipment, which includes two 2004 Pierce Quantum Tiller Truck, four Pierce Quantum Pumper Truck with CAFS Foam System, four fabrication and installation of equipment brackets into Pierce Pumper Truck, two fabrication and installation of equipment brackets into Pierce Ladder Trucks, one Brush Patrol Truck 2005 GMC Sierra, and one Battalion Chief Command Vehicle 2005 GMC Yukon. The cost of the equipment funded is \$3,742,791 with an annual interest rate of 3.65%. The City will make lease payments each consisting of principal and interest for a term of ten years. The annual lease payment is \$453,447 and the first payment is due on April 20, 2006. The subsequent payments are due on April 20 annually.

Section 108 Loan

Section 108 Loan of \$1,800,000 is used as part of the City's overall Edison School/Pacific Park Revitalization Project funding plan. HUD administers the Section 108 Loan Guarantee program and the program's purpose is to fill funding gaps on major community / economic development projects throughout the country. The Section 108 Loan Guarantee program was created as part of the original Housing and Community Development Act of 1974. Section 108 obligations are permanently financed through underwritten public offerings. This is the City's first time receiving a Section 108 loan. City received \$1,791,360 in August 2002, after HUD's deduction of loan and underwriter fees of \$8,640. The term of the loan is ten years, and the total interest is \$493,143. City has pledged current and future CDBG funds as principal security for the loan. From fiscal year 2002-03 to 2011-12, Section 108 loan payment is budgeted as a CDBG project each year based on the payment schedule.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

Notes Payable

The City of Glendale, as a public agency acquired of the "Murchison Property" for open space preservation and recreation and to serve as a buffer between the Scholl Canyon Landfill and nearby residential uses through the exercise of eminent domain. The Property consists of approximately 148.59 acres of vacant land. The full purchase price for the Property is \$7,100,000. The City of Glendale paid a down payment of \$2,485,000 representing thirty five percent (35%) of the purchase price. After the close of escrow, the City of Glendale will make four equal annual payments of \$923,000 commencing on May 1, 2005 and continuing on the same date each year through and including May 1, 2008 with a final, 5th payment of \$923,000 on November 1, 2008. There shall be no interest on any of the payments to be made.

ENTERPRISE FUND

Electric Revenue Bonds, 2006 Refunding Series

The Electric Revenue Bonds issued in 2000 were fully defeased by April 19, 2006 by refunding with 2006 Electric Revenue Bonds.

The Electric utility of Glendale Water and Power issued \$38,830,000 Electric Revenue Bonds, 2006 Refunding Series with an average rate of 4.6% in April 2006 for the purpose of providing moneys for the refunding of all of the City's outstanding Electric Revenue Bonds, 2000 Series. The terms of the 2006 Electric Revenue Bonds' (2006 Refunding Bonds) indenture requires the trustee to establish and maintain a reserve account equal to the Reserve Fund Requirement.

The Bonds mature in regularly increasing amounts ranging from \$725,000 to \$2,570,000 annually from 2007 to 2030.

Current Year Defeasance of Debt

The current refunding of the Electric Revenue Bonds, 2000 Series resulted in a difference between the reacquisition price and the net carrying amount of the old debt of (\$2,394,772). This difference is reported in the accompanying financial statements as an addition to bonds payable and is being amortized through the year 2030.

Electric Revenue Bonds, 2003 Series

The Electric utility of Glendale Water and Power issued \$31,640,000 in revenue bonds in February 2003 to finance the costs of acquisition, construction and installation of a nominally rated 49 MW gas-fired simple cycle combustion turbine for the Electric System of the City. The terms of the 2003 Electric Revenue Bonds' (2003 Bonds) indenture require the trustee to establish and maintain a reserve equal to the Reserve Fund Requirement. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$1,070,000. The bonds mature in regularly increasing amounts ranging from \$795,000 to \$1,865,000 annually from 2004 to 2032. The 2003 Bonds maturing on or prior to February 1, 2013 are not subject to redemption prior to maturity. The 2003 bonds maturing on and after February 1, 2014 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2013, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2003 Bonds to be redeemed, together with accrued interest to the redemption date.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

The annual debt service requirements to amortize long-term bonded debt at June 30, 2006 are as follows:

| Fiscal Year | Certificates of Participation | | Tax Allocation Bonds | | Revenue Bonds | |
|-------------|-------------------------------|------------|----------------------|-------------|---------------|------------|
| | Governmental | | Governmental | | Business-type | |
| | Interest | Principal | Interest | Principal | Interest | Principal |
| 2006 | \$ 2,334,720 | 1,200,000 | 4,366,228 | 4,235,000 | 3,580,425 | 1,485,000 |
| 2007 | 2,288,640 | 1,300,000 | 4,188,978 | 4,415,000 | 3,493,050 | 1,520,000 |
| 2008 | 2,238,720 | 1,400,000 | 4,004,003 | 4,590,000 | 3,403,662 | 1,560,000 |
| 2009 | 2,184,960 | 1,400,000 | 3,808,478 | 4,780,000 | 3,333,838 | 1,600,000 |
| 2010 | 2,131,200 | 1,500,000 | 3,599,090 | 4,980,000 | 3,259,726 | 1,720,000 |
| 2011-2015 | 9,715,200 | 9,000,000 | 14,664,413 | 28,085,000 | 15,012,075 | 9,095,000 |
| 2016-2020 | 7,810,560 | 11,400,000 | 7,931,559 | 34,155,000 | 12,484,480 | 11,495,000 |
| 2021-2025 | 5,387,520 | 14,600,000 | 781,575 | 15,980,000 | 9,069,065 | 15,035,000 |
| 2026-2030 | 2,265,600 | 19,000,000 | - | - | 4,391,500 | 19,900,000 |
| 2031-2032 | - | - | - | - | 275,250 | 3,640,000 |
| | \$ 36,357,120 | 60,800,000 | 43,344,321 | 101,220,000 | 58,303,070 | 67,050,000 |

| Fiscal Year | Capital Lease | | Section 108 | | Notes Payable | |
|-------------|---------------|-----------|--------------|-----------|---------------|-----------|
| | Governmental | | Governmental | | Governmental | |
| | Interest | Principal | Interest | Principal | Interest | Principal |
| 2006 | \$ 186,029 | 716,231 | 65,826 | 140,000 | - | 923,000 |
| 2007 | 158,628 | 743,632 | 60,801 | 170,000 | - | 923,000 |
| 2008 | 130,177 | 772,082 | 54,448 | 180,000 | - | 923,000 |
| 2009 | 100,637 | 352,811 | 46,868 | 200,000 | - | 923,000 |
| 2010 | 87,759 | 365,688 | 38,057 | 210,000 | - | - |
| 2011-2015 | 228,567 | 2,038,671 | 51,810 | 690,000 | - | - |
| | \$ 891,797 | 4,989,115 | 317,809 | 1,590,000 | - | 3,692,000 |

| Fiscal Year | Total | | Total |
|-------------|----------------|-------------|--------------|
| | Interest | Principal | Debt Service |
| 2006 | \$ 10,533,228 | 8,699,231 | 19,232,459 |
| 2007 | 10,190,096 | 9,071,632 | 19,261,728 |
| 2008 | 9,831,010 | 9,425,082 | 19,256,092 |
| 2009 | 9,474,780 | 9,255,811 | 18,730,591 |
| 2010 | 9,115,831 | 8,775,688 | 17,891,519 |
| 2011-2015 | 39,672,064 | 48,908,671 | 88,580,735 |
| 2016-2020 | 28,226,599 | 57,050,000 | 85,276,599 |
| 2021-2025 | 15,238,160 | 45,615,000 | 60,853,160 |
| 2026-2030 | 6,657,100 | 38,900,000 | 45,557,100 |
| 2031-2032 | 275,250 | 3,640,000 | 3,915,250 |
| | \$ 139,214,117 | 239,341,115 | 378,555,232 |

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

CONDUIT DEBT OBLIGATIONS

Certain bonds that the City issued are in the public interest and necessity of its citizens. These bonds are not a debt or liability of the City. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal or interest on the bonds. Such bonds are authorized under sections 3, 5 and 7 of Articles XI of the Constitution of the State of California and Section 1 of Article III of the Charter as well as the Refunding Act of 1984 for 1915 Improvement Act Bonds. The following is a list of such bonds:

| Description of bonds | Interest Rates | Original issue | Outstanding at June 30, 2006 |
|--|----------------|----------------|------------------------------|
| City of Glendale Insured Hospital Refunding Bonds, Series 1991A (Adventist Health System/West) | 6.00% - 6.75% | \$50,000,000 | \$25,640,000 |
| City of Glendale Insured Hospital Revenue Bonds Verdugo Hills Hospital, 1994 Series | 6.375% - 8% | 27,140,000 | 14,061,000 |
| City of Glendale Mountain Road Assessment District Limited Obligation Refunding Bonds, Series 2003 | 2% - 4.5% | 8,850,000 | 6,695,000 |

F. Restricted Net Assets

The City has restricted its ordinarily available net assets for such purposes as required future debt service and bond indenture requirements and for certain commitments and contingencies. \$26,334,579 is restricted for debt service and bond indenture requirements. The City Charter requires \$15,520,694 in restricted net assets for contingencies, wherein 24% of the projected General Fund's current revenue estimate must be restricted to maintain liquidity. Pursuant to redevelopment laws of the State of California, \$20,114,577 is restricted for low and moderate housing.

The Electric Fund restricted \$6,254,725 for excess capital surcharge revenue to retrofit the City's Grayson Power Plant as mandated by the Air Quality Management District.

G. Net Deficits of Individual Funds

As of June 30, 2006, the following internal service funds have deficit net assets:

| | |
|-----------------------------|--------------|
| Uninsurable Litigation Fund | \$ 1,508,636 |
| Compensation Insurance Fund | 3,965,572 |
| Employee Benefit | 4,077,975 |
| Liability Insurance Fund | 11,431,829 |

The City is currently undergoing an actuarial study to extrapolate the City's liabilities and to come up with a funding strategy for fiscal year 2006.

Fire Paramedic Fund- The City is considering General Fund support to reduce the net deficit in the Fire Paramedic Fund in fiscal year 2005/06.

Employee Benefit Fund- The City is considering General Fund support to reduce the net deficit in the Employee Benefit Fund.

Wireless Communications System Fund - The City started this city-wide funding of the wireless communication equipments. It is the City's believe over time the deficit will turn around.

Fire Grant Fund - The City is reviewing the deficit, and plans to come up with a solution in the near future.

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City retains risks for the following types of liabilities: workers' compensation insurance (up to \$3,000,000 per occurrence), unemployment insurance, post employment benefits, general auto, dental, medical and vision as well as public liability (up to \$2,000,000) through separate Internal Service Funds. The City purchased several commercial insurance policies from third-party insurance companies for errors and omissions of its officers and employees, destruction of assets and natural disasters as well as excess workers' compensation and general public liability claims. There were no significant settlements or reductions in insurance coverage from settlements for the past three years.

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

Claims payable liability has been established in these funds based on estimates of incurred but not reported and litigated claims. Management believes that provisions for claims at June 30, 2005 are adequate to cover the cost of claims incurred to date. However, such liabilities are, by necessity, based upon estimates and there can be no assurance that the ultimate cost will not exceed such estimates. A reconciliation of the changes in the aggregate liabilities for claims for the current fiscal the prior fiscal year are as follows:

| Fiscal Year | Beginning Balance | Claims and Changes | Claim Payments | Ending Balance |
|-------------|----------------------|-----------------------|-------------------|-------------------|
| 2004-05 | 37,531,000 | 23,514,000 | 18,125,000 | 42,920,000 |
| 2005-06 | 42,920,000 | (1,795,000) | 15,394,000 | 25,731,000 |

B. Contingent Liabilities and Commitments

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

The City is involved in a dispute over a public works contract in which the contractor is claiming it is owed a substantial amount. We believe the contractor's claim is wholly without merit and the City will vigorously contest said claim.

The City is a subscribing agency in the City of Los Angeles' sewage treatment facilities. During the year ended June 30, 2005, the City of Los Angeles advised the City that its allocation of capital improvements to the facility over the next ten years be estimated at \$73,330,000. The City anticipates funding these improvements through cash accumulated in the Sewer Enterprise Fund. The City Engineer is preparing a proposal for a sewer master plan to review the City's existing contract with City of Los Angeles and to evaluate the City's wastewater direction in the future.

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

Before the expiration of the contract, Hoover Powerplant Act of 1984 authorized the uprating of the 17 main generating units and provided long-term contingent capacity and firm energy to the participants in a renewal contract. The uprating

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

program replaced all 17 original turbines in the Hoover Dam Power Plant began in 1986. When the program was finished in 1993, it increased the capacity of the plant from 1,344 MW to 2,079 MW.

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

The City's electric operation is committed to purchase all available landfill gas generated by Scholl Canyon LFG Limited Partnership at a price based on various natural gas indices. The term of this commitment is for a period of twenty years from July 1994 to July 2014. The landfill gas purchase for fiscal year 2005-06 was approximately 1,162,317 mmBtu and the average purchase price was \$13.79 per mmBtu.

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

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

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

C. Jointly Governed Organizations

Joint Power Agreement between the City and the Glendale Community College

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

and enforce the expanded residential permit parking area program in and around the College campus and in the event the Civic Auditorium parking facilities are constructed, to allow the College students with student parking program permits to use such facilities during the periods that the Civic Auditorium functions are not in progress.

"Take or Pay" Contracts

The City has entered into seven "Take or Pay" contracts, which require payments to be made whether or not projects are completed or operable, or whether output from such projects is suspended, interrupted or terminated. Such payments represent the City's share of current and long-term obligations. Payment for these obligations is expected to be made from operating revenues received during the year that payment is due. These contracts provide for current and future electric generating capacity and transmission of energy for City residents. Through these contracts, the City purchased approximately 48% of its total energy requirements during fiscal year 2005-06. This energy will displace some of the energy that was to have been supplied by the local generating plant. The City is obligated to pay the amortized cost of indebtedness regardless of the ability of the contracting agency to provide electricity. The original indebtedness will be amortized by adding the financing costs to purchase energy over the life of the contract. All of these agreements contain "step-up" provisions obligating the City to pay a share of the obligations of any defaulting participant.

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

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

The City through contract is obligated for 30 megawatts or 1.704% of the generation. In addition, the City entered into an "Excess Power Sales Agreement" with the ICPA, agent for the Utah Municipal Purchasers and the Cooperative Purchasers, which entitles the City to an additional share of 9 megawatts or 0.501% beginning March 24, 2004. The total City's obligation from Intermountain Power Project (IPP) is 39 megawatts.

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

The first of the SCPPA projects is a 3,810 megawatt nuclear fuel generation plant in Arizona (Palo Verde). The Palo Verde nuclear project consists of three (3) units, each having an electric output of approximately 1,270 megawatts. SCPPA has purchased approximately 225 megawatts of capacity and associated energy (approximately 5.910% of total Palo Verde output), of which the City receives 9.9 megawatts or 4.400% of SCPPA's entitlement. As of June 30, 2006, Glendale's share is 4.400% (PV).

As required by the Participation Agreement, the co-owners of the Palo Verde Nuclear Generating Station (PVNGS) have created external accounts for the decommissioning of PVNGS at the end of its life. The market value of the Authority's accounts for decommissioning was approximately \$133,100,000 at June 30, 2005. Based on the most recent (2004) estimate of decommissioning costs, SCPPA estimates that its share of the amount required for decommissioning of PVNGS is now fully funded. No assurance can be given, however, that such amount will be sufficient to fund SCPPA's share of decommissioning costs. SCPPA anticipates receiving a new estimate of decommissioning costs every three years. Waiting for numbers

A second project financed through SCPPA is the Southern Transmission System that transmits power from the coal-fired IPP to Southern California. The 500 kV DC line is rated at 1,920 megawatts. The City's share of the line is 2.2740% or approximately 44 megawatts. As of June 30, 2006, Glendale's share is 2.2740% (STS).

A third project financed through SCPPA is the acquisition of a 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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

is obligated for 20 megawatts or 9.8047% of the SPPA entitlement. As of June 30, 2006, Glendale's share is 9.8046% (SJ).

A fourth project financed through SPPA is Mead-Adelanto Project. The project consists of a 202-mile 500 kV AC transmission line from a termination in southern Nevada, to a termination in the vicinity of Adelanto, California, and the development of the Marketplace Substation at the southern Nevada line termination approximately 17 miles southwest of Boulder City, Nevada. The initial transfer capability of the Mead-Adelanto Project is estimated at 1,200 megawatts. SPPA members in the project are entitled to 815 megawatts. The City is obligated for 90 megawatts or 11.0430% of the SPPA entitlement. As of June 30, 2006, Glendale's share is 11.0430% (MA).

A fifth project financed through SPPA is Mead Phoenix Project. The project consists of a 256-mile long 500 kV AC transmission line from the Westwing Substation in the vicinity of Phoenix, Arizona to the Marketplace Substation approximately 17 miles southwest of Boulder City, Nevada with an interconnection to the Mead Substation in southern Nevada. The project consists of three separate components: the Westwing-Mead Component, the Mead Substation Component, and the Mead-Marketplace Component. The City's participation shares in the components range from 11.7647% to 22.7273%. The Mead-Phoenix Project in conjunction with the Mead-Adelanto Project provides an alternative path for the City's purchases from the Palo Verde Nuclear Generating Station, San Juan Generating Station and Hoover Power Plant. These transmission lines also provide access to the southwest U.S. where economical coal energy is readily available. As of June 30, 2006, Glendale's share is 14.8000% (MP).

A sixth project financed through SPPA is the Magnolia Power Project located on Burbank Water & Power's generation station complex adjacent to Magnolia Boulevard in Burbank, California. The project consists of a combined cycle natural gas-fired generating plant with a nominally rated net base capacity of 242 megawatts. The City is obligated for 40 megawatts or 16.5289% of the project's output. As of June 30, 2006, Glendale's share is 16.5289% (MPP).

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

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

A summary of the City's "Take or Pay" contracts and related projects and its contingent liability at June 30, 2006 is as follows (in thousands):

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

| | IPP | SJ | PV | STS | MA | MP | MPP | Total |
|--------------|----------|----------|---------|----------|----------|----------|----------|-----------|
| 2007 | \$5,750 | \$1,845 | \$721 | \$1,642 | \$2,337 | \$973 | \$3,100 | \$16,368 |
| 2008 | 6,117 | 1,845 | 717 | 1,619 | 2,333 | 972 | 3,100 | 16,703 |
| 2009 | 5,755 | 1,845 | 712 | 1,563 | 2,338 | 970 | 3,100 | 16,284 |
| 2010 | 6,126 | 1,845 | 596 | 1,575 | 2,395 | 1,114 | 3,100 | 16,751 |
| 2011 | 7,183 | 1,845 | 592 | 1,592 | 2,387 | 1,110 | 3,100 | 17,809 |
| 2012-2016 | 27,611 | 10,154 | 2,897 | 9,073 | 11,873 | 5,032 | 15,500 | 82,139 |
| 2017-2021 | 25,886 | 4,893 | 566 | 9,366 | 9,504 | 3,807 | 15,501 | 69,523 |
| 2022-2026 | 6,502 | | | 2,976 | | | 15,500 | 24,979 |
| 2027-2031 | | | | | | | 15,499 | 15,499 |
| 2032-2036 | | | | | | | 20,975 | 20,975 |
| 2037-2041 | | | | | | | | |
| Total | \$90,930 | \$24,271 | \$6,802 | \$29,406 | \$33,167 | \$13,978 | \$98,476 | \$297,029 |

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 2005-06 and budgets for fiscal year 2006-07 are as follows (in thousands):

| Fiscal Year | IPA | SJ | PV | STS | MA | MP | MPP | Total |
|-------------|----------|----------|----------|--------|--------|--------|----------|-----------|
| 2006 | \$ 4,951 | \$ 5,412 | \$ 1,886 | \$ 393 | \$ 178 | \$ 170 | \$ 1,923 | \$ 14,913 |
| 2007 | 7,362 | 6,402 | 1,729 | 435 | 204 | 195 | 4,201 | 20,528 |

D. Employee Retirement System and Plans

Plan Description

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

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

Funding Policy

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

12/1/06 to 9.591%. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

Contributions to CalPERS totaling \$17,792,610 were made during the fiscal year ended June 30, 2006 in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2005. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.75% a year compounded annually (net of administrative expenses), (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45%, (c) no additional projected salary increases attributable to seniority/merit and (d) no post retirement benefit increases. The actuarial value of the City's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period depending on the size of investment gains and/or losses. CalPERS uses the entry-age-normal-actuarial-cost method, which is a projected-benefit-cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued. According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. In addition, the employer's total normal cost is expressed as a level percentage of payroll. CalPERS also uses the level-percentage-of-payroll method to amortize any unfunded actuarial liabilities. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20 year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization.

Three year Trend Information

| Fiscal year ending | Annual Pension Cost (APC) | Percentage of APC | |
|-----------------------|---------------------------|-------------------|------------------------|
| | | Contributed | Net Pension Obligation |
| 6/30/04 | \$ 2,090,971 | 100% | 0 |
| 6/30/05 | \$ 9,832,076 | 100% | 0 |
| 6/30/06 | \$17,792,610 | 100% | 0 |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

Schedule of Funding Progress (Unaudited)

| Actuarial Valuation Date | Actuarial Value of Assets <a> | Actuarial Accrued Liability <AAL> – Entry Age | (Unfunded AAL) / Over- funded AAL <a-b> | Funded Ratio <a/b> | Covered Payroll <c> | (Unfunded AAL)/ Overfunded AAL as a Percentage of Covered Payroll <(a-b)/c> |
|-----------------------------|--|---|--|--------------------------|---------------------------|--|
| 06/30/2003 | \$770,652,222 | 795,007,184 | (24,354,962) | 96.9 % | 114,964,463 | (21.2 %) |
| 6/30/2004 | \$806,230,814 | 864,127,882 | (57,897,068) | 93.3% | 122,073,007 | (47.4%) |
| 6/30/2005 | \$854,260,613 | 929,960,421 | (75,699,808) | 91.9% | 131,264,713 | 57.7% |

E. Interfund Transactions

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

Due to/from other funds are temporary cash overdrafts within a fund. Due to/from other funds for fiscal year 2004-05 consisted of the following:

Due to general fund from:

| | |
|-----------------------------|------------------|
| Nonmajor governmental funds | \$ 7,842,939 |
| Internal service funds | <u>573,859</u> |
| | <u>9,495,409</u> |

Due to electric fund from:

| | |
|--------------------------|---------------------|
| Capital improvement fund | \$ <u>1,331,140</u> |
|--------------------------|---------------------|

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

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

| | Amount | Purpose |
|--|---------------------|---|
| Transfer to general fund from: | | |
| Electric fund | \$ 17,683,587 | Fund general fund operations |
| Water fund | 3,873,819 | Fund general fund operations |
| Nonmajor proprietary fund | <u>2,800,000</u> | Fund general fund operations |
| | <u>24,357,406</u> | |
| Transfers to capital improvement fund from: | | |
| General fund | 6,000,000 | Purchase Flint Canyon for open space |
| General fund | <u>75,000</u> | Modify apparatus bay at Fire Station 26 |
| | <u>6,075,000</u> | |
| Transfers to nonmajor governmental funds from: | | |
| General fund | 136,911 | Fund nutritional meals operations |
| General fund | <u>798,000</u> | Fund fire paramedics operations |
| | <u>934,911</u> | |
| Transfers to internal service funds from: | | |
| General fund | 200,000 | Fund application software replacement |
| General fund | 95,000 | Fund citywide document management system |
| General fund | 580,000 | Fund financial system operations |
| General fund | 675,000 | Fund police technology equipment replacement |
| General fund | 290,000 | Fund police CAD RMS replacement |
| General fund | 1,194,699 | Fund wireless communication equipment replacement |
| Capital improvement fund | <u>1,045,810</u> | Fund financial system operations |
| | <u>\$ 4,080,509</u> | |

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2006

F. Pronouncement Issued but Not yet Adopted

In December 2004, the Governmental Accounting Standards Board (GASB) has published a staff Technical Bulletin, Recognition of Pension and Other Postemployment Benefit [OPEB] Expenditures/Expense and Liabilities by Cost-Sharing Employers. The Technical Bulletin clarifies the application of requirements regarding Statement No. 27, Accounting for Pension by State and Local Governmental Employers, and Statement No. 45, Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions, respectively. The Technical Bulletin clarifies that a cost-sharing employer should recognize the contractually required contributions assessed for the employer's financial reporting period as expenditures of that period, and should recognize and unpaid contributions assessed for that period as liabilities, in governmental fund financial statements prepared on the modified accrual basis of accounting. Because the employer's liability for unpaid contractually required contributions for the period is a matured liability, there generally will be no reconciling items required between the amount recognized as expenditures and the amount recognized as expense in government-wide financial statements prepared on the accrual basis of accounting. The City will be required to implement the technical bulletin for periods beginning after December 15, 2006.

In November 2003, the GASB issued Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries. This statement establishes accounting and financial reporting standards for impairment of capital assets and also clarifies and establishes accounting requirements for insurance recoveries. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2004. Management does not expect implementation of this Statement to have a material effect on the financial statements.

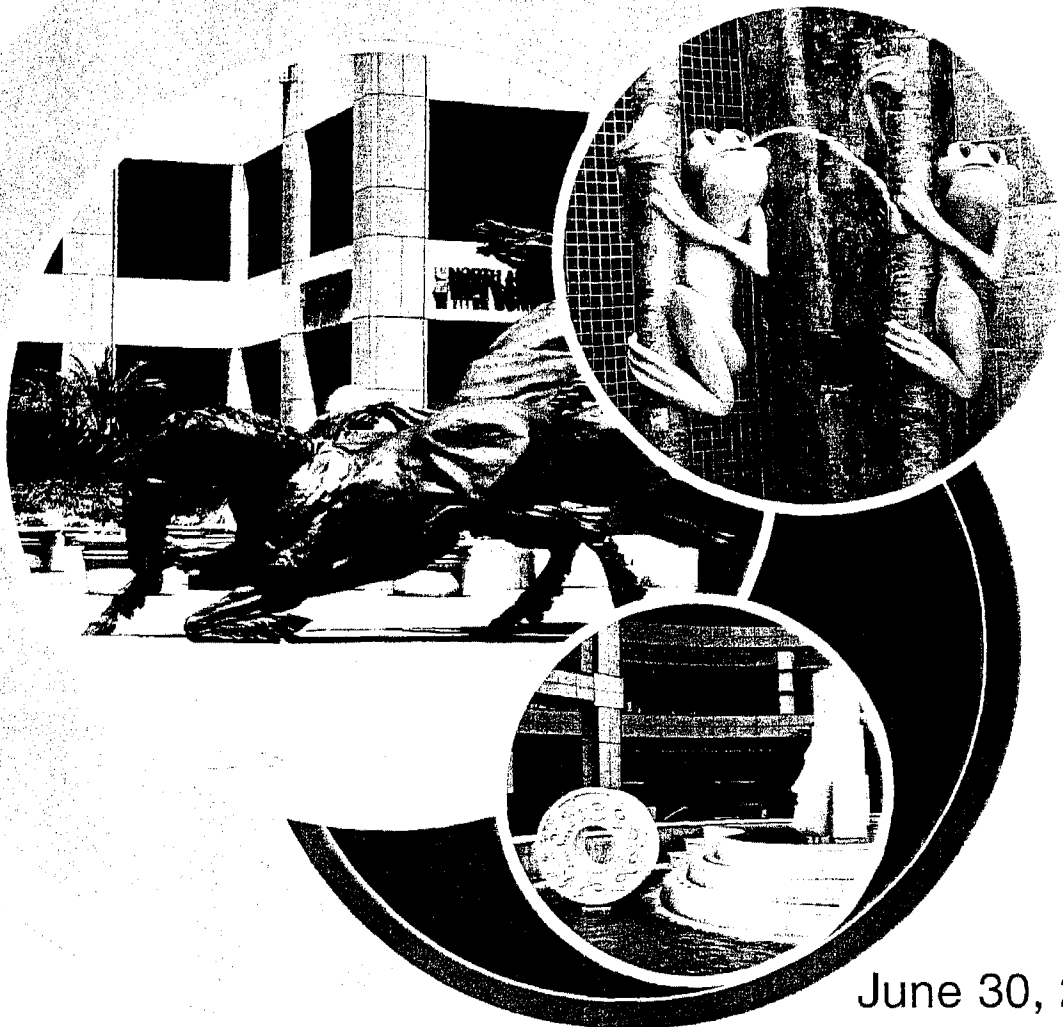
In October 2004, the GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The basic premise of the statement is that Other Postemployment Benefits (OPEB) are earned by employees and should be recognized by the employer as the employee provides services. GASB 45 requires employers to account for and report the annual cost of OPEB and the outstanding obligations and commitments related to them in the same manner as they currently do for pensions. All of the City's retirees continue their life insurance and continue to receive health insurance benefits at various percentages of the City's cost. Currently, the City is financing OPEB on a pay-as-you-go basis with expenditures recorded in the General Fund. Accounting for OPEB under GASB No. 45 will result in the City reporting a significant actuarially-based liability for benefits. The City will be required to implement GASB No. 45 in the fiscal year beginning October 1, 2008. The City has not yet determined the impact on the financial statements of implementing this statement, whether to retroactively implement the statement, or whether to change retiree benefits.

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Non-Major Funds

Comprehensive Annual Financial Report

The City of Glendale, California



June 30, 2006

Exhibit F-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

| | Special Revenue Funds | Debt Service Fund | Capital Project Funds | Total Governmental Funds |
|--|--------------------------|-------------------|--------------------------|-----------------------------|
| Assets | | | | |
| Cash and invested cash | \$ 42,160,044 | 43,203,679 | 10,274,197 | 95,637,920 |
| Imprest cash | - | - | - | - |
| Cash with fiscal agent | - | 13,829,035 | - | 13,829,035 |
| Interest receivable | 344,193 | 373,120 | 100,248 | 817,561 |
| Investment in assessment bonds | - | - | - | - |
| Accounts receivable, net | 2,963,194 | - | 259,723 | 3,222,917 |
| Unbilled receivable | 381,110 | - | - | 381,110 |
| Intergovernmental receivable | - | - | - | - |
| Due from other agencies | 8,311,731 | - | 607,341 | 8,919,072 |
| Due from other funds | - | - | - | - |
| Deposits | - | - | - | - |
| Inventories | - | - | - | - |
| Prepaid items | 1,758,107 | - | - | 1,758,107 |
| Loans receivable | - | - | - | - |
| Property held for resale | 7,436,024 | - | - | 7,436,024 |
| Total assets | 63,354,404 | 57,405,834 | 11,241,509 | 132,001,746 |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | 2,041,835 | 196,822 | 117,661 | 2,356,318 |
| Contracts-retained amount due | 34,268 | - | - | 34,268 |
| Due to other funds | 9,788,743 | - | - | 9,788,743 |
| Due to other agencies | 148,285 | - | 587,567 | 735,852 |
| Bond issuance costs | - | - | - | - |
| Matured principal and interest | - | - | - | - |
| Accrued wages and withholding | 698,624 | - | 20,604 | 719,228 |
| Interest payable | - | 32,856 | - | 32,856 |
| Compensated absences | - | - | - | - |
| Deferred revenues | 915,349 | - | - | 915,349 |
| Deposits | 155,628 | - | - | 155,628 |
| Intergovernmental payable | - | - | - | - |
| Total liabilities | 13,782,732 | 229,678 | 725,831 | 14,738,242 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Prepaid | 1,758,107 | - | - | 1,758,107 |
| Debt service | - | 12,192,618 | - | 12,192,618 |
| Encumbrances | 6,926,000 | - | 3,057,000 | 9,983,000 |
| Property Resale | 7,436,024 | - | - | 7,436,024 |
| Unreserved | 33,451,540 | 44,983,538 | 7,458,678 | 85,893,756 |
| Total fund balances | 49,571,671 | 57,176,155 | 10,515,678 | 117,263,505 |
| Total liabilities and fund balances | \$ 63,354,404 | 57,405,834 | 11,241,509 | 132,001,746 |

Exhibit F-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Capital Projects

For Fiscal Year Ended June 30, 2006

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------|-----------------------|---------------------------|---|
| Revenues: | | | | |
| Property taxes | \$ 5,586,152 | 8,601,228 | - | 14,187,380 |
| Other taxes | 3,002,192 | - | - | 3,002,192 |
| Revenue from other agencies | 36,750,344 | - | 5,014,355 | 41,764,699 |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | 329,092 | - | - | 329,092 |
| Charges for services | 12,579,378 | - | - | 12,579,378 |
| Use of money and property | 1,076,064 | 1,548,420 | 217,803 | 2,842,287 |
| Intergovernmental revenue | - | - | - | - |
| Interfund revenue | - | - | - | - |
| Miscellaneous revenue | 9,322,615 | - | 99,260 | 9,421,875 |
| Total Revenues | 68,645,837 | 10,149,647 | 5,331,418 | 84,126,903 |
| Expenditures: | | | | |
| Operating expenditures | | | | |
| General government | 682,469 | - | - | 682,469 |
| Community promotion | - | - | - | - |
| Public safety | 15,575,903 | 220,019 | 3,420 | 15,799,342 |
| Public works | 7,962,173 | - | 708,799 | 8,670,972 |
| Housing, health and community development | 25,039,256 | 4,975 | - | 25,044,231 |
| Employment programs | 6,129,225 | - | - | 6,129,225 |
| Public service | 3,931,324 | - | - | 3,931,324 |
| Parks, recreation and community services | 453,983 | - | - | 453,983 |
| Library | 288,094 | - | - | 288,094 |
| Capital | 9,154,273 | - | 3,934,441 | 13,088,715 |
| Debt service | | | | |
| Interest on Loan | 92,381 | - | - | 92,381 |
| Interest on Bonds | - | 6,286,609 | - | 6,286,609 |
| Principal | 140,000 | 5,435,000 | - | 5,575,000 |
| Total expenditures | 69,449,080 | 11,946,603 | 4,646,661 | 86,042,345 |
| Excess of revenues over (under) expenditures | (803,243) | (1,796,956) | 684,757 | (1,915,442) |
| Other financing sources (uses): | | | | |
| Transfer from | | | | |
| Transfer-General Fund | 934,911 | - | - | 934,911 |
| Transfer-Special Revenue | 100,000 | - | - | 100,000 |
| Transfer to | | | | |
| Transfer-Special Revenue | (100,000) | - | - | (100,000) |
| Total financing sources (uses) | 934,911 | - | - | 934,911 |
| Net change in fund balances | 131,668 | (1,796,956) | 684,757 | (980,531) |
| Fund balance, July 1 | 49,440,004 | 58,973,111 | 9,830,921 | 118,244,036 |
| Fund Balance, June 30 | \$ 49,571,672 | 57,176,155 | 10,515,678 | 117,263,505 |

SPECIAL REVENUE FUNDS

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

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

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

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2006

| | Community Development Fund | Housing Assistance Fund | Home Grant Fund | Supportive Housing Grant Fund | Emergency Shelter Grant Fund |
|--|-------------------------------|----------------------------|------------------|----------------------------------|---------------------------------|
| Assets | | | | | |
| Cash and invested cash | \$ - | - | - | - | - |
| Imprest cash | - | - | - | - | - |
| Cash with fiscal agent | - | - | - | - | - |
| Interest receivable | - | - | - | - | - |
| Investment in assessment bonds | - | - | - | - | - |
| Accounts receivable, net | 915,349 | - | - | - | - |
| Intergovernmental receivable | - | - | - | - | - |
| Unbilled receivable | - | - | - | - | - |
| Due from other agencies | 938,472 | 731,835 | 3,458,288 | 520,892 | 44,455 |
| Due from other funds | - | - | - | - | - |
| Prepaid items | - | 1,690,969 | - | 34,648 | - |
| Property held for resale | - | - | - | - | - |
| Total assets | 1,853,822 | 2,422,804 | 3,458,288 | 555,540 | 44,455 |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 185,007 | 14,471 | 3,111 | 18,328 | 7,559 |
| Contracts-retained amount due | - | - | - | - | - |
| Due to other funds | 697,715 | 99,646 | 3,449,268 | 482,368 | 35,896 |
| Due to other agencies | - | 28,648 | - | - | - |
| Matured principal and interest | - | - | - | - | - |
| Accrued wages and withholding | 55,750 | 62,886 | 5,908 | 18,003 | 1,000 |
| Accrued interest | - | - | - | - | - |
| Deferred revenues | 915,349 | - | - | - | - |
| Deposits | - | 150,166 | - | - | - |
| Intergovernmental payable | - | - | - | - | - |
| Total liabilities | 1,853,822 | 355,816 | 3,458,288 | 518,699 | 44,455 |
| Fund Balances: | | | | | |
| Reserved: | | | | | |
| Prepaid | - | 1,690,969 | - | 34,648 | - |
| Encumbrances | - | 59,000 | - | - | - |
| Property Resale | - | - | - | - | - |
| Unreserved | - | 317,019 | - | 2,193 | - |
| Total fund balances | - | 2,066,988 | - | 36,841 | - |
| Total liabilities and fund balances | \$ 1,853,822 | 2,422,804 | 3,458,288 | 555,540 | 44,455 |

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2006

| | Workforce Investment Fund | Code Enforcement | Low & Moderate Housing Fund | Local Transit Assistance Fund | Air Quality Improvement |
|--|------------------------------|------------------|--------------------------------|----------------------------------|----------------------------|
| Assets | | | | | |
| Cash and invested cash | \$ - | 147 | 12,983,091 | 12,098,435 | 498,663 |
| Imprest cash | - | - | - | - | - |
| Cash with fiscal agent | - | - | - | - | - |
| Interest receivable | - | - | 98,804 | 105,860 | 3,866 |
| Investment in assessment bonds | - | - | - | - | - |
| Accounts receivable, net | - | - | - | 108,901 | - |
| Intergovernmental receivable | - | - | - | - | - |
| Unbilled receivable | - | - | - | - | - |
| Due from other agencies | 1,054,270 | - | 988,351 | 329,398 | - |
| Due from other funds | - | - | - | - | - |
| Prepaid items | - | - | 32,490 | - | - |
| Property held for resale | - | - | 7,436,024 | - | - |
| Total assets | 1,054,270 | 147 | 21,538,761 | 12,642,594 | 502,529 |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 154,772 | - | 24,417 | 781,234 | 19,745 |
| Contracts-retained amount due | - | - | - | - | - |
| Due to other funds | 484,792 | - | - | - | - |
| Due to other agencies | - | - | - | 7,222 | - |
| Matured principal and interest | - | - | - | - | - |
| Accrued wages and withholding | 100,691 | 147 | 70,591 | 27,979 | 309 |
| Accrued interest | - | - | - | - | - |
| Deferred revenues | - | - | - | - | - |
| Deposits | 3,360 | - | - | - | - |
| Intergovernmental payable | - | - | - | - | - |
| Total liabilities | 743,614 | 147 | 95,008 | 816,435 | 20,054 |
| Fund Balances: | | | | | |
| Reserved: | | | | | |
| Prepaid | - | - | 32,490 | - | - |
| Encumbrances | - | - | 3,863,000 | 806,000 | 4,000 |
| Property Resale | - | - | 7,436,024 | - | - |
| Unreserved | 310,656 | - | 10,112,238 | 11,020,159 | 478,475 |
| Total fund balances | 310,656 | - | 21,443,753 | 11,826,159 | 482,475 |
| Total liabilities and fund balances | \$ 1,054,270 | 147 | 21,538,761 | 12,642,594 | 502,529 |

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2006

| | Narcotic Forfeiture Fund | Special Grant Fund | Supplemental Law Enforcement | Police Staff Augmentation Fund | Fire Grant Fund |
|--|-----------------------------|--------------------|---------------------------------|-----------------------------------|------------------|
| Assets | | | | | |
| Cash and invested cash | \$ 268,036 | 63,487 | 174,260 | 7,610,756 | - |
| Imprest cash | - | - | - | - | - |
| Cash with fiscal agent | - | - | - | - | - |
| Interest receivable | 3,247 | 1,213 | 1,595 | 54,840 | - |
| Investment in assessment bonds | - | - | - | - | - |
| Accounts receivable, net | - | 78,881 | - | - | 8,874 |
| Intergovernmental receivable | - | - | - | - | - |
| Unbilled receivable | - | - | - | - | - |
| Due from other agencies | 2,030 | 64,955 | - | - | 36,695 |
| Due from other funds | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Property held for resale | - | - | - | - | - |
| Total assets | 273,313 | 208,536 | 175,855 | 7,665,596 | 45,569 |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 12,412 | 36,284 | 2,043 | 132,208 | 135,977 |
| Contracts-retained amount due | - | - | - | - | - |
| Due to other funds | - | - | - | - | 504,946 |
| Due to other agencies | 112,416 | - | - | - | - |
| Matured principal and interest | - | - | - | - | - |
| Accrued wages and withholding | 7,161 | 7,551 | 7,116 | 90,734 | 22,453 |
| Accrued interest | - | - | - | - | - |
| Deferred revenues | - | - | - | - | - |
| Deposits | - | (161) | - | - | - |
| Intergovernmental payable | - | - | - | - | - |
| Total liabilities | 131,988 | 43,674 | 9,160 | 222,942 | 663,376 |
| Fund Balances: | | | | | |
| Reserved: | | | | | |
| Prepaid | - | - | - | - | - |
| Encumbrances | 5,000 | 133,000 | - | 80,000 | 333,000 |
| Property Resale | - | - | - | - | - |
| Unreserved | 136,325 | 31,862 | 166,695 | 7,362,654 | (950,807) |
| Total fund balances | 141,325 | 164,862 | 166,695 | 7,442,654 | (617,807) |
| Total liabilities and fund balances | \$ 273,313 | 208,536 | 175,855 | 7,665,596 | 45,569 |

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2006

| | Nutritional Meals Grant Fund | Library Fund | Cable Access Fund | Electric Public Benefit Fund | Fire Paramedic Fund |
|--|---------------------------------|----------------|-------------------|---------------------------------|------------------------|
| Assets | | | | | |
| Cash and invested cash | \$ 71,138 | 821,769 | 840,302 | 4,810,360 | - |
| Imprest cash | - | - | - | - | - |
| Cash with fiscal agent | - | - | - | - | - |
| Interest receivable | - | 7,129 | 7,521 | 42,871 | - |
| Investment in assessment bonds | - | - | - | - | - |
| Accounts receivable, net | - | - | 125,254 | 171,323 | 1,537,652 |
| Intergovernmental receivable | - | - | - | - | - |
| Unbilled receivable | - | - | - | 375,668 | 5,442 |
| Due from other agencies | 98,242 | - | - | - | - |
| Due from other funds | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Property held for resale | - | - | - | - | - |
| Total assets | 169,380 | 828,898 | 973,077 | 5,400,222 | 1,543,095 |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 31,067 | 15,060 | 17,411 | 172,764 | 267,849 |
| Contracts-retained amount due | - | - | - | - | 34,268 |
| Due to other funds | 7,368 | - | - | - | 4,026,744 |
| Due to other agencies | - | - | - | - | - |
| Matured principal and interest | - | - | - | - | - |
| Accrued wages and withholding | 7,592 | 7,695 | 17,839 | 8,859 | 112,554 |
| Accrued interest | - | - | - | - | - |
| Deferred revenues | - | - | - | - | - |
| Deposits | - | - | - | - | 1,006 |
| Intergovernmental payable | - | - | - | - | - |
| Total liabilities | 46,027 | 22,756 | 35,250 | 181,623 | 4,442,421 |
| Fund Balances: | | | | | |
| Reserved: | | | | | |
| Prepaid | - | - | - | - | - |
| Encumbrances | 27,000 | 22,000 | - | 1,237,000 | - |
| Property Resale | - | - | - | - | - |
| Unreserved | 96,353 | 784,142 | 937,827 | 3,981,598 | (2,899,326) |
| Total fund balances | 123,353 | 806,142 | 937,827 | 5,218,598 | (2,899,326) |
| Total liabilities and fund balances | \$ 169,380 | 828,898 | 973,077 | 5,400,222 | 1,543,095 |

Exhibit G-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
June 30, 2006

| | Fire Communication Fund | ICIS | Total Nonmajor Special Revenue Funds |
|--|-------------------------------|----------------|--|
| Assets | | | |
| Cash and invested cash | \$ 1,731,796 | 187,803 | 42,160,044 |
| Imprest cash | - | - | - |
| Cash with fiscal agent | - | - | - |
| Interest receivable | 15,812 | 1,435 | 344,193 |
| Investment in assessment bonds | - | - | - |
| Accounts receivable, net | 16,959 | - | 2,963,194 |
| Intergovernmental receivable | - | - | - |
| Unbilled receivable | - | - | 381,110 |
| Due from other agencies | 43,849 | - | 8,311,731 |
| Due from other funds | - | - | - |
| Prepaid items | - | - | 1,758,107 |
| Property held for resale | - | - | 7,436,024 |
| Total assets | 1,808,416 | 189,238 | 63,354,404 |
| Liabilities and Fund Balances | | | |
| Liabilities: | | | |
| Accounts payable | 8,280 | 1,835 | 2,041,835 |
| Contracts-retained amount due | - | - | 34,268 |
| Due to other funds | - | - | 9,788,743 |
| Due to other agencies | - | - | 148,285 |
| Matured principal and interest | - | - | - |
| Accrued wages and withholding | 65,807 | - | 698,624 |
| Accrued interest | - | - | - |
| Deferred revenues | - | - | 915,349 |
| Deposits | - | 1,257 | 155,628 |
| Intergovernmental payable | - | - | - |
| Total liabilities | 74,087 | 3,092 | 13,782,732 |
| Fund Balances: | | | |
| Reserved: | | | |
| Prepaid | - | - | 1,758,107 |
| Encumbrances | 357,000 | - | 6,926,000 |
| Property Resale | - | - | 7,436,024 |
| Unreserved | 1,377,329 | 186,146 | 33,451,540 |
| Total fund balances | 1,734,329 | 186,146 | 49,571,671 |
| Total liabilities and fund balances | \$ 1,808,416 | 189,238 | 63,354,404 |

Exhibit G-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

| | Community Development Fund | Housing Assistance Fund | Home Grant Fund | Supportive Housing Grant Fund | Emergency Shelter Grant Fund |
|---|-------------------------------|----------------------------|-----------------|----------------------------------|---------------------------------|
| Revenues: | | | | | |
| Property taxes | \$ - | - | - | - | - |
| Other taxes | - | - | - | - | - |
| Revenue from other agencies | 4,482,149 | 12,672,763 | 3,319,596 | 1,495,595 | 131,568 |
| Licenses and permits | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - |
| Charges for services | - | - | - | - | - |
| Use of money and property | - | 439 | - | - | - |
| Intergovernmental revenue | - | - | - | - | - |
| Interfund revenue | - | - | - | - | - |
| Miscellaneous revenue | - | 851,234 | (10,575) | 162,870 | - |
| Total Revenues | 4,482,149 | 13,524,436 | 3,309,021 | 1,658,465 | 131,568 |
| Expenditures: | | | | | |
| Operating expenditures | | | | | |
| General government | - | - | - | - | - |
| Community promotion | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Housing, health and community development | 1,475,969 | 13,257,702 | 329,524 | 1,621,624 | 131,568 |
| Employment programs | 756,033 | - | 236,558 | - | - |
| Public service | - | - | - | - | - |
| Parks, recreation and community services | - | - | - | - | - |
| Library | - | - | - | - | - |
| Capital | 2,017,765 | (4,000) | 2,742,939 | - | - |
| Debt service | 232,381 | - | - | - | - |
| Total expenditures | 4,482,149 | 13,253,702 | 3,309,021 | 1,621,624 | 131,568 |
| Excess of revenues over (under) expenditures | - | 270,734 | - | 36,841 | - |
| Other financing sources (uses): | | | | | |
| Transfer from: | | | | | |
| Transfer-General Fund | - | - | - | - | - |
| Transfer-Special Revenue | - | - | - | - | - |
| Transfer to: | | | | | |
| Transfer-Special Revenue | - | - | - | - | - |
| Total financing sources (uses) | - | - | - | - | - |
| Net change in fund balances | - | 270,734 | - | 36,841 | - |
| Fund balance, July 1 | - | 1,796,254 | - | - | - |
| Fund Balance, June 30 | \$ - | 2,066,988 | - | 36,841 | - |

Exhibit G-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

| | Workforce Investment Fund | Code Enforcement | Low & Moderate Housing Fund | Local Transit Assistance Fund | Air Quality Improvement |
|---|------------------------------|------------------|--------------------------------|----------------------------------|----------------------------|
| Revenues: | | | | | |
| Property taxes | \$ - | - | 5,586,152 | - | - |
| Other taxes | - | - | - | - | - |
| Revenue from other agencies | 4,244,884 | - | - | 6,812,425 | 249,695 |
| Licenses and permits | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - |
| Charges for services | - | - | - | 1,379,675 | 51,789 |
| Use of money and property | - | - | 369,228 | 294,934 | 11,041 |
| Intergovernmental revenue | - | - | - | - | - |
| Interfund revenue | - | - | - | - | - |
| Miscellaneous revenue | 41,926 | - | 5,864,580 | 27,917 | 441 |
| Total Revenues | 4,286,809 | - | 11,819,960 | 8,514,952 | 312,965 |
| Expenditures: | | | | | |
| Operating expenditures | | | | | |
| General government | - | - | - | - | - |
| Community promotion | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | 7,674,480 | 287,693 |
| Housing, health and community development | - | 17,239 | 8,205,631 | - | - |
| Employment programs | 4,188,717 | - | 947,916 | - | - |
| Public service | - | - | - | - | - |
| Parks, recreation and community services | - | - | - | - | - |
| Library | - | - | - | - | - |
| Capital | 22,071 | - | 1,367,238 | 867,298 | - |
| Debt service | - | - | - | - | - |
| Total expenditures | 4,210,788 | 17,239 | 10,520,785 | 8,541,778 | 287,693 |
| Excess of revenues over (under) expenditures | 76,021 | (17,239) | 1,299,175 | (26,826) | 25,272 |
| Other financing sources (uses): | | | | | |
| Transfer from: | | | | | |
| Transfer-General Fund | - | - | - | - | - |
| Transfer-Special Revenue | - | - | - | - | - |
| Transfer to: | | | | | |
| Transfer-Special Revenue | - | - | - | - | - |
| Total financing sources (uses) | - | - | - | - | - |
| Net change in fund balances | 76,021 | (17,239) | 1,299,175 | (26,826) | 25,272 |
| Fund balance, July 1 | 234,635 | 17,239 | 20,144,577 | 11,852,986 | 457,203 |
| Fund Balance, June 30 | \$ 310,656 | - | 21,443,752 | 11,826,160 | 482,475 |

Exhibit G-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

| | Narcotic Forfeiture Fund | Special Grant Fund | Supplemental Law Enforcement | Police Staff Augmentation Fund | Fire Grant Fund |
|---|-----------------------------|--------------------|---------------------------------|-----------------------------------|-----------------|
| Revenues: | | | | | |
| Property taxes | \$ - | - | - | - | - |
| Other taxes | - | - | - | - | - |
| Revenue from other agencies | - | 228,693 | 298,687 | - | 2,188,703 |
| Licenses and permits | - | - | - | - | - |
| Fines and forfeitures | 329,092 | - | - | - | - |
| Charges for services | - | 321,110 | - | - | - |
| Use of money and property | 4,684 | 8,094 | 4,875 | 206,997 | 15,661 |
| Intergovernmental revenue | - | - | - | - | - |
| Interfund revenue | - | - | - | - | - |
| Miscellaneous revenue | - | 58,175 | - | 1,283,914 | 31,438 |
| Total Revenues | 333,776 | 616,073 | 303,562 | 1,490,911 | 2,235,802 |
| Expenditures: | | | | | |
| Operating expenditures | | | | | |
| General government | - | - | - | - | - |
| Community promotion | - | - | - | - | - |
| Public safety | 356,405 | 545,759 | 251,639 | 2,908,635 | 798,380 |
| Public works | - | - | - | - | - |
| Housing, health and community development | - | - | - | - | - |
| Employment programs | - | - | - | - | - |
| Public service | - | - | - | - | - |
| Parks, recreation and community services | - | - | - | - | - |
| Library | - | - | - | - | - |
| Capital | 68,515 | 170,826 | - | 296,752 | 380,153 |
| Debt service | - | - | - | - | - |
| Total expenditures | 424,920 | 716,585 | 251,639 | 3,205,387 | 1,178,533 |
| Excess of revenues over (under) expenditures | (91,144) | (100,512) | 51,923 | (1,714,476) | 1,057,269 |
| Other financing sources (uses): | | | | | |
| Transfer from: | | | | | |
| Transfer-General Fund | - | - | - | - | - |
| Transfer-Special Revenue | - | - | - | 100,000 | - |
| Transfer to: | | | | | |
| Transfer-Special Revenue | (100,000) | - | - | - | - |
| Total financing sources (uses) | (100,000) | - | - | 100,000 | - |
| Net change in fund balances | (191,144) | (100,512) | 51,923 | (1,614,476) | 1,057,269 |
| Fund balance, July 1 | 332,469 | 265,374 | 114,773 | 9,057,130 | (1,675,076) |
| Fund Balance, June 30 | \$ 141,325 | 164,862 | 166,696 | 7,442,654 | (617,807) |

Exhibit G-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

| | Nutritional Meals Grant Fund | Library Fund | Cable Access Fund | Electric Public Benefit Fund | Fire Paramedic Fund |
|---|---------------------------------|--------------|-------------------|---------------------------------|------------------------|
| Revenues: | | | | | |
| Property taxes | \$ - | - | - | - | - |
| Other taxes | - | - | - | 3,002,192 | - |
| Revenue from other agencies | 310,084 | 315,502 | - | - | - |
| Licenses and permits | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - |
| Charges for services | - | 62,580 | 476,312 | - | 7,799,841 |
| Use of money and property | 387 | 15,875 | 23,020 | 136,126 | - |
| Intergovernmental revenue | - | - | - | - | - |
| Interfund revenue | - | - | - | - | - |
| Miscellaneous revenue | 83,620 | 64,985 | 1,929 | 413,371 | 1,100 |
| Total Revenues | 394,090 | 458,942 | 501,262 | 3,551,688 | 7,800,941 |
| Expenditures: | | | | | |
| Operating expenditures | | | | | |
| General government | - | - | 512,319 | - | 40 |
| Community promotion | - | - | - | - | - |
| Public safety | - | - | - | - | 8,627,429 |
| Public works | - | - | - | - | - |
| Housing, health and community development | - | - | - | - | - |
| Employment programs | - | - | - | - | - |
| Public service | - | - | - | 3,931,324 | - |
| Parks, recreation and community services | 453,983 | - | - | - | - |
| Library | - | 288,094 | - | - | - |
| Capital | 21,798 | 13,000 | 77,763 | - | 551,721 |
| Debt service | - | - | - | - | - |
| Total expenditures | 475,781 | 301,094 | 590,082 | 3,931,324 | 9,179,190 |
| Excess of revenues over (under) expenditures | (81,691) | 157,848 | (88,820) | (379,636) | (1,378,249) |
| Other financing sources (uses): | | | | | |
| Transfer from: | | | | | |
| Transfer-General Fund | 136,911 | - | - | - | 798,000 |
| Transfer-Special Revenue | - | - | - | - | - |
| Transfer to: | | | | | |
| Transfer-Special Revenue | - | - | - | - | - |
| Total financing sources (uses) | 136,911 | - | - | - | 798,000 |
| Net change in fund balances | 55,220 | 157,848 | (88,820) | (379,636) | (580,249) |
| Fund balance, July 1 | 68,133 | 648,295 | 1,026,647 | 5,598,234 | (2,319,076) |
| Fund Balance, June 30 | \$ 123,353 | 806,143 | 937,827 | 5,218,598 | (2,899,325) |

Exhibit G-2

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

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

| | Fire Communication Fund | ICIS | Total Nonmajor Special Revenue Funds |
|---|-------------------------------|---------|--|
| Revenues: | | | |
| Property taxes | \$ - | - | 5,586,152 |
| Other taxes | - | - | 3,002,192 |
| Revenue from other agencies | - | - | 36,750,344 |
| Licenses and permits | - | - | - |
| Fines and forfeitures | - | - | 329,092 |
| Charges for services | 2,288,070 | 200,000 | 12,579,378 |
| Use of money and property | (15,492) | 197 | 1,076,064 |
| Intergovernmental revenue | - | - | - |
| Interfund revenue | - | - | - |
| Miscellaneous revenue | 443,066 | 2,625 | 9,322,615 |
| Total Revenues | 2,715,644 | 202,822 | 68,645,837 |
| Expenditures: | | | |
| Operating expenditures | | | |
| General government | - | 170,110 | 682,469 |
| Community promotion | - | - | - |
| Public safety | 2,087,655 | - | 15,575,903 |
| Public works | - | - | 7,962,173 |
| Housing, health and community development | - | - | 25,039,256 |
| Employment programs | - | - | 6,129,225 |
| Public service | - | - | 3,931,324 |
| Parks, recreation and community services | - | - | 453,983 |
| Library | - | - | 288,094 |
| Capital | 560,433 | - | 9,154,273 |
| Debt service | - | - | 232,381 |
| Total expenditures | 2,648,088 | 170,110 | 69,449,080 |
| Excess of revenues over (under) expenditures | 67,556 | 32,712 | (803,243) |
| Other financing sources (uses): | | | |
| Transfer from: | | | |
| Transfer-General Fund | - | - | 934,911 |
| Transfer-Special Revenue | - | - | 100,000 |
| Transfer to: | | | |
| Transfer-Special Revenue | - | - | (100,000) |
| Total financing sources (uses) | - | - | 934,911 |
| Net change in fund balances | 67,556 | 32,712 | 131,668 |
| Fund balance, July 1 | 1,666,773 | 153,434 | 49,440,004 |
| Fund Balance, June 30 | \$ 1,734,329 | 186,146 | 49,571,672 |

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Variance (Over)/Under</u> |
|---------------------------------------|-------------------|-------------------|-------------------|------------------------------|
| Community Development Fund: | | | | |
| Use of money and property | \$ — | — | — | — |
| Revenue from other agencies | 3,824,000 | 3,824,000 | 4,482,149 | (658,149) |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | — | — | — | — |
| Total | <u>3,824,000</u> | <u>3,824,000</u> | <u>4,482,149</u> | <u>(658,149)</u> |
| Housing Assistance Fund: | | | | |
| Use of money and property | 2,000 | 2,000 | 439 | 1,561 |
| Revenue from other agencies | 12,491,600 | 12,491,600 | 12,672,763 | (181,163) |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | 856,523 | 856,523 | 851,234 | 5,289 |
| Total | <u>13,350,123</u> | <u>13,350,123</u> | <u>13,524,436</u> | <u>(174,313)</u> |
| Home Grant Fund: | | | | |
| Use of money and property | — | — | — | — |
| Revenue from other agencies | 2,352,100 | 2,352,100 | 3,319,596 | (967,496) |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | — | — | (10,575) | 10,575 |
| Total | <u>2,352,100</u> | <u>2,352,100</u> | <u>3,309,021</u> | <u>(956,921)</u> |
| Supportive Housing Grant Fund: | | | | |
| Use of money and property | — | — | — | — |
| Revenue from other agencies | 2,107,000 | 2,107,000 | 1,495,595 | 611,405 |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | — | — | 162,870 | (162,870) |
| Total | <u>2,107,000</u> | <u>2,107,000</u> | <u>1,658,465</u> | <u>448,535</u> |
| Emergency Shelter Grant Fund: | | | | |
| Use of money and property | — | — | — | — |
| Revenue from other agencies | 145,000 | 145,000 | 131,568 | 13,432 |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | — | — | — | — |
| Total | <u>145,000</u> | <u>145,000</u> | <u>131,568</u> | <u>13,432</u> |
| Workforce Investment Act Fund: | | | | |
| Use of money and property | — | — | — | — |
| Revenue from other agencies | 4,807,723 | 5,322,723 | 4,244,884 | 1,077,839 |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | — | — | 41,926 | (41,926) |
| Transfers | — | — | — | — |
| Total | <u>4,807,723</u> | <u>5,322,723</u> | <u>4,286,809</u> | <u>1,035,914</u> |

Exhibit G-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

| | Original | Final | Actual | Variance (Over)/Under |
|---|------------------|-------------------|-------------------|-----------------------|
| Low & Moderate Housing Fund: | | | | |
| Property taxes | 5,336,000 | 5,336,000 | 5,586,152 | (250,152) |
| Use of money and property | 468,000 | 468,000 | 369,228 | 98,772 |
| Revenue from other agencies | — | — | — | — |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | 580,000 | 4,705,000 | 5,864,580 | (1,159,580) |
| Transfers | — | — | — | — |
| Total | 6,384,000 | 10,509,000 | 11,819,960 | (1,310,960) |
| Local Transit Assistance Fund: | | | | |
| Use of money and property | 355,000 | 355,000 | 294,934 | 60,066 |
| Revenue from other agencies | 6,060,000 | 6,060,000 | 6,812,425 | (752,425) |
| Charges for services | 1,652,000 | 1,652,000 | 1,379,675 | 272,325 |
| Miscellaneous revenue | — | — | 27,917 | (27,917) |
| Transfers | — | — | — | — |
| Total | 8,067,000 | 8,067,000 | 8,514,952 | (447,952) |
| Air Quality Improvement Fund: | | | | |
| Use of money and property | 15,000 | 15,000 | 11,041 | 3,959 |
| Revenue from other agencies | 230,000 | 230,000 | 249,695 | (19,695) |
| Charges for services | 45,000 | 45,000 | 51,789 | (6,789) |
| Miscellaneous revenue | — | — | 441 | (441) |
| Transfers | — | — | — | — |
| Total | 290,000 | 290,000 | 312,965 | (22,965) |
| Public Works Special Grant Fund: | | | | |
| Use of money and property | — | — | — | — |
| Revenue from other agencies | — | 84,000 | — | 84,000 |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | — | — | — | — |
| Transfers | — | — | — | — |
| Total | — | 84,000 | — | 84,000 |
| Narcotic Forfeiture Fund: | | | | |
| Fines and forfeitures | — | — | 329,092 | (329,092) |
| Use of money and property | — | — | 4,684 | (4,684) |
| Revenue from other agencies | — | — | — | — |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | — | — | — | — |
| Transfers | — | — | — | — |
| Total | — | — | 333,776 | (333,776) |
| Special Grant Fund: | | | | |
| Use of money and property | 10,000 | 10,000 | 8,094 | 1,906 |
| Revenue from other agencies | 175,000 | 241,225 | 228,693 | 12,532 |
| Charges for services | 94,000 | 94,000 | 321,110 | (227,110) |
| Miscellaneous revenue | 105,000 | 183,239 | 58,175 | 125,064 |
| Transfers | — | — | — | — |
| Total | 334,000 | 528,464 | 616,073 | (87,609) |
| Supplemental Law Enforcement Fund: | | | | |
| Use of money and property | 3,000 | 3,000 | 4,875 | (1,875) |
| Revenue from other agencies | 300,000 | 300,000 | 298,687 | 1,313 |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | — | — | — | — |
| Transfers | — | — | — | — |
| Total | 303,000 | 303,000 | 303,562 | (562) |

Exhibit G-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

| | Original | Final | Actual | Variance (Over)/Under |
|---------------------------------------|--------------|-----------|-----------|-----------------------|
| Police Staff Augmentation Fund | | | | |
| Use of money and property | 300,000 | 300,000 | 206,997 | 93,003 |
| Revenue from other agencies | 100,000 | 100,000 | — | 100,000 |
| Miscellaneous revenue | 500,000 | 500,000 | 1,283,914 | (783,914) |
| Charges for services | — | — | — | — |
| Transfers | 100,000 | 100,000 | 100,000 | — |
| Total | \$ 1,000,000 | 1,000,000 | 1,590,911 | (590,911) |
| Nutritional Meals Grant Fund: | \$ | | | |
| Use of money and property | — | — | 387 | (387) |
| Revenue from other agencies | 310,500 | 310,500 | 310,084 | 416 |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | 110,000 | 110,000 | 83,620 | 26,380 |
| Transfers | 136,911 | 136,911 | 136,911 | — |
| Total | 557,411 | 557,411 | 531,001 | 26,410 |
| Library Grant Fund: | | | | |
| Use of money and property | 10,000 | 10,000 | 15,875 | (5,875) |
| Revenue from other agencies | 209,500 | 351,713 | 315,502 | 36,211 |
| Charges for services | — | 42,000 | 62,580 | (20,580) |
| Miscellaneous revenue | 114,000 | 114,000 | 64,985 | 49,015 |
| Transfers | — | — | — | — |
| Total | 333,500 | 517,713 | 458,942 | 58,771 |
| Cable Access Fund: | | | | |
| Use of money and property | 35,000 | 35,000 | 23,020 | 11,980 |
| Revenue from other agencies | — | — | — | — |
| Charges for services | 430,000 | 430,000 | 476,312 | (46,312) |
| Miscellaneous revenue | 1,000 | 1,000 | 1,929 | (929) |
| Transfers | — | — | — | — |
| Total | 466,000 | 466,000 | 501,262 | (35,262) |
| Electric Public Benefit Fund: | | | | |
| Other taxes | 3,280,000 | 3,280,000 | 3,002,192 | 277,808 |
| Use of money and property | 220,000 | 220,000 | 136,126 | 83,874 |
| Revenue from other agencies | — | — | — | — |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | — | — | 413,371 | (413,371) |
| Transfers | — | — | — | — |
| Total | 3,500,000 | 3,500,000 | 3,551,688 | (51,688) |
| Fire Grant Fund | | | | |
| Use of money and property | — | — | 15,661 | (15,661) |
| Revenue from other agencies | 1,606,000 | 7,219,541 | 2,188,703 | 5,030,838 |
| Charges for services | — | — | — | — |
| Miscellaneous revenue | 16,000 | 16,000 | 31,438 | (15,438) |
| Transfers | — | — | — | — |
| Total | 1,622,000 | 7,235,541 | 2,235,802 | 4,999,739 |
| Fire Paramedic Fund | | | | |
| Use of money and property | — | — | — | — |
| Revenue from other agencies | — | — | — | — |
| Charges for services | 6,401,000 | 6,401,000 | 7,799,841 | (1,398,841) |
| Miscellaneous revenue | — | — | 1,100 | (1,100) |
| Transfers | — | 798,000 | 798,000 | — |
| Total | 6,401,000 | 7,199,000 | 8,598,941 | (1,399,941) |

Exhibit G-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Variance (Over)/Under</u> |
|--|----------------------|-------------------|-------------------|------------------------------|
| Fire Communications Fund | | | | |
| Use of money and property | — | — | (15,492) | 15,492 |
| Revenue from other agencies | — | — | — | — |
| Charges for services | 2,032,000 | 2,032,000 | 2,288,070 | (256,070) |
| Miscellaneous revenue | 244,000 | 244,000 | 443,066 | (199,066) |
| Transfers | — | — | — | — |
| Total | <u>2,276,000</u> | <u>2,276,000</u> | <u>2,715,644</u> | <u>(439,644)</u> |
| ICIS Fund | | | | |
| Use of money and property | — | — | 197 | (197) |
| Revenue from other agencies | — | — | — | — |
| Charges for services | 200,000 | 200,000 | 200,000 | — |
| Miscellaneous revenue | 10,000 | 10,000 | 2,625 | 7,375 |
| Transfers | — | — | — | — |
| Total | <u>210,000</u> | <u>210,000</u> | <u>202,822</u> | <u>7,178</u> |
| Total revenues and other financing sources | <u>\$ 58,329,857</u> | <u>69,844,075</u> | <u>69,680,748</u> | <u>163,327</u> |

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual
Nonmajor Governmental Funds - Special Revenue
Year Ended June 30, 2006

| | Original | Final | Actual | Variance (Over)/Under |
|--|------------|------------|------------|--------------------------|
| Code Enforcement Fund: | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | 18,306 | 18,306 | 17,239 | 1,067 |
| Maintenance and operations | — | — | — | — |
| Capital | — | — | — | — |
| Transfer to other funds | — | — | — | — |
| Total | 18,306 | 18,306 | 17,239 | 1,067 |
| Low & Moderate Housing Fund: | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | 1,114,639 | 1,189,639 | 1,895,206 | (705,567) |
| Maintenance and operations | 9,400,611 | 17,765,218 | 7,258,340 | 10,506,877 |
| Capital | — | — | — | — |
| Capital projects | — | 2,082,445 | 1,367,238 | 715,207 |
| Transfer to other funds | 551,815 | — | — | — |
| Total | 11,067,065 | 21,037,301 | 10,520,785 | 10,516,517 |
| Local Transit Assistance Fund: | | | | |
| Public works: | | | | |
| Salaries and benefits | 1,002,420 | 1,002,420 | 785,348 | 217,072 |
| Maintenance and operations | 6,512,309 | 6,627,309 | 6,889,132 | (261,823) |
| Capital | — | — | 757,422 | (757,422) |
| Capital projects | 7,067,754 | 6,977,287 | 109,877 | 6,867,410 |
| Transfer to other funds | — | — | — | — |
| Total | 14,582,483 | 14,607,016 | 8,541,778 | 6,065,237 |
| Air Quality Improvement Fund: | | | | |
| Public works: | | | | |
| Salaries and benefits | 179,252 | 179,252 | 199,530 | (20,278) |
| Maintenance and operations | 110,229 | 110,229 | 88,163 | 22,066 |
| Capital | — | — | — | — |
| Transfer to other funds | — | — | — | — |
| Total | 289,481 | 289,481 | 287,693 | 1,788 |
| Public Works Special Grant Fund | | | | |
| Public works: | | | | |
| Salaries and benefits | — | — | — | — |
| Maintenance and operations | — | 84,000 | — | 84,000 |
| Capital | — | — | — | — |
| Transfer to other funds | — | — | — | — |
| Total | — | 84,000 | — | 84,000 |
| Narcotic Forfeiture Fund: | | | | |
| Public safety: | | | | |
| Salaries and benefits | 247,575 | 247,575 | 251,353 | (3,778) |
| Maintenance and operations | 126,279 | 126,279 | 105,053 | 21,226 |
| Capital | — | 55,660 | 68,515 | (12,855) |
| Capital projects | — | — | — | — |
| Transfer to other funds | 100,000 | 100,000 | 100,000 | — |
| Total | 473,854 | 529,514 | 524,920 | 4,594 |
| Special Grant Fund: | | | | |
| Public safety: | | | | |
| Salaries and benefits | 379,153 | 934,260 | 397,773 | 536,487 |
| Maintenance and operations | 79,926 | 242,598 | 147,986 | 94,612 |
| Capital | — | 39,488 | 170,826 | (131,338) |
| Transfer to other funds | — | — | — | — |
| Total | 459,079 | 1,216,346 | 716,585 | 499,762 |

Exhibit G-4

CITY OF GLENDALESchedule of Expenditures and Other Financing Uses - Budget and Actual
Nonmajor Governmental Funds - Special Revenue
Year Ended June 30, 2006

| | Original | Final | Actual | Variance (Over)/Under |
|--|--------------|--------------|--------------|--------------------------|
| Community Development Fund: \$ | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | 1,203,706 | 1,203,706 | 1,290,329 | (86,623) |
| Maintenance and operations | 1,307,441 | 1,307,441 | 941,673 | 365,768 |
| Capital | — | — | — | — |
| Capital projects | — | — | 2,017,765 | (2,017,765) |
| Debt Service | — | — | 232,381 | (232,381) |
| Transfer to other funds | — | — | — | — |
| Total | 2,511,147 | 2,511,147 | 4,482,149 | (1,971,002) |
| Housing Assistance Fund: | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | 1,727,361 | 1,727,361 | 1,849,216 | (121,855) |
| Maintenance and operations | 15,015,744 | 15,015,744 | 11,408,486 | 3,607,258 |
| Capital | — | — | (4,000) | 4,000 |
| Debt Service | — | — | — | — |
| Transfer to other funds | — | — | — | — |
| Total | 16,743,105 | 16,743,105 | 13,253,702 | 3,489,403 |
| Home Grant Fund: | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | 187,345 | 187,345 | 212,077 | (24,732) |
| Maintenance and operations | 7,780,784 | 7,780,784 | 354,005 | 7,426,779 |
| Capital | — | — | 2,742,939 | (2,742,939) |
| Debt Service | — | — | — | — |
| Transfer to other funds | — | — | — | — |
| Total | 7,968,129 | 7,968,129 | 3,309,021 | 4,659,108 |
| Supportive Housing Grant Fund: | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | 515,760 | 515,760 | 424,920 | 90,840 |
| Maintenance and operations | 4,423,662 | 4,423,662 | 1,196,704 | 3,226,958 |
| Capital | — | — | — | — |
| Debt Service | — | — | — | — |
| Transfer to other funds | — | — | — | — |
| Total | 4,939,422 | 4,939,422 | 1,621,624 | 3,317,798 |
| Emergency Shelter Grant Fund: | | | | |
| Housing, health and community development: | | | | |
| Salaries and benefits | — | — | 20,471 | (20,471) |
| Maintenance and operations | 148,000 | 148,000 | 111,097 | 36,903 |
| Capital | — | — | — | — |
| Transfer to other funds | — | — | — | — |
| Total | 148,000 | 148,000 | 131,568 | 16,432 |
| Workforce Investment Act Fund: | | | | |
| Employment and job training services: | | | | |
| Salaries and benefits | 2,741,466 | 2,812,466 | 3,026,572 | (214,106) |
| Maintenance and operations | 2,075,512 | 2,519,512 | 1,162,145 | 1,357,367 |
| Capital | 60,000 | 60,000 | 22,071 | 37,929 |
| Transfer to other funds | — | — | — | — |
| Total | \$ 4,876,978 | \$ 5,391,978 | \$ 4,210,788 | \$ 1,181,190 |

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

| | Original | Final | Actual | Variance (Over)/Under |
|---|------------|-----------|-----------|--------------------------|
| Supplemental Law Enforcement Fund: | | | | |
| Public safety: | | | | |
| Salaries and benefits | 244,017 | 244,017 | 246,029 | (2,012) |
| Maintenance and operations | 19,568 | 19,568 | 5,610 | 13,958 |
| Capital | — | — | — | — |
| Transfer to other funds | — | — | — | — |
| Total | \$ 263,585 | 263,585 | 251,639 | 11,946 |
| Police Staff Augmentation Fund | \$ | | | |
| Public safety: | | | | |
| Salaries and benefits | 2,506,892 | 2,506,892 | 2,825,665 | (318,773) |
| Maintenance and operations | 148,000 | 148,000 | 82,970 | 65,030 |
| Capital | 218,858 | 299,717 | 296,752 | 2,965 |
| Transfer to other funds | — | — | — | — |
| Total | 2,873,750 | 2,954,609 | 3,205,387 | (250,778) |
| Nutritional Meals Grant Fund: | | | | |
| Parks, recreation and community services: | | | | |
| Salaries and benefits | 344,778 | 344,778 | 263,721 | 81,057 |
| Maintenance and operations | 206,133 | 206,133 | 190,262 | 15,871 |
| Capital | — | — | 21,798 | (21,798) |
| Transfer to other funds | — | — | — | — |
| Total | 550,911 | 550,911 | 475,781 | 75,130 |
| Cable Access Fund: | | | | |
| General government: | | | | |
| Salaries and benefits | 431,280 | 458,153 | 448,716 | 9,437 |
| Maintenance and operations | 42,441 | 82,818 | 63,602 | 19,216 |
| Capital | 35,000 | 57,000 | 77,763 | (20,763) |
| Capital projects | 230,000 | — | — | — |
| Other financing uses | — | — | — | — |
| Total | 738,721 | 597,971 | 590,082 | 7,889 |
| Library Grant Fund: | | | | |
| Library: | | | | |
| Salaries and benefits | 254,901 | 209,300 | 174,962 | 34,338 |
| Maintenance and operations | 1,191,164 | 304,185 | 113,131 | 191,054 |
| Capital | — | — | 13,000 | (13,000) |
| Transfer to other funds | — | — | — | — |
| Total | 1,446,065 | 513,485 | 301,094 | 212,391 |
| Electric Public Benefit Fund: | | | | |
| Public service: | | | | |
| Salaries and benefits | 238,200 | 238,200 | 206,044 | 32,156 |
| Maintenance and operations | 6,083,300 | 6,083,300 | 3,725,280 | 2,358,020 |
| Capital | — | — | — | — |
| Transfer to other funds | — | — | — | — |
| Total | 6,321,500 | 6,321,500 | 3,931,324 | 2,390,176 |
| Fire Grant Fund | | | | |
| Public safety: | | | | |
| Salaries and benefits | — | 1,111,518 | 516,154 | 595,364 |
| Maintenance and operations | 500,002 | 716,873 | 282,226 | 434,647 |
| Capital | 1,464,120 | (151,238) | 380,153 | (531,391) |
| Transfer to other funds | — | — | — | — |
| Total | 1,964,122 | 1,677,153 | 1,178,533 | 498,620 |

Exhibit G-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

| | Original | Final | Actual | Variance (Over)/Under |
|--|-------------------|-------------------|-------------------|--------------------------|
| Fire Paramedic Fund | | | | |
| Public safety: | | | | |
| Salaries and benefits | 3,815,526 | 3,513,526 | 3,211,574 | 301,952 |
| Maintenance and operations | 3,951,213 | 3,951,213 | 5,415,895 | (1,464,682) |
| Capital | 220,000 | 220,000 | 551,721 | (331,721) |
| Transfer to other funds | — | — | — | — |
| Total | <u>7,986,739</u> | <u>7,684,739</u> | <u>9,179,190</u> | <u>(1,494,451)</u> |
| Fire Communications Fund | | | | |
| Public safety: | | | | |
| Salaries and benefits | 1,530,787 | 1,676,737 | 1,870,154 | (193,417) |
| Maintenance and operations | 251,699 | 251,699 | 217,501 | 34,198 |
| Capital | 1,256,116 | 1,256,116 | 560,433 | 695,683 |
| Debt Service | — | — | — | — |
| Transfer to other funds | — | — | — | — |
| Total | <u>3,038,602</u> | <u>3,184,552</u> | <u>2,648,088</u> | <u>536,464</u> |
| ICIS Fund | | | | |
| General government: | | | | |
| Salaries and benefits | — | — | — | — |
| Maintenance and operations | 188,000 | 438,000 | 170,110 | 267,890 |
| Capital | — | — | — | — |
| Transfer to other funds | — | — | — | — |
| Total | <u>188,000</u> | <u>438,000</u> | <u>170,110</u> | <u>267,890</u> |
| Total expenditures and other financing uses \$ | <u>89,449,044</u> | <u>99,670,250</u> | <u>69,549,080</u> | <u>30,121,171</u> |

DEBT SERVICE FUNDS

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

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

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Exhibit H-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds - Debt Service

June 30, 2006

| | 2003 Gra Tax Allocation Bonds | Police Building Project | 2002 GRA Tax Allocation Bonds | Total Nonmajor Debt Service Funds |
|--|-------------------------------------|----------------------------|-------------------------------------|---|
| Assets | | | | |
| Cash and invested cash | \$ 447,903 | 42,388,290 | 367,486 | 43,203,679 |
| Imprest cash | - | - | - | - |
| Cash with fiscal agent | 4,948,506 | 5,032,857 | 3,847,671 | 13,829,035 |
| Interest receivable | - | 373,120 | - | 373,120 |
| Investment in assessment bonds | - | - | - | - |
| Accounts receivable, net | - | - | - | - |
| Intergovernmental receivable | - | - | - | - |
| Due from other agencies | - | - | - | - |
| Due from other funds | - | - | - | - |
| Deposits | - | - | - | - |
| Inventories | - | - | - | - |
| Loans receivable | - | - | - | - |
| Property held for resale | - | - | - | - |
| Total assets | 5,396,409 | 47,794,268 | 4,215,157 | 57,405,834 |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | - | 196,822 | - | 196,822 |
| Contracts-retained amount due | - | - | - | - |
| Due to other funds | - | - | - | - |
| Due to other agencies | - | - | - | - |
| Matured principal and interest | - | - | - | - |
| Accrued wages and withholding | - | - | - | - |
| Accrued interest | - | - | - | - |
| Interest payable | - | 32,856 | - | 32,856 |
| Compensated absences | - | - | - | - |
| Deferred revenues | - | - | - | - |
| Deposits | - | - | - | - |
| Intergovernmental payable | - | - | - | - |
| Total liabilities | - | 229,678 | - | 229,678 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Debt service | 4,784,240 | 3,588,640 | 3,819,738 | 12,192,618 |
| Unreserved | 612,169 | 43,975,950 | 395,419 | 44,983,538 |
| Total fund balances | 5,396,409 | 47,564,590 | 4,215,157 | 57,176,155 |
| Total liabilities and fund balances | \$ 5,396,409 | 47,794,268 | 4,215,157 | 57,405,834 |

Exhibit H-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2006

| | 2003 Gra Tax Allocation Bonds | Police Building Project | 2002 GRA Tax Allocation Bonds | Total Nonmajor Special Debt Service Funds |
|--|----------------------------------|----------------------------|----------------------------------|---|
| Revenues: | | | | |
| Property taxes | \$ 4,782,990 | - | 3,818,238 | 8,601,228 |
| Other taxes | - | - | - | - |
| Revenue from other agencies | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Charges for services | - | - | - | - |
| Use of money and property | 226,438 | 1,254,721 | 67,261 | 1,548,420 |
| Intergovernmental revenue | - | - | - | - |
| Interfund revenue | - | - | - | - |
| Miscellaneous revenue | - | - | - | - |
| Total Revenues | 5,009,428 | 1,254,721 | 3,885,498 | 10,149,647 |
| Expenditures: | | | | |
| Operating expenditures | | | | |
| General government | - | - | - | - |
| Community promotion | - | - | - | - |
| Public safety | - | 220,019 | - | 220,019 |
| Public works | - | - | - | - |
| Housing, health and community development | 2,750 | - | 2,225 | 4,975 |
| Employment programs | - | - | - | - |
| Public service | - | - | - | - |
| Parks, recreation and community services | - | - | - | - |
| Library | - | - | - | - |
| Capital | - | - | - | - |
| Debt service | | | | |
| Interest on Bonds | 2,467,990 | 1,920,381 | 1,898,238 | 6,286,609 |
| Principal | 2,315,000 | 1,200,000 | 1,920,000 | 5,435,000 |
| Total expenditures | 4,785,740 | 3,340,400 | 3,820,463 | 11,946,603 |
| Excess of revenues over (under) expenditures | 223,688 | (2,085,679) | 65,036 | (1,796,956) |
| Other financing sources (uses): | | | | |
| Transfer from: | | | | |
| Transfer to: | | | | |
| Total financing sources (uses) | - | - | - | - |
| Net change in fund balances | 223,688 | (2,085,679) | 65,036 | (1,796,956) |
| Fund balance, July 1 | 5,172,721 | 49,650,269 | 4,150,121 | 58,973,111 |
| Fund Balance, June 30 | \$ 5,396,409 | 47,564,590 | 4,215,157 | 57,176,155 |

Exhibit H-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2006

| | Original | Final | Actual | Variance (Over)/Under |
|---|---------------------|------------------|-------------------|--------------------------|
| Police Facility COPs Funds | | | | |
| Interest and invest. revenue | \$ 1,390,000 | 1,390,000 | 1,254,721 | 135,279 |
| Rental income | — | — | — | — |
| Other financing sources | — | — | — | — |
| Total | <u>1,390,000</u> | <u>1,390,000</u> | <u>1,254,721</u> | <u>135,279</u> |
| 2003 Tax Allocation Bonds Fund | | | | |
| Property taxes | 4,782,990 | 4,782,990 | 4,782,990 | — |
| Interest and invest. revenue | — | — | 226,438 | (226,438) |
| Issuance of debt | — | — | — | — |
| Bond premium | — | — | — | — |
| Total | <u>4,782,990</u> | <u>4,782,990</u> | <u>5,009,428</u> | <u>(226,438)</u> |
| 2002 Tax Allocation Bonds Fund | | | | |
| Property taxes | 3,767,237 | 3,767,237 | 3,818,238 | (51,001) |
| Interest and invest. revenue | <u>55,000</u> | <u>55,000</u> | <u>67,261</u> | <u>(12,261)</u> |
| Total | <u>3,822,237</u> | <u>3,822,237</u> | <u>3,885,498</u> | <u>(63,261)</u> |
| Total revenues and other financing sources | <u>\$ 9,995,227</u> | <u>9,995,227</u> | <u>10,149,647</u> | <u>(154,420)</u> |

Exhibit H-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2006

| | Original | Final | Actual | Variance (Over)/Under |
|--|---------------|------------|------------|--------------------------|
| Police Facility COPS Fund | | | | |
| Administration | \$ — | 2,000 | 220,019 | (218,019) |
| Debt service | 2,796,000 | 2,796,000 | 3,120,381 | (324,381) |
| Total | 2,796,000 | 2,798,000 | 3,340,400 | (542,400) |
| 2003 Tax Allocation Bonds fund | | | | |
| Administration | — | — | 2,750 | (2,750) |
| Debt service | 4,782,990 | 4,782,990 | 4,782,990 | — |
| Total | 4,782,990 | 4,782,990 | 4,785,740 | (2,750) |
| 2002 Tax Allocation Bonds Fund | | | | |
| Administration | 4,000 | 4,000 | 2,225 | 1,775 |
| Debt service | 3,818,237 | 3,818,237 | 3,818,238 | (1) |
| Total | 3,822,237 | 3,822,237 | 3,820,463 | 1,775 |
| Total expenditures and other financing uses | \$ 11,401,227 | 11,403,227 | 11,946,603 | (543,375) |

CAPITAL PROJECTS FUNDS

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

- Capital Improvement Fund-To account for financial resources used for major capital projects of the general government operations and include an annual provision for the ultimate post closure and clean up of the Scholl Canyon landfill site.
- State Gas Tax Fund-To account for monies received and expended from state gas tax allocations for street improvement purposes.
- Police Facility Construction Fund- To account for monies from the 2000 Police Building Project Variable Rate Demand Certificates of Participation proceeds.

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Exhibit I-1
CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects
June 30, 2006

| | | State Gas Tax Fund | Police Facility Construction | Total Nonmajor Capital Projects |
|--------------------------------------|----|---------------------------|---|--|
| Assets | | | | |
| Cash and invested cash | \$ | 8,293,787 | 1,980,411 | 10,274,197 |
| Imprest cash | | - | - | - |
| Cash with fiscal agent | | - | - | - |
| Interest receivable | | 83,360 | 16,888 | 100,248 |
| Investment in assessment bonds | | - | - | - |
| Accounts receivable, net | | 259,723 | - | 259,723 |
| Intergovernmental receivable | | - | - | - |
| Due from other agencies | | 607,341 | - | 607,341 |
| Due from other funds | | - | - | - |
| Deposits | | - | - | - |
| Inventories | | - | - | - |
| Loans receivable | | - | - | - |
| Property held for resale | | - | - | - |
| Total assets | | 9,244,211 | 1,997,299 | 11,241,509 |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | | 115,975 | 1,686 | 117,661 |
| Contracts-retained amount due | | - | - | - |
| Due to other funds | | - | - | - |
| Due to other agencies | | 587,567 | - | 587,567 |
| Matured principal and interest | | - | - | - |
| Accrued wages and withholding | | 20,604 | - | 20,604 |
| Accrued interest | | - | - | - |
| Compensated absences | | - | - | - |
| Deferred revenues | | - | - | - |
| Deposits | | - | - | - |
| Intergovernmental payable | | - | - | - |
| Total liabilities | | 724,146 | 1,686 | 725,831 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Encumbrances | | 2,892,000 | 165,000 | 3,057,000 |
| Unreserved | | 5,628,065 | 1,830,613 | 7,458,678 |
| Total fund balances | | 8,520,065 | 1,995,613 | 10,515,678 |
| Total liabilities and fund balances | \$ | 9,244,211 | 1,997,299 | 11,241,509 |

Exhibit 1-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Capital Projects

For Fiscal Year Ended June 30, 2006

| | State Gas Tax Fund | Police Facility Construction | Total Nonmajor Capital Projects |
|--|-----------------------|---------------------------------|------------------------------------|
| Revenues: | | | |
| Property taxes | \$ - | - | - |
| Other taxes | - | - | - |
| Revenue from other agencies | 5,014,355 | - | 5,014,355 |
| Licenses and permits | - | - | - |
| Fines and forfeitures | - | - | - |
| Charges for services | - | - | - |
| Use of money and property | 158,338 | 59,465 | 217,803 |
| Intergovernmental revenue | - | - | - |
| Interfund revenue | - | - | - |
| Miscellaneous revenue | 99,260 | - | 99,260 |
| Total Revenues | 5,271,953 | 59,465 | 5,331,418 |
| Expenditures: | | | |
| Operating expenditures | | | |
| General government | - | - | - |
| Community promotion | - | - | - |
| Public safety | - | 3,420 | 3,420 |
| Public works | 708,799 | - | 708,799 |
| Housing, health and community development | - | - | - |
| Employment programs | - | - | - |
| Public service | - | - | - |
| Parks, recreation and community services | - | - | - |
| Library | - | - | - |
| Capital | 3,942,686 | (8,245) | 3,934,441 |
| Debt service | - | - | - |
| Total expenditures | 4,651,486 | (4,825) | 4,646,661 |
| Excess of revenues over (under) expenditures | 620,467 | 64,290 | 684,757 |
| Other financing sources (uses): | | | |
| Transfer from: | | | |
| Transfer to: | | | |
| Total financing sources (uses) | - | - | - |
| Net change in fund balances | 620,467 | 64,290 | 684,757 |
| Fund balance, July 1 | 7,899,598 | 1,931,323 | 9,830,921 |
| Fund Balance, June 30 | \$ 8,520,065 | 1,995,613 | 10,515,678 |

ENTERPRISE FUNDS

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

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

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Exhibit J-1

CITY OF GLENDALE

Combining Statement of Net Assets

Proprietary Fund Type - Nonmajor Enterprise Funds

June 30, 2006

| | Recreation Fund | Hazardous Disposal Fund | Parking Fund | Refuse Disposal Fund | Non Major Funds - Proprietary |
|---|---------------------|----------------------------|-------------------|-------------------------|-------------------------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and invested cash | \$ 1,284,251 | 901,413 | 4,052,294 | 6,051,285 | 12,289,243 |
| Imprest cash | - | - | - | - | - |
| Cash with fiscal agent | - | - | - | - | - |
| Interest receivable | 9,582 | 7,471 | 32,552 | 46,699 | 96,304 |
| Investment in assessment bonds | - | - | - | - | - |
| Investment-gas/elec commodity | - | - | - | - | - |
| Accounts receivable, net | - | 59,325 | 274,879 | 935,689 | 1,269,894 |
| Unbilled receivable | - | 70,307 | - | 991,779 | 1,062,087 |
| Intergovernmental receivable | - | - | - | - | - |
| Due from other agencies | 24,050 | - | - | - | 24,050 |
| Due from other funds | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Inventories | - | - | - | - | - |
| Prepaid items | - | - | 28,050 | - | 28,050 |
| Total current assets | 1,317,883 | 1,038,516 | 4,387,776 | 8,025,452 | 14,769,627 |
| Noncurrent assets: | | | | | |
| Designated & invested cash | - | - | - | - | - |
| Deferred charges | - | - | - | - | - |
| Capital assets: | | | | | |
| Land | - | - | 5,651,021 | 1,638,827 | 7,289,848 |
| Buildings and improvements | - | 597,868 | 41,319,793 | 6,724,532 | 48,642,192 |
| Machinery and equipment | 60,624 | 266,151 | 1,491,079 | 11,507,883 | 13,325,736 |
| Infrastructure | - | - | - | - | - |
| Bldg & impro acem depreciation | (52,179) | (639,980) | (15,459,941) | (11,396,005) | (27,548,105) |
| Construction in progress | - | - | - | - | - |
| Total capital assets | 8,444 | 224,038 | 33,001,952 | 8,475,237 | 41,709,672 |
| Total noncurrent assets | 8,444 | 224,038 | 33,001,952 | 8,475,237 | 41,709,672 |
| Total assets | 1,326,327 | 1,262,554 | 37,389,728 | 16,500,689 | 56,479,299 |
| Liabilities and Net Assets | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 63,662 | 54,594 | 241,559 | 328,158 | 687,973 |
| Contracts-retained amount due | - | - | - | - | - |
| Accrued wages and withholding | 44,833 | 28,680 | 70,344 | 192,765 | 336,622 |
| Due to other agencies | - | - | 58,085 | - | 58,085 |
| Due to other funds | - | - | - | - | - |
| Accrued interest | - | - | - | - | - |
| Matured principal and interest | - | - | - | - | - |
| Long term debt, due in one year | - | - | - | - | - |
| Compensated absences | 6,870 | 6,698 | 25,798 | 45,595 | 84,961 |
| Deferred revenues | - | - | - | - | - |
| Deposits | 66,185 | 22,106 | - | 190,884 | 279,175 |
| Intergovernmental payable | - | - | - | - | - |
| Total current liabilities | 181,550 | 112,079 | 395,786 | 757,402 | 1,446,816 |
| Noncurrent liabilities: | | | | | |
| Claims payable | - | - | - | - | - |
| Compensated absences | 46,373 | 39,869 | 102,406 | 257,846 | 446,494 |
| Post employment benefits | 7,665 | 7,310 | 18,722 | 51,010 | 84,706 |
| Long term debt | - | - | - | - | - |
| Total noncurrent liabilities | 54,038 | 47,179 | 121,127 | 308,855 | 531,200 |
| Total liabilities | 235,588 | 159,258 | 516,913 | 1,066,257 | 1,978,016 |
| Net assets: | | | | | |
| Investment in capital assets, net of related de | 8,444 | 224,038 | 33,001,952 | 8,475,237 | 41,709,672 |
| Restricted | - | - | - | - | - |
| Unrestricted | 1,082,296 | 879,258 | 3,870,863 | 6,959,195 | 12,791,612 |
| Total net assets | \$ 1,090,740 | 1,103,296 | 36,872,815 | 15,434,432 | 54,501,284 |

Exhibit J-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds - Non Major Enterprise Funds

Year ended June 30, 2006

| | | Hazardous | | Refuse Disposal | |
|------------------------------------|----|-----------------|---------------|-----------------|-------------|
| | | Recreation Fund | Disposal Fund | Parking Fund | Fund |
| | | | | | Total |
| Operating revenues | \$ | | | | |
| Charges for services | | 1,943,315 | 1,403,386 | 7,024,251 | 16,115,129 |
| Miscellaneous revenues | | 194,341 | 5,721 | 1,695 | - |
| | | | | | 201,756 |
| Total operating revenues | | 2,137,655 | 1,409,107 | 7,025,946 | 16,115,129 |
| | | | | | 26,687,836 |
| Operating expenses: | | | | | |
| Salaries and benefits | | 1,131,568 | 944,308 | 1,952,932 | 6,301,251 |
| Maintenance and operations | | 728,327 | 446,575 | 2,573,133 | 7,149,325 |
| Depreciation | | 7,539 | 40,539 | 1,111,462 | 1,052,183 |
| | | | | | 2,211,722 |
| Total operating expenses | | 1,867,434 | 1,431,422 | 5,637,527 | 14,502,759 |
| | | | | | 23,439,141 |
| Operating income (loss) | | 270,221 | (22,315) | 1,388,419 | 1,612,370 |
| | | | | | 3,248,695 |
| Non operating revenues (expenses): | | | | | |
| Interest revenue | | 11,190 | 19,758 | 79,733 | 86,162 |
| Grant revenue | | 264,000 | 9,789 | - | 56,120 |
| Other revenue | | - | - | - | - |
| Interest expense | | - | - | - | - |
| Contribution in aid | | 19,000 | - | - | 190,192 |
| | | | | | 209,192 |
| Total non operating revenues, net | | 294,190 | 29,546 | 79,733 | 332,474 |
| | | | | | 735,944 |
| Income before transfers | | 564,411 | 7,231 | 1,468,152 | 1,944,844 |
| | | | | | 3,984,639 |
| Transfer in: | | | | | |
| Transfer out: | | | | | |
| Transfer-General Fund | | - | - | (1,800,000) | - |
| | | | | | (1,800,000) |
| Total transfer | | - | - | (1,800,000) | - |
| | | | | | (1,800,000) |
| Change in net assets | | 564,411 | 7,231 | (331,848) | 1,944,844 |
| | | | | | 2,184,639 |
| Total Net asset, July 1 | | 526,329 | 1,096,066 | 37,204,662 | 13,489,588 |
| | | | | | 52,316,645 |
| Total net assets, June 30 | \$ | 1,090,740 | 1,103,297 | 36,872,814 | 15,434,432 |
| | | | | | 54,501,284 |

Exhibit J-3

CITY OF GLENDALE

Combining Statement of Cash Flows

Proprietary FundType - Nonmajor Enterprise Funds

Year Ended June 30, 2006

| | Recreation Fund | Hazardous Disposal Fund | Parking Fund | Refuse Disposal Fund | Non Major Funds - Proprietary |
|--|--------------------|----------------------------|--------------|-------------------------|-------------------------------------|
| Cash flows from operating activities: | | | | | |
| Cash from customers | \$ 2,113,605 | 1,401,209 | 7,073,542 | 15,936,525 | 26,524,881 |
| Cash paid to employees | (1,128,691) | (956,146) | (1,943,084) | (6,322,302) | (10,350,224) |
| Cash paid to suppliers | (678,256) | (403,806) | (2,367,180) | (7,068,299) | (10,517,541) |
| Net Cash provided (used) by operating activities | 306,658 | 41,257 | 2,763,278 | 2,545,924 | 5,657,116 |
| Cash flows from noncapital financing activities: | | | | | |
| Operating transfers out | | | | | |
| Transfer-General Fund | - | - | (1,800,000) | - | (1,800,000) |
| Operating transfers in | | | | | |
| Operating grant received | 264,000 | 9,789 | - | 56,120 | 329,909 |
| Net Cash provided (used) by noncapital financing activities | 264,000 | 9,789 | (1,800,000) | 56,120 | (1,470,091) |
| Cash flows from capital and related financing activities: | | | | | |
| Interest on long term debt | - | - | - | - | - |
| Bond, premium and interest accrued | - | - | - | - | - |
| Contribution in aid | 19,000 | - | - | 190,192 | 209,192 |
| Acquisition of property, plant, and equipment | - | - | (69,692) | (71,799) | (141,491) |
| Investment - gas/electric commodity | - | - | - | - | - |
| Net cash provided (used in) capital and related financing activities | 19,000 | - | (69,692) | 118,393 | 67,701 |
| Cash provided by investing activities - interest received | 2,591 | 25,138 | 69,483 | 67,003 | 164,215 |
| Net increase (decrease) in cash and cash equivalents | 592,249 | 76,184 | 963,069 | 2,787,440 | 4,418,941 |
| Cash and cash equivalents at July 1 | 692,002 | 825,230 | 3,089,225 | 3,263,844 | 7,870,302 |
| Cash and cash equivalents at June 30 | 1,284,251 | 901,414 | 4,052,294 | 6,051,284 | 12,289,243 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | | |
| Operating income (loss) | 270,221 | (22,315) | 1,388,419 | 1,612,370 | 3,248,695 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | |
| Depreciation | 7,539 | 40,539 | 1,111,462 | 1,052,183 | 2,211,722 |
| (Increase)Decrease Accounts receivable net | - | (4,535) | (236,360) | (57,320) | (298,214) |
| (Increase)Decrease Unbilled receivable | - | (3,362) | - | (121,284) | (124,646) |
| (Increase)Decrease Due from other agencies | (24,050) | - | 283,956 | - | 259,906 |
| (Increase)Decrease Due from other funds | - | - | - | - | - |
| (Increase)Decrease Inventories | - | - | - | - | - |
| (Increase)Decrease Prepaid expenses | - | - | (26,177) | - | (26,177) |
| Increase(Decrease) Accrued salaries and withholding | (1,085) | (2,259) | (2,046) | (21,829) | (27,219) |
| Increase(Decrease) Compensated absences | 3,962 | (9,579) | 11,894 | 778 | 7,054 |
| Increase(Decrease) Post Employment benefit | - | - | - | - | - |
| Increase(Decrease) Accounts payable | 15,334 | 35,066 | 174,045 | 37,497 | 261,942 |
| Increase(Decrease) Contracts - retention | - | - | - | - | - |
| Increase(Decrease) Due to other agencies | - | - | 58,085 | - | 58,085 |
| Increase(Decrease) Due to other funds | - | - | - | - | - |
| Increase(Decrease) Deposits | 34,738 | 7,703 | - | 43,529 | 85,969 |
| Increase(Decrease) Claims payable | - | - | - | - | - |
| Total adjustments | 36,438 | 63,573 | 1,374,859 | 933,554 | 2,408,422 |
| Net cash provided (used) by operating activities | \$ 306,659 | 41,258 | 2,763,278 | 2,545,924 | 5,657,117 |
| Noncash investing, capital, and financing activities: | | | | | |
| Contributions of capital assets from government | | | | | |
| Increase in fair value of investments | (24,275) | (18,928) | (82,465) | (118,305) | (243,973) |

Exhibit J-4

CITY OF GLENDALE

Schedule of Investment in Capital Assets

Nonmajor Enterprise Funds

Year Ended June 30, 2006

| | Land | Construction in Progress | Infrastructure | Buildings and Improvements | Machinery and Equipment | Total |
|-------------------------|--------------|-----------------------------|----------------|-------------------------------|----------------------------|------------|
| Recreation Fund | \$ - | - | - | - | 60,624 | 60,624 |
| Hazardous Disposal Fund | - | - | - | 597,868 | 266,151 | 864,018 |
| Parking Fund | 5,651,021 | - | - | 41,319,793 | 1,491,079 | 48,461,893 |
| Refuse Disposal Fund | 1,638,827 | - | - | 6,724,532 | 11,507,883 | 19,871,242 |
| Total capital assets | \$ 7,289,848 | - | - | 48,642,192 | 13,325,736 | 69,257,777 |

Exhibit J-5

CITY OF GLENDALE

Schedule of Changes in Capital Assets

Non Major Enterprise Funds

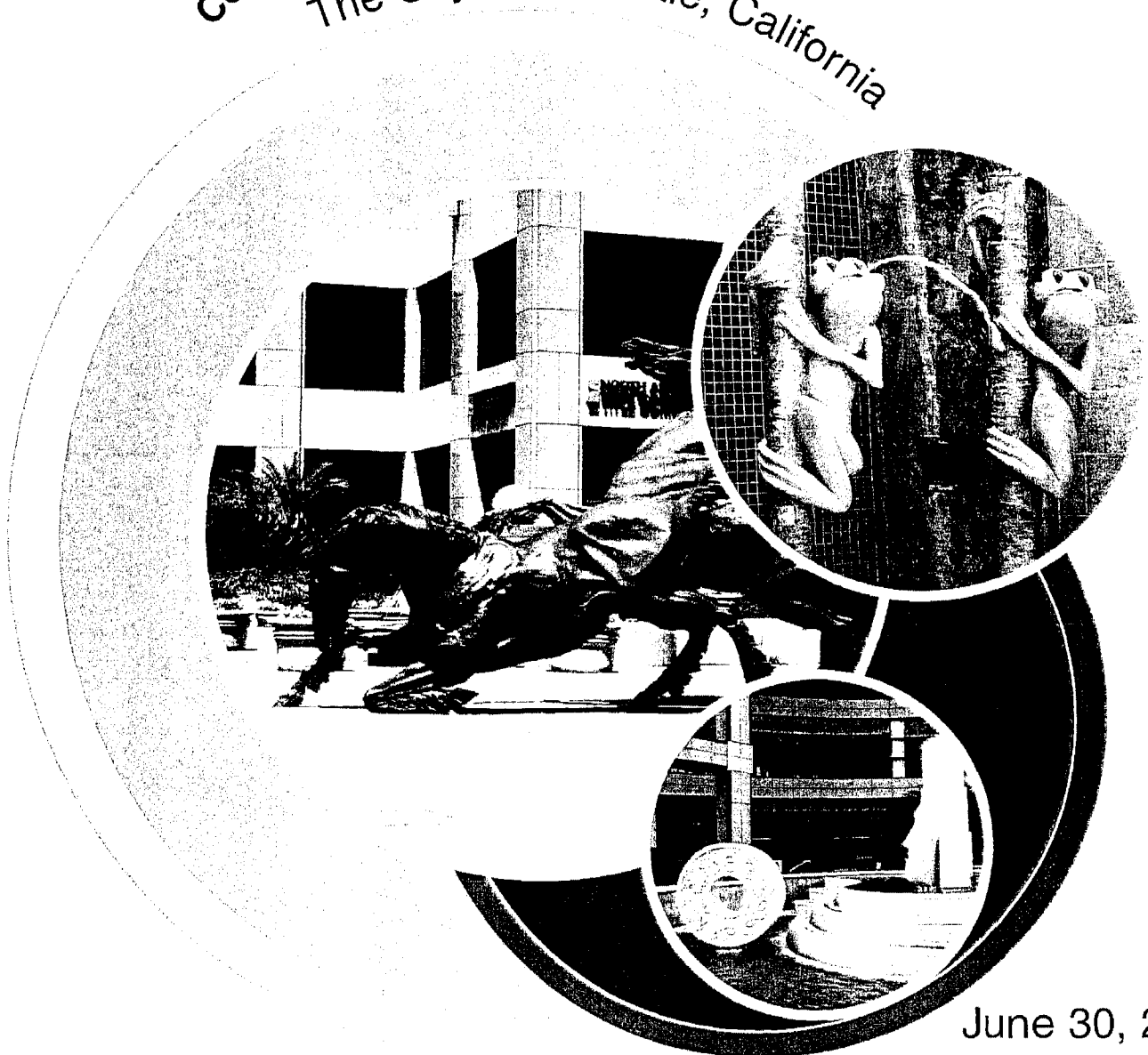
Year Ended June 30, 2006

| | <u>Balance at July1</u> | <u>Additions/Reclass</u> | <u>Retirements/ Reclass</u> | <u>Total</u> |
|-------------------------|-------------------------|--------------------------|---------------------------------|-------------------|
| Recreation Fund | \$ 60,624 | - | - | 60,624 |
| Hazardous Disposal Fund | 880,405 | | (16,387) | 864,018 |
| Fire Paramedic Fund | 1,118,374 | | (1,118,374) | - |
| Parking Fund | 48,654,209 | 237,227 | (429,544) | 48,461,893 |
| Refuse Disposal Fund | 20,383,417 | 39,324 | (551,499) | 19,871,242 |
| Total capital assets | \$ <u>71,097,029</u> | <u>276,551</u> | <u>(2,115,804)</u> | <u>69,257,776</u> |

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Internal Service Funds

Comprehensive Annual Financial Report The City of Glendale, California



June 30, 2006

INTERNAL SERVICE FUNDS

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

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

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

Exhibit K-1

CITY OF GLENDALE

Combining Statement of Net Assets

Internal Service Funds

June 30, 2006

| | Equipment Reserve Fund | Helicopter Depreciation Fund | Tech Equipment Replacement Fd | Application Software Repl Fund | Police CAD RMS Replacemnt Fund |
|---|---------------------------|------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and invested cash | \$ 13,225,101 | 2,078,464 | 94,387 | 105,064 | 597,415 |
| Imprest cash | - | - | - | - | - |
| Cash with fiscal agent | (68) | - | - | - | - |
| Interest receivable | 114,017 | 18,257 | - | 1,097 | 2,621 |
| Accounts receivable, net | - | - | - | - | - |
| Unbilled receivable | - | - | - | - | - |
| Intergovernmental receivable | - | - | - | - | - |
| Due from other agencies | - | - | - | - | - |
| Due from other funds | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Inventories | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Total current assets | 13,339,051 | 2,096,721 | 94,387 | 106,161 | 600,036 |
| Noncurrent assets: | | | | | |
| Designated & invested cash | - | - | - | - | - |
| Deferred charges | - | - | - | - | - |
| Total noncurrent assets | - | - | - | - | - |
| Capital assets: | | | | | |
| Land | - | - | - | - | - |
| Buildings and improvements | - | - | - | - | - |
| Machinery and equipment | - | - | 22,242 | - | - |
| Infrastructure | - | - | - | - | - |
| Bldg & impro accm depreciation | - | - | - | - | - |
| Construction in progress | - | - | - | - | - |
| Total capital assets | - | - | 22,242 | - | - |
| Total assets | 13,339,051 | 2,096,721 | 116,629 | 106,161 | 600,036 |
| Liabilities and Net Assets | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 41,364 | - | 9,588 | 9,169 | - |
| Contracts-retained amount due | - | - | - | - | - |
| Accrued wages and withholding | - | - | - | - | - |
| Due to other agencies | - | - | - | - | - |
| Due to other funds | - | - | 181,536 | - | - |
| Interest payable | - | - | - | - | - |
| Claims Payable | - | - | - | - | - |
| Compensated absences | - | - | - | - | - |
| Deferred revenues | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Total current liabilities | 41,364 | - | 191,124 | 9,169 | - |
| Noncurrent liabilities: | | | | | |
| Claims payable | - | - | - | - | - |
| Compensated absences | - | - | - | - | - |
| Post employment benefits | - | - | - | - | - |
| Long term debt | 3,435,877 | - | - | - | - |
| Total noncurrent liabilities | 3,435,877 | - | - | - | - |
| Total liabilities | 3,477,241 | - | 191,124 | 9,169 | - |
| Net assets: | | | | | |
| Investment in capital assets, net of related debt | - | - | - | - | - |
| Restricted | - | - | - | - | - |
| Unrestricted | 9,861,810 | 2,096,721 | (74,495) | 96,992 | 600,036 |
| Total net assets | 9,861,810 | 2,096,721 | (74,495) | 96,992 | 600,036 |

CITY OF GLENDALE

Combining Statement of Net Assets

Internal Service Funds

June 30, 2006

| | Citywide Document Mgt Sys Fund | Unemployment Insurance Fund | Uninsurable Litigation Fund | Liability Insurance Fund | Auto Insurance Fund |
|---|--------------------------------------|--------------------------------|--------------------------------|-----------------------------|------------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and invested cash | \$ 95,000 | 409,607 | 5,406,555 | 1,387,344 | 2,308,056 |
| Imprest cash | - | - | - | - | - |
| Cash with fiscal agent | - | - | - | - | - |
| Interest receivable | - | 3,386 | 44,513 | 12,015 | 18,056 |
| Accounts receivable, net | - | - | - | - | - |
| Unbilled receivable | - | - | - | - | - |
| Intergovernmental receivable | - | - | - | - | - |
| Due from other agencies | - | - | - | - | - |
| Due from other funds | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Inventories | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Total current assets | 95,000 | 412,993 | 5,451,068 | 1,399,359 | 2,326,112 |
| Noncurrent assets: | | | | | |
| Designated & invested cash | - | - | - | - | - |
| Deferred charges | - | - | - | - | - |
| Total noncurrent assets | - | - | - | - | - |
| Capital assets: | | | | | |
| Land | - | - | - | - | - |
| Buildings and improvements | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - |
| Infrastructure | - | - | - | - | - |
| Bldg & impro accm depreciation | - | - | - | - | - |
| Construction in progress | - | - | - | - | - |
| Total capital assets | - | - | - | - | - |
| Total assets | 95,000 | 412,993 | 5,451,068 | 1,399,359 | 2,326,112 |
| Liabilities and Net Assets | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | - | - | 71,989 | 62,398 | 2,985 |
| Contracts-retained amount due | - | - | - | - | - |
| Accrued wages and withholding | - | - | - | 18,786 | - |
| Due to other agencies | - | - | - | - | - |
| Due to other funds | - | - | - | - | - |
| Interest payable | - | - | - | - | - |
| Claims Payable | - | - | 614,949 | 1,410,993 | 238,769 |
| Compensated absences | - | - | - | - | - |
| Deferred revenues | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Total current liabilities | - | - | 686,938 | 1,492,177 | 241,754 |
| Noncurrent liabilities: | | | | | |
| Claims payable | - | - | 2,459,796 | 5,643,971 | 955,076 |
| Compensated absences | - | - | - | - | - |
| Post employment benefits | - | - | - | - | - |
| Long term debt | - | - | - | - | - |
| Total noncurrent liabilities | - | - | 2,459,796 | 5,643,971 | 955,076 |
| Total liabilities | - | - | 3,146,734 | 7,136,148 | 1,196,830 |
| Net assets: | | | | | |
| Investment in capital assets, net of related debt | - | - | - | - | - |
| Restricted | - | - | - | - | - |
| Unrestricted | 95,000 | 412,993 | 2,304,334 | (5,736,789) | 1,129,282 |
| Total net assets | 95,000 | 412,993 | 2,304,334 | (5,736,789) | 1,129,282 |

Exhibit K-1

CITY OF GLENDALE

Combining Statement of Net Assets

Internal Service Funds

June 30, 2006

| | Compensation Insurance Fund | Dental Insurance Fund | Medical Insurance Fund | Vision Insurance Fund | Employee Benefits Fund |
|---|--------------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and invested cash | \$ 8,884,362 | 311,684 | 1,534,248 | 40,983 | 8,267,603 |
| Imprest cash | - | - | - | - | - |
| Cash with fiscal agent | - | - | - | - | - |
| Interest receivable | 75,087 | 2,675 | 12,440 | 340 | 71,194 |
| Accounts receivable, net | 263,170 | - | - | - | - |
| Unbilled receivable | - | - | - | - | - |
| Intergovernmental receivable | - | - | - | - | - |
| Due from other agencies | 551 | - | - | - | - |
| Due from other funds | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Inventories | - | - | - | - | - |
| Prepaid items | 5,000 | 43,100 | 217,250 | 4,800 | - |
| Total current assets | 9,228,170 | 357,459 | 1,763,938 | 46,123 | 8,338,797 |
| Noncurrent assets: | | | | | |
| Designated & invested cash | - | - | - | - | - |
| Deferred charges | - | - | - | - | - |
| Total noncurrent assets | - | - | - | - | - |
| Capital assets: | | | | | |
| Land | - | - | - | - | - |
| Buildings and improvements | - | - | - | - | - |
| Machinery and equipment | 75,803 | - | - | - | - |
| Infrastructure | - | - | - | - | - |
| Bldg & impro acm depreciation | (38,460) | - | - | - | - |
| Construction in progress | - | - | - | - | - |
| Total capital assets | 37,344 | - | - | - | - |
| Total assets | 9,265,514 | 357,459 | 1,763,938 | 46,123 | 8,338,797 |
| Liabilities and Net Assets | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 57,381 | 86,125 | 418,935 | 4,691 | 2,806 |
| Contracts-retained amount due | - | - | - | - | - |
| Accrued wages and withholding | 122,085 | - | 1,509 | - | 63,322 |
| Due to other agencies | - | - | - | - | - |
| Due to other funds | - | - | - | - | - |
| Interest payable | - | - | - | - | - |
| Claims Payable | 2,500,000 | - | 100,000 | - | - |
| Compensated absences | - | - | - | - | 1,613,257 |
| Deferred revenues | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Total current liabilities | 2,679,465 | 86,125 | 520,444 | 4,691 | 1,679,384 |
| Noncurrent liabilities: | | | | | |
| Claims payable | 11,355,328 | 24,000 | 424,107 | 4,000 | - |
| Compensated absences | - | - | - | - | 7,063,967 |
| Post employment benefits | - | - | - | - | 5,431,405 |
| Long term debt | - | - | - | - | - |
| Total noncurrent liabilities | 11,355,328 | 24,000 | 424,107 | 4,000 | 12,495,371 |
| Total liabilities | 14,034,793 | 110,125 | 944,551 | 8,691 | 14,174,755 |
| Net assets: | | | | | |
| Investment in capital assets, net of related debt | 37,344 | - | - | - | - |
| Restricted | - | - | - | - | - |
| Unrestricted | (4,806,623) | 247,334 | 819,386 | 37,431 | (5,835,958) |
| Total net assets | (4,769,279) | 247,334 | 819,386 | 37,431 | (5,835,958) |

Exhibit K-1

CITY OF GLENDALE

Combining Statement of Net Assets

Internal Service Funds

June 30, 2006

| | Graphics Operation Fund | Wireless Communications Sys Fd | Financial System Operation Fd | Internal Service Funds |
|---|----------------------------|--------------------------------------|-------------------------------------|---------------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and invested cash | \$ 152,324 | - | 988,640 | 45,886,836 |
| Imprest cash | - | - | - | - |
| Cash with fiscal agent | - | - | - | (68) |
| Interest receivable | 1,293 | - | - | 376,991 |
| Accounts receivable, net | - | 675 | - | 263,845 |
| Unbilled receivable | - | - | - | - |
| Intergovernmental receivable | - | - | - | - |
| Due from other agencies | - | - | - | 551 |
| Due from other funds | - | - | - | - |
| Deposits | - | - | - | - |
| Inventories | - | - | - | - |
| Prepaid items | - | - | - | 270,150 |
| Total current assets | 153,617 | 675 | 988,640 | 46,798,306 |
| Noncurrent assets: | | | | |
| Designated & invested cash | - | - | - | - |
| Deferred charges | - | - | - | - |
| Total noncurrent assets | - | - | - | - |
| Capital assets: | | | | |
| Land | - | - | - | - |
| Buildings and improvements | - | - | - | - |
| Machinery and equipment | - | 89,868 | - | 187,913 |
| Infrastructure | - | - | - | - |
| Bldg & impro acm depreciation | - | (34,033) | - | (72,492) |
| Construction in progress | - | - | - | - |
| Total capital assets | - | 55,835 | - | 115,421 |
| Total assets | 153,617 | 56,510 | 988,640 | 46,913,727 |
| Liabilities and Net Assets | | | | |
| Current liabilities: | | | | |
| Accounts payable | 11,948 | 27,331 | 1,688 | 808,398 |
| Contracts-retained amount due | - | - | - | - |
| Accrued wages and withholding | 15,544 | 25,423 | 24,599 | 271,268 |
| Due to other agencies | - | - | - | - |
| Due to other funds | - | 392,322 | - | 573,859 |
| Interest payable | - | - | - | - |
| Claims Payable | - | - | - | 4,864,711 |
| Compensated absences | - | - | - | 1,613,257 |
| Deferred revenues | - | - | - | - |
| Deposits | - | - | - | - |
| Total current liabilities | 27,493 | 445,076 | 26,287 | 8,131,492 |
| Noncurrent liabilities: | | | | |
| Claims payable | - | - | - | 20,866,278 |
| Compensated absences | - | - | - | 7,063,967 |
| Post employment benefits | - | - | - | 5,431,405 |
| Long term debt | - | - | - | 3,435,877 |
| Total noncurrent liabilities | - | - | - | 36,797,527 |
| Total liabilities | 27,493 | 445,076 | 26,287 | 44,929,019 |
| Net assets: | | | | |
| Investment in capital assets, net of related debt | - | 55,835 | - | 93,179 |
| Restricted | - | - | - | - |
| Unrestricted | 126,124 | (444,401) | 962,353 | 1,891,529 |
| Total net assets | 126,124 | (388,566) | 962,353 | 1,984,708 |

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets
Internal Services
Year ended June 30, 2006

| | Equipment Reserve Fund | Helicopter Depreciation Fund | Tech Equipment Replacement Fd | Application Software Repl Fund | Police CAD RMS Replacmnt Fund |
|------------------------------------|---------------------------|---------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| Operating revenues | \$ | | | | |
| Charges for services | 1,596,341 | 300,363 | 180,000 | - | - |
| Miscellaneous revenues | - | - | 7,353 | - | - |
| Total operating revenues | 1,596,341 | 300,363 | 187,353 | - | - |
| Operating Expenses | | | | | |
| Salaries and benefits | - | - | - | - | - |
| Maintenance and operations | - | 24,731 | 1,108,737 | 158,091 | - |
| Equipment purchased | 973,634 | - | - | - | - |
| Claims and settlements | - | - | - | - | - |
| Depreciation | - | - | - | - | - |
| Total operating expenses | 973,634 | 24,731 | 1,108,737 | 158,091 | - |
| Operating income (loss) | 622,707 | 275,632 | (921,384) | (158,091) | - |
| Non operating revenues (expenses): | | | | | |
| | 353,500 | 41,699 | 1,109 | 3,645 | 7,162 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | (147,033) | - | - | - | - |
| | - | - | - | - | - |
| Total non operating revenues, net | 206,468 | 41,699 | 1,109 | 3,645 | 7,162 |
| Income before transfers | 829,175 | 317,331 | (920,275) | (154,446) | 7,162 |
| Transfer in: | | | | | |
| Transfer-General Fund | - | - | 675,000 | 200,000 | 290,000 |
| Transfer-Capital Funds | - | - | - | - | - |
| Transfer-Internal Service Fund | - | - | 100,000 | - | - |
| Transfer out | | | | | |
| Transfer-Int Service | - | - | - | (100,000) | - |
| Total transfer | - | - | 775,000 | 100,000 | 290,000 |
| Change in net assets | 829,175 | 317,331 | (145,275) | (54,446) | 297,162 |
| Total net assets, July 1 | 9,032,635 | 1,779,390 | 70,780 | 151,437 | 302,874 |
| Total net assets, June 30 | \$ 9,861,810 | 2,096,721 | (74,495) | 96,991 | 600,036 |

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

Internal Services

Year ended June 30, 2006

| | Citywide Document Mgt Sys Fund | Unemployment Insurance Fund | Uninsurable Litigation Fund | Liability Insurance Fund | Auto Insurance Fund |
|------------------------------------|-----------------------------------|--------------------------------|--------------------------------|-----------------------------|------------------------|
| Operating revenues | \$ | | | | |
| Charges for services | - | 147,089 | 2,500,430 | 591,708 | 814,008 |
| Miscellaneous revenues | - | - | - | - | - |
| Total operating revenues | - | 147,089 | 2,500,430 | 591,708 | 814,008 |
| Operating Expenses | | | | | |
| Salaries and benefits | - | - | - | 556,185 | - |
| Maintenance and operations | - | 104,968 | 3,039,530 | 1,207,255 | 156,321 |
| Equipment purchased | - | - | - | - | - |
| Claims and settlements | - | - | (4,213,068) | (6,916,212) | (37,033) |
| Depreciation | - | - | - | - | - |
| Total operating expenses | - | 104,968 | (1,173,538) | (5,152,772) | 119,288 |
| Operating income (loss) | - | 42,121 | 3,673,968 | 5,744,480 | 694,720 |
| Non operating revenues (expenses): | | | | | |
| | - | 8,761 | 139,002 | 68,060 | 38,421 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| Total non operating revenues, net | - | 8,761 | 139,002 | 68,060 | 38,421 |
| Income before transfers | - | 50,882 | 3,812,970 | 5,812,540 | 733,141 |
| Transfer in: | | | | | |
| Transfer-General Fund | 95,000 | - | - | - | - |
| Transfer-Capital Funds | - | - | - | - | - |
| Transfer-Internal Service Fund | - | - | - | - | - |
| Transfer out | | | | | |
| Transfer-Int Service | - | - | - | - | - |
| Total transfer | 95,000 | - | - | - | - |
| Change in net assets | 95,000 | 50,882 | 3,812,970 | 5,812,540 | 733,141 |
| Total net assets, July 1 | - | 362,110 | (1,508,636) | (11,549,329) | 396,141 |
| Total net assets, June 30 | \$ 95,000 | 412,992 | 2,304,334 | (5,736,789) | 1,129,282 |

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses

and Changes in Net Assets

Internal Services

Year ended June 30, 2006

| | Compensation Insurance Fund | Dental Insurance Fund | Medical Insurance Fund | Vision Insurance Fund | Employee Benefits Fund |
|------------------------------------|--|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Operating revenues | \$ | | | | |
| Charges for services | 8,586,420 | 1,210,543 | 9,983,767 | 98,546 | 2,126,320 |
| Miscellaneous revenues | 33,216 | - | - | - | - |
| Total operating revenues | 8,619,637 | 1,210,543 | 9,983,767 | 98,546 | 2,126,320 |
| Operating Expenses | | | | | |
| Salaries and benefits | 1,339,334 | - | 40,067 | - | 4,044,805 |
| Maintenance and operations | 551,555 | 1,168,520 | 8,285,221 | 82,342 | 46,238 |
| Equipment purchased | 9,083 | - | - | - | - |
| Claims and settlements | 7,743,074 | - | 1,622,735 | 4,691 | - |
| Depreciation | 7,261 | - | - | - | - |
| Total operating expenses | 9,650,306 | 1,168,520 | 9,948,023 | 87,033 | 4,091,042 |
| Operating income (loss) | (1,030,669) | 42,023 | 35,744 | 11,513 | (1,964,722) |
| Non operating revenues (expenses): | | | | | |
| | 226,961 | 6,338 | 21,682 | 859 | 206,739 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| Total non operating revenues, net | 226,961 | 6,338 | 21,682 | 859 | 206,739 |
| Income before transfers | (803,708) | 48,361 | 57,426 | 12,372 | (1,757,983) |
| Transfer in: | | | | | |
| Transfer-General Fund | - | - | - | - | - |
| Transfer-Capital Funds | - | - | - | - | - |
| Transfer-Internal Service Fund | - | - | - | - | - |
| Transfer out | | | | | |
| Transfer-Int Service | - | - | - | - | - |
| Total transfer | - | - | - | - | - |
| Change in net assets | (803,708) | 48,361 | 57,426 | 12,372 | (1,757,983) |
| Total net assets, July 1 | (3,965,572) | 198,973 | 761,959 | 25,060 | (4,077,975) |
| Total net assets, June 30 | \$ (4,769,280) | 247,334 | 819,385 | 37,432 | (5,835,958) |

Exhibit K-2

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

Internal Services

Year ended June 30, 2006

| | Graphics Operation Fund | Wireless Communications Sys Fd | Financial System Operation Fd | Total |
|------------------------------------|----------------------------|--------------------------------------|----------------------------------|-------------|
| Operating revenues | \$ | | | |
| Charges for services | 518,062 | 7,478 | - | 28,661,074 |
| Miscellaneous revenues | - | 2,987 | - | 43,557 |
| Total operating revenues | 518,062 | 10,465 | - | 28,704,631 |
| Operating Expenses | | | | |
| Salaries and benefits | 417,546 | 782,685 | 520,566 | 7,701,187 |
| Maintenance and operations | 164,951 | 715,875 | 277,716 | 17,092,050 |
| Equipment purchased | - | - | - | 982,716 |
| Claims and settlements | - | - | - | (1,795,812) |
| Depreciation | - | 10,617 | - | 17,878 |
| Total operating expenses | 582,497 | 1,509,177 | 798,282 | 23,998,019 |
| Operating income (loss) | (64,435) | (1,498,712) | (798,282) | 4,706,612 |
| Non operating revenues (expenses): | | | | |
| | 3,651 | - | 1,487 | 1,129,078 |
| | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| | - | - | - | (147,033) |
| | - | 29,571 | - | 29,571 |
| Total non operating revenues, net | 3,651 | 29,571 | 1,487 | 1,011,617 |
| Income before transfers | (60,784) | (1,469,141) | (796,795) | 5,718,229 |
| Transfer in: | | | | |
| Transfer-General Fund | - | 1,194,699 | 580,000 | 3,034,699 |
| Transfer-Capital Funds | - | - | 1,045,810 | 1,045,810 |
| Transfer-Internal Service Fund | - | - | - | 100,000 |
| Transfer out | | | | |
| Transfer-Int Service | - | - | - | (100,000) |
| Total transfer | - | 1,194,699 | 1,625,810 | 4,080,509 |
| Change in net assets | (60,784) | (274,442) | 829,015 | 9,798,738 |
| Total net assets, July 1 | 186,908 | (114,124) | 133,337 | (7,814,031) |
| Total net assets, June 30 | \$ 126,124 | (388,566) | 962,352 | 1,984,707 |

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2006

| | Equipment Reserve Fund | Helicopter Depreciation Fund | Tech Equipment Replacement Fd | Application Software Repl Fund |
|--|---------------------------|---------------------------------|----------------------------------|-----------------------------------|
| Cash flows from operating activities: | | | | |
| Cash from customers | \$ 1,596,341 | 300,363 | 187,353 | - |
| Cash paid to employees | - | - | - | - |
| Cash paid to suppliers | (1,104,359) | (24,731) | (940,612) | (148,922) |
| Net Cash provided (used) by operating activities | 491,982 | 275,632 | (753,259) | (148,922) |
| Cash flows from noncapital financing activities: | | | | |
| Operating transfers out | | | | |
| Transfer-Int Service | - | - | - | (100,000) |
| Operating transfers in | | | | |
| Transfer-General Fund | - | - | 675,000 | 200,000 |
| Transfer-Capital Funds | - | - | - | - |
| Transfer-Internal Service Fund | - | - | 100,000 | - |
| Operating grant received | - | - | - | - |
| Net Cash provided (used) by noncapital financing activities | - | - | 775,000 | 100,000 |
| Cash flows from capital and related financing activities: | | | | |
| Interest on long term debt | (147,033) | - | - | - |
| Bond, premium and interest accrued | (306,415) | - | - | - |
| Capital Lease | - | - | - | - |
| Contribution in aid | - | - | - | - |
| Acquisition of property, plant, and equipment | - | - | (22,242) | - |
| Investment - gas/electric commodity | - | - | - | - |
| Net cash provided (used in) capital and related financing activities | (453,448) | - | (22,242) | - |
| Cash provided by investing activities - interest received | 284,731 | 35,826 | 2,201 | 3,585 |
| Net increase (decrease) in cash and cash equivalents | 323,265 | 311,458 | 1,700 | (45,337) |
| Cash and cash equivalents at July 1 | 12,901,768 | 1,767,006 | 92,687 | 150,400 |
| Cash and cash equivalents at June 30 | 13,225,033 | 2,078,464 | 94,387 | 105,063 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income (loss) | 622,707 | 275,632 | (921,383) | (158,091) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | |
| Depreciation | - | - | - | - |
| (Increase)Decrease Accounts receivable net | - | - | - | - |
| (Increase)Decrease Unbilled receivable | - | - | - | - |
| (Increase)Decrease Due from other agencies | - | - | - | - |
| (Increase)Decrease Due from other funds | - | - | - | - |
| (Increase)Decrease Inventories | - | - | - | - |
| (Increase)Decrease Prepaid expenses | - | - | - | - |
| Increase(Decrease) Accrued salaries and withholding | - | - | - | - |
| Increase(Decrease) Compensated absences | - | - | - | - |
| Increase(Decrease) Post Employment benefit | - | - | - | - |
| Increase(Decrease) Accounts payable | (130,725) | - | (13,412) | 9,169 |
| Increase(Decrease) Contracts - retention | - | - | - | - |
| Increase(Decrease) Due to other agencies | - | - | - | - |
| Increase(Decrease) Due to other funds | - | - | 181,536 | - |
| Increase(Decrease) Deposits | - | - | - | - |
| Increase(Decrease) Claims payable | - | - | - | - |
| Total adjustments | (130,725) | - | 168,124 | 9,169 |
| Net cash provided (used) by operating activities | \$ 491,982 | 275,632 | (753,259) | (148,922) |
| Noncash investing, capital, and financing activities: | | | | |
| Contributions of capital assets from government | | | | |
| Increase in fair value of investments | (288,845) | (46,251) | - | (2,779) |

Exhibit K.3
CITY OF GLENDALE
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2006

| | Police CAD RMS Replacemnt Fund | Citywide Document Mgt Sys Fund | Unemployment Insurance Fund | Uninsurable Litigation Fund |
|--|-----------------------------------|-----------------------------------|--------------------------------|--------------------------------|
| Cash flows from operating activities: | | | | |
| Cash from customers | - | - | 147,089 | 3,766,430 |
| Cash paid to employees | - | - | - | - |
| Cash paid to suppliers | - | - | (104,968) | (9,293,212) |
| Net Cash provided (used) by operating activities | - | - | 42,121 | (5,526,782) |
| Cash flows from noncapital financing activities: | | | | |
| Operating transfers out | | | | |
| Transfer-Int Service | - | - | - | - |
| Operating transfers in | | | | |
| Transfer-General Fund | 290,000 | 95,000 | - | - |
| Transfer-Capital Funds | - | - | - | - |
| Transfer-Internal Service Fund | - | - | - | - |
| Operating grant received | - | - | - | - |
| Net Cash provided (used) by noncapital financing activities | 290,000 | 95,000 | - | - |
| Cash flows from capital and related financing activities: | | | | |
| Interest on long term debt | - | - | - | - |
| Bond, premium and interest accrued | - | - | - | - |
| Capital Lease | - | - | - | - |
| Contribution in aid | - | - | - | - |
| Acquisition of property, plant, and equipment | - | - | - | - |
| Investment - gas/electric commodity | - | - | - | - |
| Net cash provided (used in) capital and related financing activities | - | - | - | - |
| Cash provided by investing activities - interest received | 6,616 | - | 7,980 | 173,891 |
| Net increase (decrease) in cash and cash equivalents | 296,616 | 95,000 | 50,101 | (5,352,891) |
| Cash and cash equivalents at July 1 | 300,799 | - | 359,505 | 10,759,446 |
| Cash and cash equivalents at June 30 | 597,415 | 95,000 | 409,606 | 5,406,555 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income (loss) | - | - | 42,121 | 3,673,968 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | |
| Depreciation | - | - | - | - |
| (Increase)Decrease Accounts receivable net | - | - | - | 1,266,000 |
| (Increase)Decrease Unbilled receivable | - | - | - | - |
| (Increase)Decrease Due from other agencies | - | - | - | - |
| (Increase)Decrease Due from other funds | - | - | - | - |
| (Increase)Decrease Inventories | - | - | - | - |
| (Increase)Decrease Prepaid expenses | - | - | - | - |
| Increase(Decrease) Accrued salaries and withholding | - | - | - | - |
| Increase(Decrease) Compensated absences | - | - | - | - |
| Increase(Decrease) Post Employment benefit | - | - | - | - |
| Increase(Decrease) Accounts payable | - | - | - | 71,719 |
| Increase(Decrease) Contracts - retention | - | - | - | - |
| Increase(Decrease) Due to other agencies | - | - | - | - |
| Increase(Decrease) Due to other funds | - | - | - | - |
| Increase(Decrease) Deposits | - | - | - | - |
| Increase(Decrease) Claims payable | - | - | - | (10,538,469) |
| Total adjustments | - | - | - | (9,200,750) |
| Net cash provided (used) by operating activities | - | - | 42,121 | (5,526,782) |
| Noncash investing, capital, and financing activities: | | | | |
| Contributions of capital assets from government | (6,640) | - | (8,577) | (112,768) |
| Increase in fair value of investments | | | | |

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2006

| | Liability Insurance Fund | Auto Insurance Fund | Compensation Insurance Fund | Dental Insurance Fund |
|--|-----------------------------|------------------------|--------------------------------|--------------------------|
| Cash flows from operating activities: | | | | |
| Cash from customers | 591,708 | 814,008 | 8,386,368 | 1,210,543 |
| Cash paid to employees | (555,130) | - | (1,325,430) | - |
| Cash paid to suppliers | (1,716,135) | (153,599) | (7,569,255) | (1,163,776) |
| Net Cash provided (used) by operating activities | (1,679,557) | 660,409 | (508,317) | 46,767 |
| Cash flows from noncapital financing activities: | | | | |
| Operating transfers out | | | | |
| Transfer-Int Service | - | - | - | - |
| Operating transfers in | | | | |
| Transfer-General Fund | - | - | - | - |
| Transfer-Capital Funds | - | - | - | - |
| Transfer-Internal Service Fund | - | - | - | - |
| Operating grant received | - | - | - | - |
| Net Cash provided (used) by noncapital financing activities | - | - | - | - |
| Cash flows from capital and related financing activities: | | | | |
| Interest on long term debt | - | - | - | - |
| Bond, premium and interest accrued | - | - | - | - |
| Capital Lease | - | - | - | - |
| Contribution in aid | - | - | - | - |
| Acquisition of property, plant, and equipment | - | - | 3,484 | - |
| Investment - gas/electric commodity | - | - | - | - |
| Net cash provided (used in) capital and related financing activities | - | - | 3,484 | - |
| Cash provided by investing activities - interest received | 85,503 | 29,135 | 220,515 | 5,085 |
| Net increase (decrease) in cash and cash equivalents | (1,594,054) | 689,544 | (284,318) | 51,852 |
| Cash and cash equivalents at July 1 | 2,981,398 | 1,618,513 | 9,168,680 | 259,832 |
| Cash and cash equivalents at June 30 | 1,387,344 | 2,308,057 | 8,884,362 | 311,684 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income (loss) | 5,744,480 | 694,720 | (1,030,669) | 42,023 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | |
| Depreciation | - | - | 7,261 | - |
| (Increase)Decrease Accounts receivable net | - | - | (233,269) | - |
| (Increase)Decrease Unbilled receivable | - | - | - | - |
| (Increase)Decrease Due from other agencies | - | - | - | - |
| (Increase)Decrease Due from other funds | - | - | - | - |
| (Increase)Decrease Inventories | - | - | - | - |
| (Increase)Decrease Prepaid expenses | - | - | - | - |
| Increase(Decrease) Accrued salaries and withholding | 1,054 | - | (10,570) | - |
| Increase(Decrease) Compensated absences | - | - | - | - |
| Increase(Decrease) Post Employment benefit | - | - | 24,474 | - |
| Increase(Decrease) Accounts payable | (71,226) | 2,985 | (6,074) | 4,744 |
| Increase(Decrease) Contracts - retention | - | - | - | - |
| Increase(Decrease) Due to other agencies | - | - | - | - |
| Increase(Decrease) Due to other funds | - | - | - | - |
| Increase(Decrease) Deposits | - | - | - | - |
| Increase(Decrease) Claims payable | (7,353,865) | (37,297) | 740,531 | - |
| Total adjustments | (7,424,037) | (34,312) | 522,353 | 4,744 |
| Net cash provided (used) by operating activities | (1,679,557) | 660,408 | (508,316) | 46,767 |
| Noncash investing, capital, and financing activities: | | | | |
| Contributions of capital assets from government | (30,437) | (45,743) | (190,222) | (6,778) |
| Increase in fair value of investments | | | | |

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2006

| | Medical Insurance Fund | Vision Insurance Fund | Employee Benefits Fund | Graphics Operation Fund |
|--|---------------------------|--------------------------|---------------------------|----------------------------|
| Cash flows from operating activities: | | | | |
| Cash from customers | 9,983,767 | 98,546 | 2,126,320 | 518,062 |
| Cash paid to employees | (39,626) | - | (3,763,540) | (415,676) |
| Cash paid to suppliers | (10,023,951) | (91,192) | (43,432) | (153,588) |
| Net Cash provided (used) by operating activities | (79,810) | 7,354 | (1,680,652) | (51,202) |
| Cash flows from noncapital financing activities: | | | | |
| Operating transfers out | | | | |
| Transfer-Int Service | - | - | - | - |
| Operating transfers in | | | | |
| Transfer-General Fund | - | - | - | - |
| Transfer-Capital Funds | - | - | - | - |
| Transfer-Internal Service Fund | - | - | - | - |
| Operating grant received | - | - | - | - |
| Net Cash provided (used) by noncapital financing activities | - | - | - | - |
| Cash flows from capital and related financing activities: | | | | |
| Interest on long term debt | - | - | - | - |
| Bond, premium and interest accrued | - | - | - | - |
| Capital Lease | - | - | - | - |
| Contribution in aid | - | - | - | - |
| Acquisition of property, plant, and equipment | - | - | - | - |
| Investment - gas/electric commodity | - | - | - | - |
| Net cash provided (used in) capital and related financing activities | - | - | - | - |
| Cash provided by investing activities - interest received | 9,242 | 763 | 171,554 | 2,946 |
| Net increase (decrease) in cash and cash equivalents | (70,568) | 8,117 | (1,509,098) | (48,256) |
| Cash and cash equivalents at July 1 | 1,604,815 | 32,866 | 9,776,701 | 200,579 |
| Cash and cash equivalents at June 30 | 1,534,247 | 40,983 | 8,267,603 | 152,323 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income (loss) | 35,744 | 11,512 | (1,964,723) | (64,435) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | |
| Depreciation | - | - | - | - |
| (Increase)Decrease Accounts receivable net | - | - | - | - |
| (Increase)Decrease Unbilled receivable | - | - | - | - |
| (Increase)Decrease Due from other agencies | - | - | - | - |
| (Increase)Decrease Due from other funds | - | - | - | - |
| (Increase)Decrease Inventories | - | - | - | - |
| (Increase)Decrease Prepaid expenses | - | - | - | - |
| Increase(Decrease) Accrued salaries and withholding | 441 | - | 49,672 | 1,870 |
| Increase(Decrease) Compensated absences | - | - | 530,984 | - |
| Increase(Decrease) Post Employment benefit | - | - | (299,390) | - |
| Increase(Decrease) Accounts payable | (115,995) | (4,158) | 2,806 | 11,364 |
| Increase(Decrease) Contracts - retention | - | - | - | - |
| Increase(Decrease) Due to other agencies | - | - | - | - |
| Increase(Decrease) Due to other funds | - | - | - | - |
| Increase(Decrease) Deposits | - | - | - | - |
| Increase(Decrease) Claims payable | - | - | - | - |
| Total adjustments | (115,554) | (4,158) | 284,072 | 13,234 |
| Net cash provided (used) by operating activities | (79,810) | 7,354 | (1,680,651) | (51,201) |
| Noncash investing, capital, and financing activities: | | | | |
| Contributions of capital assets from government | (31,514) | (863) | (180,359) | (3,275) |
| Increase in fair value of investments | | | | |

Exhibit K-3
CITY OF GLENDALE
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2006

| | Wireless Communications Sys Fd | Financial System Operation Fd | Internal Service Funds |
|--|--------------------------------------|----------------------------------|---------------------------|
| Cash flows from operating activities: | | | |
| Cash from customers | 11,243 | - | 29,738,140 |
| Cash paid to employees | (785,080) | (511,447) | (7,395,929) |
| Cash paid to suppliers | (300,318) | (276,028) | (33,108,077) |
| Net Cash provided (used) by operating activities | (1,074,155) | (787,475) | (10,765,866) |
| Cash flows from noncapital financing activities: | | | |
| Operating transfers out | | | |
| Transfer-Int Service | - | - | -100000 |
| Operating transfers in | | | |
| Transfer-General Fund | 1,194,699 | 580,000 | 3034699 |
| Transfer-Capital Funds | - | 1,045,810 | 1045810.47 |
| Transfer-Internal Service Fund | - | - | 100000 |
| Operating grant received | - | - | - |
| Net Cash provided (used) by noncapital financing activities | 1,194,699 | 1,625,810 | 4,080,509 |
| Cash flows from capital and related financing activities: | | | |
| Interest on long term debt | - | - | (147,033) |
| Bond, premium and interest accrued | - | - | (306,415) |
| Capital Lease | - | - | - |
| Contribution in aid | 29,571 | - | 29,571 |
| Acquisition of property, plant, and equipment | (30,804) | - | (49,561) |
| Investment - gas/electric commodity | - | - | - |
| Net cash provided (used in) capital and related financing activities | (1,233) | - | (473,438) |
| Cash provided by investing activities - interest received | - | 2,408 | 1,041,983 |
| Net increase (decrease) in cash and cash equivalents | 119,311 | 840,743 | (6,116,812) |
| Cash and cash equivalents at July 1 | (119,312) | 147,896 | 52,003,580 |
| Cash and cash equivalents at June 30 | (1) | 988,639 | 45,886,768 |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income (loss) | (1,498,712) | (798,282) | 4,706,612 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | |
| Depreciation | 10,617 | - | 17,878 |
| (Increase)Decrease Accounts receivable net | 778 | - | 1,033,509 |
| (Increase)Decrease Unbilled receivable | - | - | - |
| (Increase)Decrease Due from other agencies | - | - | - |
| (Increase)Decrease Due from other funds | - | - | - |
| (Increase)Decrease Inventories | - | - | - |
| (Increase)Decrease Prepaid expenses | - | - | - |
| Increase(Decrease) Accrued salaries and withholding | (2,395) | 9,119 | 49,190 |
| Increase(Decrease) Compensated absences | - | - | 530,984 |
| Increase(Decrease) Post Employment benefit | - | - | (274,916) |
| Increase(Decrease) Accounts payable | 23,235 | 1,688 | (213,881) |
| Increase(Decrease) Contracts - retention | - | - | - |
| Increase(Decrease) Due to other agencies | - | - | - |
| Increase(Decrease) Due to other funds | 392,322 | - | 573,859 |
| Increase(Decrease) Deposits | - | - | - |
| Increase(Decrease) Claims payable | - | - | (17,189,100) |
| Total adjustments | 424,557 | 10,807 | (15,472,477) |
| Net cash provided (used) by operating activities | (1,074,155) | (787,475) | (10,765,865) |
| Noncash investing, capital, and financing activities: | | | |
| Contributions of capital assets from government | - | - | (955,051) |
| Increase in fair value of investments | - | - | - |

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CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2006

| | Construction in | | | | | |
|---|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|
| | Land | Progress | Infrastructure | Buildings | Equipment | Total |
| General government | | | | | | |
| City Council | - | 148,234 | - | - | 1,781,111 | 1,929,345 |
| City Clerk | - | 9,788 | - | - | 0 | 9,788 |
| City Treasurer | - | - | - | - | 6,245 | 6,245 |
| City Manager | - | - | - | - | 428,516 | 428,516 |
| Legal | - | - | - | 10,000 | 40,578 | 50,578 |
| Finance | - | 0 | - | - | 6,130,204 | 6,130,204 |
| Purchasing | - | - | - | - | - | - |
| Graphics | - | - | - | - | 300,829 | 300,829 |
| Information Technology | - | 630,776 | 12,221,370 | 325,000 | 14,616,256 | 27,793,402 |
| Planning | - | - | - | - | 39,097 | 39,097 |
| Personnel | - | - | - | - | 233,418 | 233,418 |
| Total | - | 788,798 | 12,221,370 | 335,000 | 23,576,254 | 36,921,422 |
| Public Safety | | | | | | |
| Police | 5,226,855 | 2,979,166 | - | 68,723,552 | 12,240,759 | 89,170,332 |
| Fire | 5,924,956 | 69,228 | - | 18,111,296 | 13,565,650 | 37,671,130 |
| Fire Communications | - | - | - | 12,507 | 3,839,901 | 3,852,408 |
| Fire Paramedics | - | - | - | - | 1,118,374 | 1,118,374 |
| Emergency Services | - | - | - | - | 140,008 | 140,008 |
| Total | 11,151,811 | 3,048,394 | - | 86,847,356 | 30,904,691 | 131,952,252 |
| Public Works | | | | | | |
| Public works | 14,191,930 | 24,708,607 | 5,259,111 | 1,207,042 | 1,358,645 | 46,725,335 |
| Engineering | - | - | - | - | 241,783 | 241,783 |
| Permit services/building inspection | - | 445,017 | - | - | 535,461 | 980,478 |
| Corporation yard | 306,974 | 65,351 | - | 1,778,315 | 34,682 | 2,185,322 |
| Building services | 5,044,007 | 1,021,315 | 57,039 | 43,258,381 | 412,114 | 49,792,857 |
| Streets | 269,148,435 | 6,704,332 | 185,564,821 | (1) | 4,386,863 | 465,804,449 |
| Mechanical maintenance | - | - | - | - | 488,258 | 488,258 |
| Traffic engineering | - | - | - | - | - | - |
| Traffic safety control | - | 2,176,509 | 12,860,640 | 1 | 167,432 | 15,204,582 |
| Transit administration | 15,440,916 | - | - | 2,204,913 | 8,231,018 | 25,876,847 |
| Air quality improvement | - | 596,149 | - | - | - | 596,149 |
| Total | 304,132,262 | 35,717,280 | 203,741,611 | 48,448,652 | 15,856,256 | 607,896,060 |
| Housing, health, and community development | | | | | | |
| Housing administration | 6,194,390 | - | - | - | 283,024 | 6,477,414 |
| Community dev admin. | 424,866 | 10,763,700 | 326,000 | 14,160,175 | 132,425 | 25,807,166 |
| Neighborhood services | - | - | - | - | 227,852 | 227,852 |
| WIA | - | - | - | - | - | - |
| Glendale redevelopment agency | 1,918,312 | 3,434,086 | - | 8,639,952 | 557,015 | 14,549,365 |
| Total | 8,537,568 | 14,197,785 | 326,000 | 22,800,127 | 1,200,317 | 47,061,797 |
| Parks, recreation and community services | | | | | | |
| services | 37,483,504 | 7,157,385 | - | 53,741,378 | 2,539,169 | 100,921,436 |
| Library | 447,945 | 1,277,223 | - | 9,114,557 | 1,834,916 | 12,674,640 |
| Total capital assets | 361,753,090 | 62,186,865 | 216,788,981 | 221,287,070 | 75,911,603 | 937,427,607 |
| Accumulated depreciation | | | (85,654,739) | (52,902,273) | (45,012,137) | (183,569,148) |
| Net capital assets | 361,753,090 | 62,186,865 | 130,634,242 | 168,384,797 | 30,899,466 | 753,858,459 |

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

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

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

Exhibit L-2

CITY OF GLENDALE

Capital Assets used in the Operation of Governmental Funds
Schedule by Function and Activity
Year Ended June 30, 2006

| | Balance at July 1 | Additions | Retirements | Reclass | Total |
|---|-----------------------|-------------------|--------------------|------------------|--------------------|
| General government: | | | | | |
| City council | \$ 1,861,246 | 51,449 | - | 16,650 | 1,929,345 |
| City clerk | 9,693 | 95 | - | - | 9,788 |
| City treasurer | 6,245 | - | - | - | 6,245 |
| City manager | 480,519 | - | - | (52,003) | 428,516 |
| Legal | 67,327 | - | - | (16,749) | 50,578 |
| Finance | 6,130,204 | - | - | - | 6,130,204 |
| Purchasing | - | - | - | - | - |
| Graphics | 333,054 | - | (32,225) | - | 300,829 |
| Information services | 26,835,640 | 1,007,629 | (66,626) | 16,759 | 27,793,402 |
| Planning | 39,097 | - | - | - | 39,097 |
| Personnel | 233,418 | - | - | - | 233,418 |
| Total | 35,996,441 | 1,059,174 | (98,851) | (35,342) | 36,921,422 |
| Public safety: | | | | | |
| Police | 83,497,383 | 5,878,609 | (912,249) | 706,589 | 89,170,332 |
| Fire | 37,912,669 | 588,668 | (373,124) | (457,082) | 37,671,130 |
| Fire communications | 3,740,788 | 111,620 | - | - | 3,852,408 |
| Fire paramedics | - | - | - | 1,118,374 | 1,118,374 |
| Emergency services | 140,008 | - | - | - | 140,008 |
| Total | 125,290,847 | 6,578,897 | (1,285,373) | 1,367,881 | 131,952,252 |
| Public works: | | | | | |
| Public works | 29,912,824 | 16,762,362 | - | 50,150 | 46,725,335 |
| Engineering | 261,168 | - | (7,457) | (11,928) | 241,783 |
| Permit services | 897,598 | 82,880 | - | - | 980,478 |
| Corporation yard | 2,185,322 | - | - | - | 2,185,322 |
| Building services | 49,682,533 | 470,766 | (24,711) | (335,731) | 49,792,857 |
| Street | 467,906,265 | 4,806,684 | (6,939,566) | 31,067 | 465,804,449 |
| Mechanical maintenance | 582,015 | - | (16,215) | (77,543) | 488,258 |
| Traffic engineering | - | - | - | - | - |
| Traffic safety controls | 14,895,873 | 311,871 | (3,162) | - | 15,204,582 |
| Transit Administration | 25,423,268 | 757,422 | (303,843) | - | 25,876,847 |
| Air quality improvement | 596,159 | - | - | (10) | 596,149 |
| Total | 592,343,025 | 23,191,985 | (7,294,954) | (343,996) | 607,896,060 |
| Housing, health and community development: | | | | | |
| Housing administration | 3,928,817 | 2,590,075 | (68,918) | 27,440 | 6,477,414 |
| Community dev admin | 25,557,190 | 334,788 | - | (84,812) | 25,807,166 |
| Neighborhood services | 196,498 | 43,213 | (6,851) | (5,008) | 227,852 |
| Electric benefit | - | - | - | - | - |
| Glendale redevelopment agency | 13,848,345 | 726,808 | (25,788) | - | 14,549,365 |
| Total | 43,530,850 | 3,694,885 | (101,557) | (62,380) | 47,061,797 |
| Parks, recreation and community services: | | | | | |
| Parks administration | 91,107,842 | 9,503,812 | (218,229) | 528,011 | 100,921,436 |
| Total | 91,107,842 | 9,503,812 | (218,229) | 528,011 | 100,921,436 |
| Library | 12,502,113 | 187,372 | - | (14,845) | 12,674,640 |
| Total capital assets | \$ 900,771,118 | 44,216,125 | (8,998,964) | 1,439,329 | 937,427,607 |

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

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

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

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

Comprehensive Annual Financial Report

The City of Glendale, California



June 30, 2006

Schedule 1

CITY OF GLENDALE

Net Assets by Component,

Last Five Fiscal Years

(accrual basis of accounting)

| | | Fiscal Year | | | | |
|---|----|---------------|---------------|---------------|---------------|---------------|
| | | 2006 | 2005 | 2004 | 2003 | 2002 |
| Governmental activities | | | | | | |
| Invested in capital assets, net of related debt | \$ | 679,204,502 | 658,444,661 | 635,754,391 | 607,259,731 | 507,880,535 |
| Restricted | | 61,878,240 | 60,899,466 | 51,899,739 | 95,244,662 | 152,983,113 |
| Unrestricted | | 159,129,733 | 151,155,039 | 150,126,704 | 131,816,563 | 70,119,629 |
| Total governmental activities net assets | | 900,212,475 | 870,499,166 | 837,780,834 | 834,320,956 | 730,983,277 |
| Business-type activities | | | | | | |
| Invested in capital assets, net of related debt | | 435,757,427 | 393,341,990 | 371,934,174 | 347,098,897 | 387,742,819 |
| Restricted | | 8,652,549 | 12,460,324 | 11,947,183 | 4,813,514 | 56,758,155 |
| Unrestricted | | 221,229,536 | 261,248,290 | 282,328,096 | 302,302,313 | 146,757,261 |
| Total business-type activities net assets | | 665,639,512 | 667,050,604 | 666,209,453 | 654,214,724 | 591,258,235 |
| Primary government | | | | | | |
| Invested in capital assets, net of related debt | | 1,114,961,929 | 1,051,786,651 | 1,007,688,565 | 954,358,628 | 895,623,354 |
| Restricted | | 70,530,789 | 73,359,790 | 63,846,922 | 100,058,176 | 209,741,268 |
| Unrestricted | | 380,359,269 | 412,403,329 | 432,454,800 | 434,118,876 | 216,876,890 |
| Total primary government net assets | \$ | 1,565,851,987 | 1,537,549,770 | 1,503,990,287 | 1,488,535,680 | 1,322,241,512 |

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

Not covered by independent auditor's report

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

| | Fiscal Year | | | | |
|--|-----------------------|--------------------|--------------------|--------------------|--------------------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 20,288,977 | 17,536,301 | 11,120,654 | 20,470,968 | 17,312,420 |
| Public safety | 94,722,874 | 83,073,619 | 50,085,239 | 67,710,304 | 73,553,870 |
| Public works | 37,021,583 | 39,261,265 | 46,434,742 | 37,845,995 | 33,002,905 |
| Housing, health, and comm dev | 47,579,613 | 39,683,369 | 49,923,044 | 29,670,727 | 29,565,756 |
| Employment programs | 6,101,639 | 5,136,068 | 4,824,151 | 5,472,648 | 5,479,175 |
| Public service | 3,897,611 | 5,023,909 | 5,693,244 | 5,216,198 | 3,356,978 |
| Parks, recreation and community services | 15,588,477 | 10,065,778 | 25,219,090 | 24,428,978 | 9,516,116 |
| Library | 7,913,125 | 7,002,416 | 1,544,076 | 6,959,472 | 6,968,227 |
| Interest and fiscal charges on bonds | 8,251,413 | 7,284,073 | 6,728,374 | 1,754,409 | 4,753,104 |
| Total governmental activities expenses | <u>241,365,312</u> | <u>214,066,798</u> | <u>201,572,614</u> | <u>199,529,699</u> | <u>183,508,551</u> |
| Business-type activities: | | | | | |
| Recreation | 1,851,420 | 2,078,111 | 2,267,888 | 2,013,220 | 1,946,339 |
| Hazardous disposal | 1,419,147 | 1,350,207 | 1,715,400 | 1,705,597 | 1,429,576 |
| Fire paramedic | - | 8,150,014 | 7,455,906 | 6,576,605 | 3,719,364 |
| Parking | 5,589,183 | 5,913,574 | 5,704,504 | 7,236,084 | 5,502,362 |
| Sewer | 6,869,938 | 8,111,849 | 9,790,039 | 3,588,226 | 6,479,740 |
| Refuse disposal | 14,378,390 | 14,636,096 | 14,638,968 | 13,023,662 | 11,975,653 |
| Electric | 184,761,996 | 147,377,059 | 141,988,922 | 141,798,777 | 168,388,851 |
| Water | 26,150,586 | 25,607,770 | 25,605,566 | 23,623,578 | 23,815,732 |
| Total business-type activities expenses | <u>241,020,660</u> | <u>213,224,680</u> | <u>209,167,193</u> | <u>199,565,749</u> | <u>223,257,617</u> |
| Total primary government expenses | <u>\$ 482,385,972</u> | <u>427,291,478</u> | <u>410,739,807</u> | <u>399,095,448</u> | <u>406,766,168</u> |

Notes:

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

Not covered by independent auditor's report

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

| | | Fiscal Year | | | | |
|---|----|----------------------|----------------------|----------------------|---------------------|---------------------|
| | | 2006 | 2005 | 2004 | 2003 | 2002 |
| Program revenues | | | | | | |
| Governmental activities: | | | | | | |
| Charges for services: | | | | | | |
| General government | \$ | 8,762,201 | 8,599,712 | 9,167,221.00 | 8,270,990 | 7,846,676 |
| Public safety | | 12,169,254 | 3,757,348 | 3,949,372.00 | 5,684,897 | 5,401,658 |
| Public works | | 12,673,911 | 11,255,858 | 10,833,546.00 | 8,786,285 | 6,960,323 |
| Housing, health, and comm dev | | 110,157 | 98,407 | 104,401.00 | 130,263 | 780,585 |
| Employment programs | | 1,154,398 | 937,334 | 806,376.00 | 346,113 | - |
| Parks, recreation and community services | | 28,414 | 31,234 | 94,477.00 | 35,522 | 34,900 |
| Library | | 201,576 | 150,409 | 192,994.00 | 148,301 | 137,520 |
| Operating grants and contributions | | 40,616,748 | 33,854,952 | 36,000,980.00 | 44,369,195 | 32,812,220 |
| Capital grants and contributions | | 15,536,062 | 6,859,992 | 9,503,962.00 | 13,766,472 | 23,652,782 |
| Total governmental activities program revenues | | 91,252,721 | 65,545,246 | 70,653,329.00 | 81,538,038 | 77,626,664 |
| Business-type activities: | | | | | | |
| Charges for services: | | | | | | |
| Recreation | | 1,943,315 | 1,736,065 | 1,617,037 | 1,552,402 | 1,628,997 |
| Hazardous disposal | | 1,403,386 | 1,402,711 | 1,437,485 | 1,508,424 | 1,304,327 |
| Fire paramedic | | - | 6,886,791 | 6,389,735 | 6,067,908 | 4,201,104 |
| Parking | | 7,024,251 | 7,139,345 | 6,159,057 | 6,058,328 | 5,464,878 |
| Sewer | | 16,610,496 | 16,323,362 | 16,036,332 | 19,040,614 | 18,252,337 |
| Refuse disposal | | 16,115,129 | 15,403,846 | 13,758,613 | 13,132,318 | 11,432,177 |
| Electric | | 170,207,430 | 148,798,618 | 151,718,142 | 178,631,530 | 188,297,461 |
| Water | | 31,188,695 | 29,752,971 | 31,377,023 | 31,633,490 | 28,467,545 |
| Operating grants and contributions | | 511,385 | 658,669 | 714,908 | 1,542,480 | 1,112,852 |
| Capital grants and contributions | | 2,712,227 | 1,376,259 | 3,344,256 | 1,471,846 | 5,974,204 |
| Total business-type activities program revenues | | 247,716,314 | 229,478,637 | 232,552,588 | 260,639,340 | 266,135,882 |
| Total primary government program revenues | | 338,969,035 | 295,023,883 | 303,205,917 | 342,177,378 | 343,762,546 |
| Net (Expense) / Revenue | | | | | | |
| Governmental activities | | (150,112,591) | (148,521,552) | (130,919,285) | (117,991,661) | (105,881,887) |
| Business-type activities | | 6,695,654 | 16,253,957 | 23,385,395 | 61,073,591 | 42,878,265 |
| Total primary government net expense | \$ | <u>(143,416,937)</u> | <u>(132,267,595)</u> | <u>(107,533,890)</u> | <u>(56,918,070)</u> | <u>(63,003,622)</u> |

Notes:

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

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

Not covered by independent auditor's report

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

| | Fiscal Year | | | | |
|---|---------------|--------------|--------------|--------------|--------------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| General Revenues and Other Changes in Net Assets | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Property taxes | \$ 60,960,571 | 55,715,841 | 39,491,452 | 39,180,640 | 32,515,435 |
| Sales taxes | 23,984,472 | 22,350,550 | 28,327,671 | 30,316,912 | 27,546,950 |
| Utility users tax | 24,386,420 | 23,772,356 | 22,666,281 | 19,488,127 | 18,699,935 |
| Other taxes | 19,216,137 | 18,561,727 | 11,920,357 | 10,914,956 | 9,957,957 |
| Investment income | 6,888,268 | 9,057,355 | 2,695,593 | 13,354,054 | 18,415,113 |
| Other | 22,351,705 | 15,461,239 | 14,194,165 | 19,485,092 | 23,091,895 |
| Transfers | 24,357,406 | 27,126,871 | 21,986,833 | 19,170,585 | 14,642,469 |
| Contributions | - | - | - | - | (7,747,000) |
| Total governmental activities | 182,144,979 | 172,045,939 | 141,282,352 | 151,910,366 | 137,122,754 |
| Business-type activities: | | | | | |
| Investment income | 6,420,738 | 8,250,726 | 2,696,808 | 10,588,925 | 13,196,106 |
| Other | 7,510,846 | 3,463,339 | 5,948,859 | 10,464,558 | 6,886,469 |
| Transfers | (24,357,406) | (27,126,871) | (21,986,833) | (19,170,585) | (14,642,469) |
| Contributions | - | - | - | - | 7,747,000 |
| Total business-type activities | (10,425,822) | (15,412,806) | (13,341,166) | 1,882,898 | 13,187,106 |
| Total primary government | 171,719,157 | 156,633,133 | 127,941,186 | 153,793,264 | 150,309,860 |
| Change in Net Assets | | | | | |
| Governmental activities | 32,032,388 | 23,524,387 | 10,363,067 | 33,918,705 | 31,240,867 |
| Business-type activities | (3,730,168) | 841,151 | 10,044,229 | 62,956,489 | 56,065,371 |
| Total primary government | \$ 28,302,220 | 24,365,538 | 20,407,296 | 96,875,194 | 87,306,238 |

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

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

Not covered by independent auditor's report

Schedule 3

CITY OF GLENDALE

Fund Balances, Governmental Funds,

Last Five Fiscal Years

(accrual basis of accounting)

| | | Fiscal Year | | | | |
|------------------------------------|----|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | 2006 | 2005 | 2004 | 2003 | 2002 |
| General Fund | | | | | | |
| Reserved | \$ | 85,584,977 | 83,852,172 | 80,144,635 | 78,283,090 | 77,300,951 |
| Unreserved | | 30,598,318 | 33,998,485 | 43,138,383 | 48,132,941 | 44,094,861 |
| Total general fund | | <u>116,183,295</u> | <u>117,850,657</u> | <u>123,283,018</u> | <u>126,416,031</u> | <u>121,395,812</u> |
| All Other Governmental Funds | | | | | | |
| Reserved | | 130,957,466 | 158,662,978 | 210,280,587 | 143,494,066 | 104,347,001 |
| Unreserved, reported in: | | | | | | |
| Glendale redevelopment agency fund | | (32,769,597) | (24,234,365) | (76,576,266) | 3,367,505 | (41,368,709) |
| Special revenue funds | | 33,451,540 | 21,339,056 | 19,177,683 | 23,355,973 | 36,849,150 |
| Debt service funds | | 44,983,538 | 45,178,348 | 46,890,553 | - | - |
| Capital project funds | | 12,030,298 | 1,703,148 | 283,213 | 36,074,869 | 54,598,434 |
| Total all other governmental funds | \$ | <u>188,653,245</u> | <u>202,649,165</u> | <u>200,055,770</u> | <u>206,292,413</u> | <u>154,425,876</u> |

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

Not covered by independent auditor's report

Schedule 4

CITY OF GLENDALE

Changes in Fund Balances, Governmental Funds,

Last Five Fiscal Years

(accrual basis of accounting)

| | Fiscal Year | | | | |
|--|-----------------|--------------|--------------|--------------|-------------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| Revenues | | | | | |
| Property taxes | \$ 60,960,571 | 55,715,841 | 39,491,452 | 39,180,640 | 32,515,435 |
| Other taxes | 69,172,321 | 66,178,382 | 64,277,231 | 62,095,758 | 57,389,360 |
| Revenue from other agencies | 56,246,893 | 45,578,712 | 54,001,109 | 60,288,829 | 65,307,956 |
| Licenses and permits | 6,247,516 | 5,303,096 | 4,698,326 | 3,924,707 | 3,045,465 |
| Fines and forfeitures | 1,671,181 | 1,822,191 | 1,031,667 | 2,256,706 | 1,571,118 |
| Charges for services | 21,078,844 | 12,036,406 | 12,004,530 | 11,522,159 | 10,955,713 |
| Use of money and property | 8,914,282 | 10,821,080 | 5,259,400 | 16,363,459 | 19,791,565 |
| Intergovernmental revenue | 1,500,000 | 1,250,000 | 1,000,000 | - | - |
| Interfund revenue | 7,773,550 | 7,490,799 | 8,445,531 | 7,640,762 | 5,916,913 |
| Miscellaneous revenue | 10,899,088 | 4,688,826 | 4,728,408 | 3,323,677 | 8,671,241 |
| Total revenues | 244,464,246 | 210,885,333 | 194,937,654 | 206,596,697 | 205,164,766 |
| Expenditures | | | | | |
| General government | 17,984,333 | 16,729,750 | 16,430,751 | 14,941,501 | 13,865,233 |
| Community promotion | 244,919 | 116,288 | 55,789 | 63,163 | 62,305 |
| Public safety | 97,465,709 | 82,324,253 | 68,452,749 | 62,727,802 | 58,827,518 |
| Public works | 29,767,155 | 25,968,096 | 22,828,915 | 22,293,403 | 21,230,878 |
| Housing, health and community development | 37,746,572 | 35,587,996 | 45,043,645 | 33,826,832 | 24,310,362 |
| Employment programs | 6,129,225 | 4,968,111 | 4,869,807 | 5,372,957 | 5,423,572 |
| Public service | 3,931,324 | 4,859,416 | 5,474,212 | 5,118,860 | 3,356,978 |
| Parks, recreation and community services | 11,966,341 | 10,286,410 | 9,329,411 | 9,003,763 | 8,090,339 |
| Library | 7,667,599 | 6,815,400 | 6,409,179 | 6,392,455 | 6,534,562 |
| Capital outlay | 53,228,177 | 41,255,317 | 34,383,554 | 65,872,657 | 62,019,580 |
| Debt service | | | | | |
| Interest | 6,378,990 | 5,706,641 | 6,967,915 | 6,313,921 | 4,648,390 |
| Principal | 5,575,000 | 6,482,164 | 2,910,000 | 3,400,000 | 3,215,000 |
| Fiscal agent fees | - | - | 2,119,724 | 1,274,967 | 18,494 |
| Total expenditures | 278,085,344 | 241,099,842 | 225,275,651 | 236,602,281 | 211,603,211 |
| Excess of revenues over (under) expenditures | \$ (33,621,098) | (30,214,509) | (30,337,997) | (30,005,584) | (6,438,445) |

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

Not covered by independent auditor's report

Schedule 4

CITY OF GLENDALE

Changes in Fund Balances, Governmental Funds,

Last Five Fiscal Years, continued

(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| Other Financing Sources (Uses) | | | | | |
| Proceeds from borrowing | \$ - | - | 61,494,516 | 52,521,755 | - |
| Payments to escrow agent | - | - | (62,110,058) | - | - |
| Transfers in | 33,684,317 | 31,423,778 | 55,860,497 | 46,814,788 | 19,772,036 |
| Transfers out | <u>(13,407,420)</u> | <u>(13,242,178)</u> | <u>(40,403,664)</u> | <u>(25,644,203)</u> | <u>(4,813,845)</u> |
| Total other financing sources (uses) | <u>20,276,897</u> | <u>18,181,600</u> | <u>14,841,291</u> | <u>73,692,340</u> | <u>14,958,191</u> |
| Net change in fund balances | \$ (13,344,201) | (12,032,909) | (15,496,706) | 43,686,756 | 8,519,746 |
| Debt service as a percentage of noncapital expenditures | 5.3% | 6.1% | 5.2% | 5.7% | 5.3% |

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

Not covered by independent auditor's report

Schedule 5

CITY OF GLENDALE

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

| Fiscal Fiscal Year Ended June 30, | Residential Property | Commercial Property | Industrial Property | Other Property | Less: Tax-Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate |
|--|-------------------------|------------------------|------------------------|-------------------|---------------------------------|------------------------------------|-----------------------------|
| 1997 | \$ 7,661,335,934 | \$ 2,018,156,052 | \$ 374,348,413 | \$ 1,030,915,034 | \$ 88,443,474 | \$ 10,996,311,959 | 0.24407% |
| 1998 | 7,643,079,793 | 2,011,184,484 | 363,630,707 | 1,070,003,955 | 90,986,415 | 10,996,912,524 | 0.24173% |
| 1999 | 7,797,808,813 | 2,006,777,373 | 431,184,588 | 1,274,402,844 | 89,547,135 | 11,420,626,483 | 0.25132% |
| 2000 | 8,201,508,030 | 2,116,108,478 | 530,753,472 | 1,399,081,689 | 87,718,225 | 12,159,733,444 | 0.25815% |
| 2001 | 8,774,022,346 | 2,201,476,234 | 554,572,450 | 1,428,681,435 | 89,130,465 | 12,869,622,000 | 0.25005% |
| 2002 | 9,331,024,169 | 2,540,254,851 | 585,095,804 | 1,407,193,492 | 124,524,862 | 13,739,043,454 | 0.25169% |
| 2003 | 9,930,375,052 | 2,644,888,768 | 613,641,859 | 1,305,607,484 | 95,408,999 | 14,399,104,164 | 0.24921% |
| 2004 | 10,798,578,356 | 2,951,683,831 | 635,830,929 | 1,258,783,015 | 101,791,165 | 15,543,084,966 | 0.25012% |
| 2005 | 11,756,804,494 | 3,078,835,750 | 645,595,604 | 1,589,154,198 | 496,524,354 | 16,573,865,692 | 0.24192% |
| 2006 | 12,775,594,872 | 3,551,225,216 | 631,047,725 | 1,152,535,394 | 105,209,122 | 18,005,194,085 | 0.25043% |

Notes:

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

(2) Total direct tax rate is the weighted average of all individual direct rates, calculated by HdL Coren & Cone.

Not covered by independent auditor's report

Schedule 6

CITY OF GLENDALE

Direct and Overlapping Property Tax Rates

Fiscal Year 2006

| Fiscal Year | | | | Overlapping Rates | | | | |
|----------------|-----------------------|---------------------------------|-----------------------------|-----------------------------|------------------------------|-------------------------|--|---|
| | City Basic Rate | Redevelopment Agency Rate | Total Direct Tax Rate | City of Glendale Area | Flood Control District | Detention Facilities | Glendale Community College District | Glendale Unified School District |
| 2006 | 0.13687% | 1.00600% | 0.25043% | 0.0052% | 0.00005% | 0.0008% | 0.01858% | 0.0522% |

Notes:

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

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

Not covered by independent auditor's report

Schedule 7

CITY OF GLENDALE

Principal Property Tax Payers

Last Two Fiscal Years

| Taxpayer | Fiscal Year 2006 | | | Fiscal Year 2005 | | |
|--|------------------------------|------|---|------------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| GGP Homart II | 392,312,847 | 1 | 2.11% | | | |
| Walt Disney World Company | 247,489,422 | 2 | 1.33% | 254,944,894 | 1 | 1.49% |
| Glendale Adventist Medical Center | 178,654,059 | 3 | 0.96% | 150,689,481 | 4 | 0.88% |
| Wells Reit Glendale California LLC | 163,129,811 | 4 | 0.88% | 159,931,189 | 3 | 0.94% |
| Glendale Plaza Realty Holding Company | 139,127,369 | 5 | 0.75% | 136,399,382 | 5 | 0.80% |
| Metropolitan Life Insurance Company | 119,340,000 | 6 | 0.64% | | | |
| CLPF-500 Brand | 108,000,000 | 7 | 0.58% | | | |
| Maguire Properties 611 N. Brand LLC | 92,106,000 | 8 | 0.50% | | | |
| Glendale Memorial Hospital & Health Center | 89,150,834 | 9 | 0.48% | 112,154,115 | 6 | 0.66% |
| DW Statuary Trust 2002 | 84,786,054 | 10 | 0.46% | 83,123,584 | 8 | 0.49% |
| Maguire Partners | | | | 165,494,929 | 2 | 0.97% |
| NBB Associates Limited Partnership | | | | 105,000,000 | 7 | 0.62% |
| TST Glendale City Center | | | | 80,474,930 | 9 | 0.47% |
| Glendale I Mall Associates LLC | | | | 71,870,806 | 10 | 0.42% |
| Total | <u>1,614,096,396</u> | | <u>8.69%</u> | <u>1,320,083,310</u> | | <u>7.74%</u> |

Not covered by independent auditor's report

Schedule 8

CITY OF GLENDALE

Property Tax Levies and Collections

Last Two Fiscal Years

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

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

Not covered by independent auditor's report

Schedule 9

CITY OF GLENDALE

Ratios of Outstanding Debt by Type,
Last Five Fiscal Years

| Governmental Activities | | | | | | | | | | | | | | |
|--------------------------|---|--------------------------------------|---|--------------------------|--------------------------|------------------------------|---|-------------------------------|----------------------------|-------------|---------------|----------------------|----------------|--------------------------|
| Fiscal Year | Police Facility Certificates of Participation | Parking Lease Revenue Bonds Series A | Refunding Parking Lease Revenue Bonds Series 1976 | 1993 Tax Allocation Bond | 2002 Tax Allocation Bond | 2003 Tax Allocation Bond | Landfill Closure and Postclosure Care Liability | Capital Lease | Arbitrage Rebate Liability | Section 108 | Notes Payable | Compensated Absences | Claims Payable | Post Employment Benefits |
| 2002 | 64,200,000 | 440,000 | 1,025,000 | 61,250,000 | - | - | 14,599,000 | - | - | - | - | - | - | - |
| 2003 | 63,100,000 | - | - | 59,315,000 | 49,968,945 | - | 10,668,294 | 2,000,000 | 1,346,600 | - | - | 1,028,328 | - | - |
| 2004 | 62,000,000 | - | - | - | 48,053,327 | 58,128,833 | 17,043,153 | 1,630,487 | 1,346,600 | 1,700,000 | 4,615,000 | 7,280,837 | 37,531,331 | 5,036,920 |
| 2005 | 60,800,000 | - | - | - | 46,082,708 | 56,183,716 | 18,452,720 | 4,989,115 | - | 1,590,000 | 3,692,000 | 8,146,242 | 42,920,089 | 5,706,321 |
| 2006 | 58,300,000 | - | - | - | 44,057,089 | 53,923,599 | 19,920,983 | 4,277,883 | 124,250 | 1,450,000 | 2,769,000 | 8,677,224 | 25,730,989 | 5,431,405 |
| Business-Type Activities | | | | | | | | | | | | | | |
| Fiscal Year | 2000 Electric Revenue Bond | 2003 Electric Revenue Bond | 2006 Electric Revenue Bond | Compensated Absences | Post Employment Benefits | Total Primary Government (1) | Total Personal Income (2) | Percentage of Personal Income | Population (3) | per Capita | | | | |
| 2002 | 37,000,000 | - | - | - | - | 178,514,000 | 8,352,544,200 | 2.14% | 200,200 | 892 | | | | |
| 2003 | 37,146,292 | 32,106,903 | - | - | - | 256,680,362 | 8,458,807,587 | 3.03% | 202,747 | 1,266 | | | | |
| 2004 | 37,137,933 | 31,295,613 | - | 2,768,377 | - | 315,568,411 | 7,743,409,110 | 4.08% | 205,341 | 1,537 | | | | |
| 2005 | 37,143,196 | 30,614,988 | - | 2,894,989 | - | 319,216,084 | 7,805,405,942 | 4.09% | 207,007 | 1,542 | | | | |
| 2006 | - | 29,798,800 | 41,479,968 | 2,933,454 | 360,326 | 299,234,970 | 8,015,891,032 | 3.73% | 206,308 | 1,450 | | | | |

Notes:

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

Not covered by independent auditor's report

Schedule 10

CITY OF GLENDALE

Direct & Overlapping Governmental Activities Debt

As of June 30, 2006

| | Gross Bonded Debt Balance | Percentage applicable to Glendale | Amount applicable to Glendale |
|--|---------------------------|-----------------------------------|-------------------------------|
| Direct Debt | | | |
| Electric Rev. Bonds, Tax Alloc. Bonds and PO | 224,670,000 | 100.000% | 224,670,000 |
| Total Direct Debt | | | 224,670,000 |
| Overlapping Debt | | | |
| Detention Facilities 1987 Debt Svc | 8,395,000 | 2.114% | 177,472 |
| LA Co Fld Ctrl Storm Dr Bonds No 4 DS | 1,080,000 | 2.147% | 23,186 |
| MWD City of Glendale Area 1103 DS | 182,369,156 | 2.261% | 4,123,481 |
| Foothill MWD 1113 DS | 182,369,156 | 0.020% | 36,577 |
| Glendale Comm Coll Dis 2002 Series A DS | 4,950,000 | 89.149% | 4,412,886 |
| Glendale Comm Coll Dis 2002 Series B DS | 17,499,930 | 89.149% | 15,601,051 |
| Glendale Comm Coll Dis 2002 Series C DS | 16,951,097 | 89.149% | 15,111,770 |
| Pasadena Area Comm Coll DS 2002 Series A | 28,040,000 | 0.103% | 28,868 |
| Glendale Unified SD 1997 Series A DS | 16,240,000 | 89.149% | 14,477,833 |
| Glendale Unified SD 1997 Series B DS | 19,080,000 | 89.149% | 17,009,671 |
| Glendale Unified SD 1997 Series C DS | 23,880,000 | 89.149% | 21,288,833 |
| Glendale Unified SD 1997 Series D DS | 35,840,000 | 89.149% | 31,951,080 |
| Glendale Unified SD 1997 Series E DS | 18,170,000 | 89.149% | 16,198,413 |
| Glendale Unified SD 1997 Series F DS | 18,910,000 | 89.149% | 16,858,117 |
| Glendale Unified SD 1997 Series G DS | 20,840,000 | 89.149% | 18,578,697 |
| La Canada Unified SD 1995 DS | 8,729,976 | 1.168% | 101,950 |
| La Canada Unified SD 1999 Series A DS | 3,150,000 | 1.168% | 36,786 |
| La Canada Unified SD 1999 Series B DS | 2,385,000 | 1.168% | 27,852 |
| La Canada Unified SD 2004 Series A DS | 14,620,000 | 1.168% | 170,735 |
| Total Overlapping Debt | | | 176,215,258 |
| Total Direct and Overlapping Debt | | | 400,885,258 |

Source:

County of Los Angeles, Auditor-Controller
City of Glendale, Finance Division
HdL Coren & Cone

Not covered by independent auditor's report

Schedule 11
CITY OF GLENDALE
 Legal Debt Margin Information
 Last Ten Fiscal Years

| Legal Debt Margin Calculation for Fiscal Year 2006 | |
|--|-------------------------|
| Assessed value | \$ 18,005,194,085 |
| Debt limit (15% of assessed value) | 2,700,779,113 |
| Debt applicable to limit | - |
| Legal debt margin | \$ <u>2,700,779,113</u> |

| | | Fiscal Year | | | | | | | | | |
|---|----|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
| Debt limit | \$ | 2,700,779,113 | 2,486,079,854 | 2,331,462,745 | 2,159,865,625 | 2,060,856,518 | 1,930,443,300 | 1,823,960,017 | 1,713,093,972 | 1,649,536,879 | 1,649,446,794 |
| Total net debt applicable to limit | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal debt margin | \$ | <u>2,700,779,113</u> | <u>2,486,079,854</u> | <u>2,331,462,745</u> | <u>2,159,865,625</u> | <u>2,060,856,518</u> | <u>1,930,443,300</u> | <u>1,823,960,017</u> | <u>1,713,093,972</u> | <u>1,649,536,879</u> | <u>1,649,446,794</u> |
| Total net debt applicable to the limit as a percentage of debt limit | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

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

Not covered by independent auditor's report

Schedule 12

CITY OF GLENDALE

Pledged-Revenue Coverage

Last Five Fiscal Years

| Fiscal Year | Tax Allocation Bonds | | | | | | Electric Revenue Bonds | | | | | |
|-------------|----------------------|-----------|-----------|--------------|-----------|----------|------------------------|-------------|--------------|--------------|-----------|----------|
| | Property | Less: | Net | Debt Service | | Coverage | Utility | Less: | Net | Debt Service | | Coverage |
| | Tax | Operating | Available | Principal | Interest | | Service | Operating | Available | Principal | Interest | |
| | Increment | Expenses | Revenue | | | | Charges | Expenses | Revenue | | | |
| 2002 | 5,640,244 | - | 5,640,244 | 1,845,000 | 3,441,790 | 1.07 | 188,297,461 | 166,192,840 | 22,104,621 | - | 1,840,161 | 12.01 |
| 2003 | 5,925,738 | - | 5,925,738 | 1,935,000 | 4,365,934 | 0.94 | 178,631,530 | 136,672,513 | 41,959,017 | - | 2,438,367 | 17.21 |
| 2004 | 6,033,031 | - | 6,033,031 | 1,810,000 | 3,626,303 | 1.11 | 151,718,142 | 134,972,948 | 16,745,194 | 795,000 | 3,716,436 | 3.71 |
| 2005 | 8,375,878 | - | 8,375,878 | 3,865,000 | 4,510,878 | 1.00 | 148,798,618 | 140,059,631 | 8,738,987 | 795,000 | 4,073,642 | 1.79 |
| 2006 | 8,601,228 | - | 8,601,228 | 4,235,000 | 4,371,203 | 1.00 | 170,207,430 | 183,171,685 | (12,964,255) | 795,000 | 3,402,983 | (3.09) |

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

Not covered by independent auditor's report

Schedule 13
CITY OF GLENDALE
 Demographic and Economic Statistics
 Last Five Fiscal Years

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

Source:

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

(2) Sales and Marketing Management: Survey of Buying Power and Media Markets

(3) 2000 Census

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

(5) California Employment Development Department

Not covered by independent auditor's report

Schedule 14

CITY OF GLENDALE

Principal Employers

Fiscal Year 2006

| <u>Employer</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
|------------------------------------|------------------|-------------|--|
| CITY OF GLENDALE | 2,706 (4) | 1 | 3.55% (5) |
| GLENDALE UNIFIED SCHOOL DISTRICT | 2,681 (3) | 2 | 3.51% (5) |
| GLENDALE ADVENTIST MED CENTER #262 | 1,999 (2) | 3 | 2.62% (5) |
| NESTLE COMPANY | 1,735 (2) | 4 | 2.27% (5) |
| GLENDALE MEMORIAL | 1,248 (2) | 5 | 1.64% (5) |
| GLENDALE COMMUNITY COLLEGE DIST. | 1,141 (2) | 6 | 1.50% (5) |
| PUBLIC STORAGE INC | 967 (2) | 7 | 1.27% (5) |
| BANK AMERICA NORTH AMERICA | 834 (2) | 8 | 1.09% (5) |
| WALT DISNEY IMAGINEERING | 765 (2) | 9 | 1.00% (5) |
| ACCO ENGINEERED SYSTEMS | 711 (2) | 10 | 0.93% (5) |

Notes:

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

(2) Source: Labor Market Information Division, California Employment Development Department, September 2005 data

(3) Source: GUSD Human Resource Department

(4) City of Glendale Payroll Section

(5) % of total employment is calculated using a baseline of 76,276 workers employed in Glendale.

Not covered by independent auditor's report

Schedule 15
CITY OF GLENDALE
 Full-time City Government Employees by Function/Program
 Fiscal Year 2006

| <u>Function/Program</u> | <u>Fiscal Year 2006</u> |
|---------------------------------|------------------------------------|
| General Government | |
| City attorney | 25 |
| City clerk | 11 |
| City manager | 26 |
| City treasurer | 5 |
| Finance | 32 |
| Graphics | 9 |
| Human resources | 28 |
| Information services | 53 |
| Planning | 33 |
| Purchasing | 6 |
| Community Development & Housing | 107 |
| Library | 64 |
| Parks and recreation | 137 |
| Fire | |
| Firefighters and officers | 189 |
| Civilians | 51 |
| Police | |
| Officers | 289 |
| Civilians | 129 |
| Public works | |
| Engineering | 45 |
| Streets | 87 |
| Traffic | 18 |
| Integrated waste | 16 |
| Landfill management | 54 |
| Other | 117 |
| Redevelopment | 13 |
| Water and Power | 409 |
| Total | <u>1,953</u> |

Source: City Payroll Section

Not covered by independent auditor's report

Schedule 16

CITY OF GLENDALE

Operations Indicators by Function/Program

Fiscal Year 2006

| | Fiscal Year 2006 |
|---|-----------------------------|
| <u>Function/Program</u> | |
| Police | |
| Physical arrests | 7,087 |
| Parking violations | 80,374 |
| Traffic violations | 22,423 |
| Fire | |
| Emergency responses | 14,970 |
| Fires extinguished | 483 |
| Inspections | 3,658 |
| Refuse collection | |
| Refuse collected (tons per day) | 77,812 |
| Recyclables collected (tons per day) | 13,213 |
| Inert waste recycling - Brand Park landfill (tons per year) | 10,500 |
| Other public works | |
| Street resurfacing (miles) | 2.6 |
| Street reconstructing (miles) | 0.4 |
| Potholes repaired (square feet per year) | 10,000 |
| Parks and recreation | |
| Athletic field permits issued | 7,114 |
| Community center admissions | 1,236 |
| Library | |
| Volumes in collections | 770,784 |
| Total volumes borrowed | 1,075,073 |
| Electric | |
| New connections | 133 |
| Average daily consumption (MWH) | 3,380 |
| Electricity generated (MWH) | 908,158 |
| Electricity purchased (MWH) | 599,898 |
| Electricity sold (MWH) | 1,404,207 |
| Peak demand (MW) | 313 |
| Water | |
| New connections | 72 |
| Average daily consumption (millions of gallons) | 27 |
| Water mains breaks | 11 |
| Water purchased (AF) | 22,239 |
| Water sold (AF) | 30,562 |
| Wastewater | |
| Average daily sewage treatment (millions of gallons) | 17 |
| Transit | |
| Total route miles | 1,040,192 |
| Passengers | 2,336,396 |

Sources: Various city departments

Not covered by independent auditor's report

Schedule 17
CITY OF GLENDALE
 Capital Asset Statistics by Function/Program
 Fiscal Year 2006

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

Sources: Various city departments

Not covered by independent auditor's report