

City of Glendale, California

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2011

## **About the Cover**

### **Adult Recreation Center**

Glendale's seniors now enjoy one of the premier Adult Recreation Centers in the State. Opening in August, 2010, it replaced an old recreation building dating from the 1940's and a "meals building" constructed in the 1970s. The 19,100 square foot facility houses a gym with state of the art equipment, a game room with billiards and shuffleboard, a dining hall served by a large gleaming commercial kitchen, an outdoor patio and seating area, plus counseling and case management rooms. The entire facility is engineered to satisfy requirements of the Americans with Disabilities Act. The ARC serves hundreds of seniors on a weekly basis, both for recreation and for meals, and is available to rent for events accommodating eight to 200 people. The final phase of the facility is an open park area which is due for completion in October, 2011.

### **Adams Square Mini Park**

In 2000, the City embarked on a revitalization project for the Adams Square Commercial District. During the planning stages, public input strongly supported the addition of a mini-park at the corner of Adams Street and Palmer Avenue. After much discussion, a plan was approved that would include the restoration of the former Richfield Oil Company Gas Station. The 160 square foot Streamline Moderne facility, dating from 1936, is used as a community gathering place. Other elements of the mini park include a picnic area with tables and benches, children's play area, decorative lighting and fencing, and pedestrian walks. Today the park is used on a daily basis by dozens of nearby residents.

### **Maple Park Community Center**

After years of planning, Maple Park re-opened in June and residents began lining up on opening day to utilize all the new amenities. The Park underwent a \$2.5 million renovation project which included new landscaping, new children's play equipment, and a complete overhaul of the community building. The facility now includes a modern second floor gym with a full-size basketball court, plus a nearly 5,100 square foot addition. Featured in the addition are a game room, meeting rooms and a computer lab. One of the building's focal points is a large mural in the entryway painted by residents who will enjoy seeing their artwork on display for years to come.

### **Pacific Park Pool**

Glendale had no public pool for almost 10 years, so the new Pacific Park Pool was greeted by large crowds and resounding cheers at its "splash-down" June 4, 2011. Work on the project began in late November, 2010, and it was completed in a little over six months, coming in below the original budget estimate and just in time for summer. A large shallow area hosts water play, recreation and instruction, and the pool also features six 25-yard swimming lanes. Total capacity is 243. Environmental "green design" was a key concept for this project, utilizing recycled materials in the construction, plus a solar energy system. The new pool is the final anchor in Glendale's Pacific Park Community Center/Pacific Edison School Joint-Use Project.

# **City of Glendale, CA**

## **City Council**



**Laura Friedman, Mayor**

**Council Members:**

**Frank Quintero, Ara Najarian, Rafi Manoukian, Dave Weaver**



**CITY OF GLENDALE  
CALIFORNIA**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2011**

Robert Elliot, CPA, Director of Finance

Lily Fang, Accounting Services Administrator





# CITY OF GLENDALE, CALIFORNIA

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# INTRODUCTORY SECTION

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

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



November 28, 2011

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

Council Members:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Glendale (the City) for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

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

## **Profile of the City of Glendale**

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

Noted for its high quality of life and fiscal stability, Glendale is the third largest city in Los Angeles County, encompassing 30.6 square miles and serving over 193,000 residents. The City operates under a council-manager form of government, with a five-member council elected at large to four-year overlapping terms, in addition to an elected City Clerk and City Treasurer. The mayor is elected by the City Council for a one-year term and is the presiding officer of the Council. The City Council is responsible for passing ordinances, adopting the budget, appointing various Boards and commissions, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

## **Factors Affecting the Glendale Economy**

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

**The Local Economy.** New investment continues to take place throughout the city in the form of business expansion as well as businesses attracted to Glendale's central location, public safety record and low cost business environment. Of particular note is the entertainment industry which remains rooted in Southern California, with the Verdugo Region (Glendale/Burbank) particularly known for production (pre & post), animation, visual effects, and digital distribution. Glendale will benefit from growth in this sector through expansions by Disney, DreamWorks, Technicolor and hundreds of ancillary production and equipment firms.

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

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

## Economic Development Highlights

Economic development accomplishments for 2011 in Glendale are numerous and vary in size and scope. Highlights include:

- **The Walt Disney Company** is expanding by constructing 338,000 square feet of creative space as part of phase II of its development within the GC3 campus. In addition, the company completed an employee childcare center and has plans to complete facilities to house production, animation and a machine shop. In total, Disney will invest over \$200 million in the City of Glendale.
- **LegalZoom** - Online document company LegalZoom opened its new headquarters in Glendale bringing over 350 employees to the City's Downtown business district. The company leased two floors for corporate offices at 101 N. Brand Boulevard and leased additional space for customer fulfillment at 100 W. Broadway.
- **Technicolor Film Labs** – Technicolor's Creative Services Division located its film lab from North Hollywood to Glendale's Creative Corridor. Both 35 millimeter and IMAX films will be processed for both studios and independent filmmakers. The move will bring over 100 employees to the Creative Corridor.
- **Kinetic Lighting** - Award winning event lighting and rental company, Kinetic Lighting relocated to Glendale from North Hollywood following a long search for suitable facilities. The company leased space at 722 Thompson Avenue within the City's "Creative Corridor." Kinetic Lighting employs 15.
- **Pierre Garden**- Staff worked with the ownership at the former Chuys location to attract an upscale restaurant tenant. Pierre Garden opened with the assistance of a façade grant, and a special building infrastructure matching grant, as well as Project Concierge Service through the entitlement process.
- **Accurate Dial & Nameplate** – Economic development staff introduced and helped facilitate a layoff aversion project resulting in Accurate Dial and Nameplate retaining 20 employees. This successful effort was coordinated by the Verdugo Workforce Investment Board utilizing funds provided through the American Recovery and Reinvestment Act (**ARRA**). The program provides technical assistance to manufacturers at risk of employee layoffs. Accurate Dial recently celebrated its 50<sup>th</sup> year in business in Glendale
- **Cygnnet Stamping** – Staff provided ongoing support to this long-time manufacturer of machine tooled and stamped metal parts. The expansion of the I-5/Western off ramp forced the company to find space and relocate its facilities to 916 Western Avenue. Cygnnet Stamping employs 45.

**Employment.** Stubbornly high unemployment rates in the city in 2011 were an issue that continues to plague the local economy and employment. As of August 2011, the City of

Glendale had an unemployment rate of 11.1%, compared to 11.3% in August 2010 and 10.9% in 2009 during the midst of the recession.

A weak labor market has a direct impact on a number of key local industries. Most notably, consumer-related industries, which are substantial in Glendale, experience subpar growth or stagnation in a weak labor market. Employment in the region's large retail sector, which has held fairly steady in the past year, benefitted earlier this year from improving car sales and fairly strong performance by some retailers that cater to higher end customers. As the U.S. economy began to weaken again near the end of the 3<sup>rd</sup> quarter of 2011, economists were concerned that the flat economic growth could lead to a depressed environment for retail and consumer related industries. Despite these concerns, retail trade groups are predicting growth in holiday retail sector, which could bode well for merchandisers at Glendale Galleria and the Americana Mall. Employment in other consumer-related areas, such as restaurants and hotels, continued to hold steady as the local economy recovered from the recession.

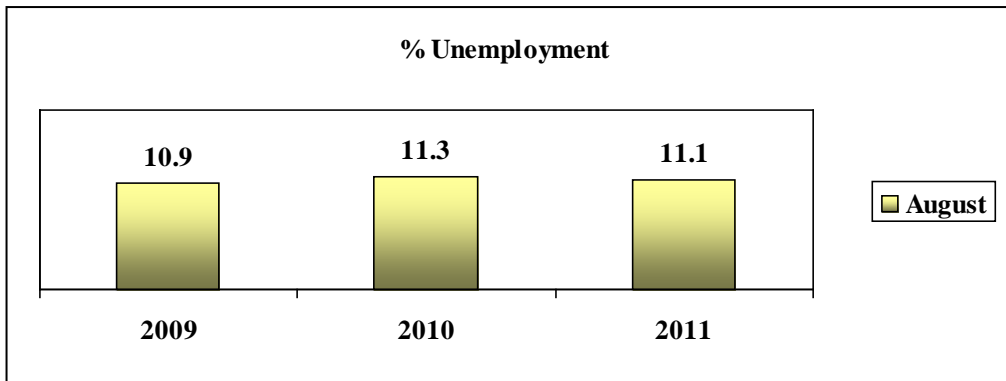
The most dominant industry sector in the City of Glendale from an employment standpoint is the health care industry. The City has three major medical centers and many supporting businesses in health care. Despite the recession, employment in the health care sector has remained stable to slightly up. Part of this can be attributed to recent expansions by some local hospitals. Due to demographic factors such as an aging local baby boomer population, demand for services in health care is expected to continue to rise and consequently create new jobs over the long term. In the short term, the recession and unemployment are depressing patient visits at most of the local hospitals, which directly impacts not only the hospitals but other aspects of health care in the region.

A major bright spot in the Glendale economy is the entertainment industry. Though the industry is relatively small compared to other local entertainment hubs such as Burbank and Hollywood, employment in the Glendale entertainment economy is growing very fast. Led by the Disney Creative Campus development, jobs are migrating into the city. In addition, the industry in general in Southern California has experienced a strong rebound from the recession—motion picture employment alone is up almost 10% in the past year in L.A. County. Driven by increasing outlets for entertainment, such as mobile devices, demand for digital entertainment content is soaring. This phenomenon capitalizes on the concept of the Disney Creative Campus, which is to coalesce all of its digital entertainment mediums—Internet, TV, animation, games, motion pictures—into one location. This strategy should drive strong future job growth in this industry in the city for decades.

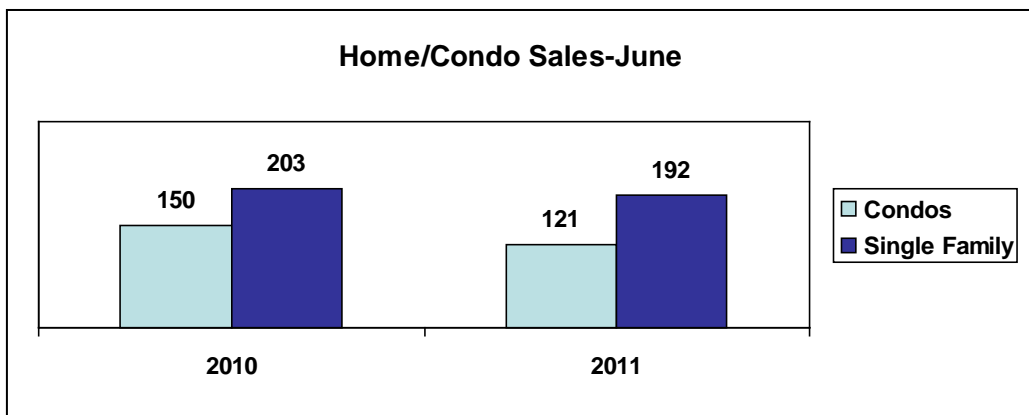
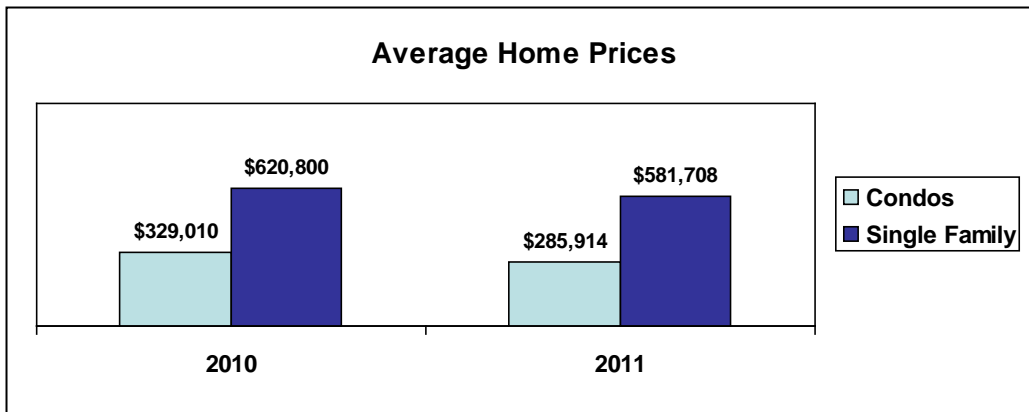
The manufacturing sector, despite being discounted because of the many job losses that it has sustained over past decades, is still one of the larger employers in Glendale. The sector could improve as U.S. products become more competitive due to the weak U.S. dollar and as the global economy recovers and creates product demand. The manufacturing sector led the national economy out of recession in 2009-10 as it capitalized on increasing demand for products from emerging economies such as China and India.

Finally, the finance/insurance sector, which in past years held a prominent position in the city, has fallen from its status as a top employer as it copes with the housing and financial turmoil

in the economy. Many financial companies and banks tied to the mortgage industry have suffered disproportionately.



**Housing.** According to the City's property tax consultant, HDL, Glendale's housing market showed both a decrease in sales volume as well as in sales prices, reflected in an average home price of \$581,708 as of June 2011, compared to \$620,800 in June 2011. Condominium sales followed the same pattern, with an average value of \$285,914 in June 2011, compared to \$329,010 in June 2010.





## **Local government finance**

The economic situation in the U.S. has continued to put a strain on resources for local municipalities throughout the country. While economists are cautiously optimistic that U.S. will emerge from the economic downturn, it will take some time for the effects to trickle down to the local level. Unemployment in Southern California continues to outpace the national average which impacts major General Fund revenue sources such as sales and property taxes. It is anticipated that General Fund revenues will see modest increases, if any, for the upcoming budget year.

For the FY 2010-11, the General Fund had a net surplus of \$13.6 million. Of this amount, \$8.4 million was attributable to a one-time transfer of assets from the Redevelopment Agency to the General Fund. The remaining \$5.2 million surplus is attributable to two main factors. First, most of the major revenues received were very close to the initial estimates. In fact, the actual revenue received was only \$16k less than what was originally estimated. The other significant factor was that departmental expenditures were significantly under budget. A total of \$175.5 million was appropriated during FY 2010-11 as a result of the budget adoption and additional appropriations during the year. Of this amount, actual expenditures were \$167.9 million, which represented a savings of \$7.6 million. These budget savings are the result of numerous strategies that included a hiring freeze on vacant positions, employee concessions, and other operational savings.

Some of the major revenue sources in the General Fund had modest increases compared to last year. Sales tax increased 12.5% compared to last year as the City experienced an uptick in categories such as autos and transportation, building and construction, fuel and service stations, and restaurants and hotels. Sales tax was also fueled by a rather significant increase in the “ERAF in lieu of sales tax” or “triple flip” category of nearly \$950k, or 17.1%. Property tax increased by a cumulative 2.0% compared to last year. In fact, the property tax –current category increased by 4.9% relative to last year. However, some of this increase was offset by a decrease in the property tax-delinquent category. Consistent with the increase in sales tax categories such as building and hotels, occupancy tax increased 13.2% and building permits increased 47.4% relative to last year. Some of these revenue increases were offset by a decrease in utility users’ tax of nearly \$1 million or 3.7%. This revenue was also 6% lower than what was initially estimated. The decrease is attributable to a variety of factors including conservation, rate reductions, and high unemployment relative to the national average.

It should be noted that increases in General Fund revenue categories provide optimism for the future, but it is uncertain if these increases will be sustainable over the foreseeable future. In addition, costs continue to outpace any growth seen in major revenues such as property and sales tax. While these categories may not be declining and even increase as was the case this past fiscal year, increases in pension costs and other employee benefits continue to exceed revenue gains. In light of this revenue stagnation, the City has attempted to address the cost increase through a variety of strategies including a 2<sup>nd</sup>-tier pension and increased cost sharing for pension and medical benefits from all employee groups.

The state budget situation continues to be a major concern to not only local governments but businesses throughout the state. In June 2011, the California Legislature passed Assembly Bills (AB) 1X 26 and 27 which could have a significant impact on the Glendale Redevelopment Agency's ability to operate. AB1X 26 eliminates Redevelopment Agencies throughout the State and AB1X 27 allows agencies to "opt-in" and continue to operate by remitting significant funds to the State. In July 2011, the Glendale Redevelopment Agency and Housing Authority passed an ordinance that would allow the Agency to opt-in under the provisions of AB1X 27. A payment of approximately \$9.3 million would be made during FY 2011-12 and another \$2.8 million the year after. The Agency would be required to make annual payments thereafter in order to continue to operate.

Shortly after the passage of AB1X 26 & 27, the California Redevelopment Association filed a lawsuit challenging the constitutionality of both bills. In August 2011, the California Supreme Court issued a partial stay and will hear the case later this year; it is expected that a ruling will be made by January 2012. In the meantime, the future of Redevelopment Agencies in California is uncertain. The range of possibilities include the elimination of all Redevelopment Agencies throughout California, Agencies continuing to operate under the provisions of AB1X 27, or the California Supreme Court could rule both Assembly Bills are unconstitutional and Agencies would continue to operate as normal. Depending on the outcome, these bills could curtail the Agency's ability to improve the quality of life for Glendale's residents and visitors.

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

Several years ago, the City engaged in a goal setting process that sought to identify the areas and services provided by the City that were deemed most important by not only employees but also Glendale residents. The intent of this planning process was to ensure that resources were allocated to areas deemed most important or in need of improvement by the community. Multiple teams that consisted of a cross section of employees throughout the organization were formed that began the process of developing the overall framework and goals. Once a framework was established, numerous meetings were held with stakeholders in the community to help prioritize needs of the community which in turn helped shape how city resources were allocated. There were a series of interactive meetings that engaged community members to provide their feedback which was recorded by city staff. This process resulted in the creation of 16 strategic goals that was presented to the City Council and formerly adopted. Starting in the FY 2011-12 the original 16 goals have been condensed into 8 strategic goals. This allows for better reporting and monitoring of the City's progress towards its strategic goals. The table below shows the revised 8 goals as compared to the original 16 strategic goals:

<b>Revised Strategic Goals</b>	<b>Old Strategic Goals</b>
Informed and Engaged Community	Trust in Government; Technology; Education, Knowledge & Literacy; Community Planning and Character; Sense of Community;
Safe & Healthy Community	Safe Community; Health & Wellness
Economic Vibrancy & Fiscal Responsibility	Economic Vitality

<b>Revised Strategic Goals</b>	<b>Old Strategic Goals</b>
Balanced, Quality Housing	Housing
Community Services & Facilities	Parks & Open Space; Community Services & Facilities
Infrastructure & Mobility	Utilities; Transportation & Mobility
Arts & Culture	Diversity; Arts & Culture
Sustainability	Environment & Conservation

These goals have become the foundation of the City's strategic planning and have been incorporated into the annual budget process. Each department prepares their budgets and allocates city resources around these strategic goals. The adopted budget for FY 2011-12 continues to fund programs and initiatives that promote these goals. In addition, departments have prepared performance measures which continue to support the City's goals and act as a tool by which to measure the programs and services provided.

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

Like every city across the state, Glendale has been tremendously impacted by the economic recession. The impacts include the decrease in resources such as sales taxes, and by the State's efforts to address its loss of resources by taking or borrowing local resources, specifically from Redevelopment Agencies. Although the City's economic base is diversified with strong retail and financial services, the City has nonetheless seen revenue stagnation in most of the General Fund major revenue categories including sales tax, property tax, and utility users' tax. The variety of issues in the economy involving the housing market, financial institutions, credit markets, as well as overall consumer confidence, has impacted discretionary spending nationwide. While leading indicators point to an economic recovery on a national level, Glendale is experiencing a very slow economic recovery as the unemployment rate in Los Angeles County continues to outpace the national average. As a result, consumer spending has not fully recovered meaning sales and property tax will only increase slightly for FY 2011-12. A recent comparison of retail sales of neighboring communities, Los Angeles County and Los Angeles City, reflects that Glendale's retail diversity and the addition of the Americana to the downtown have put the City in a relatively strong position. However, concerns remain that Glendale's recovery will lag behind the national economic recovery. The State of California budget challenges, combined with the still sluggish housing market, will continue to have a negative trickle down effect on the City of Glendale for FY 2011-12.

At the onset of the FY 2011-12 budget preparation, a shortfall of approximately \$18 million was anticipated in the City's General Fund. This gap was attributable to a variety of factors including:

- Decreases in revenues such as sales tax, property tax, utility user's tax, interest, and various charges for City services
- Loss of one time transfers including the transfer of the Police Staff Augmentation Fund and the Water transfer

- Cost increases to retirement, workers compensation, and other employee benefits

A variety of strategies were deployed in an effort to maintain a balanced General Fund budget. Due to the significance of the budget shortfall, the goal was to implement on-going, systemic changes rather than one-time fixes

The General Fund appropriations reflect the various balancing strategies, past and present, employed by the City in order to balance the FY 2011-12 budget. In a major departure from prior years, staff broke down each department into functions or programs, and then prioritized them across the entire General Fund. Programs were rated as essential, priority, and discretionary. This was the basis by which staff presented proposed reductions to the City Council. The vast majority of the reductions came from discretionary programs being eliminated, along with a few priority and essential programs. As a result, a total of \$4.6 million in programs and services were eliminated from the General Fund, which included a total of 41.7 full-time equivalent positions.

Also included in the FY 2011-12 General Fund appropriation is a decrease in overall salary expense due to a 1.5% salary reduction among the general employees that occurred during FY 2010-11. In addition, the salary ranges of all job classifications were expanded in FY 2010-11 to include lower level salary ranges. Other strategies employed for the FY 2011-12 General Fund budget include a hiring freeze, employee concessions, and a reduction in Maintenance & Operation expenses.

All of these balancing strategies helped offset the natural cost increases in pension costs and other employee benefits. The culmination of these strategies has produced a balanced budget while protecting and maintaining the City's core services during these challenging economic times.

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

The following table presents a comparison of the results of the City's investment of pooled cash for fiscal years 2008, 2009, 2010 and 2011.

Fiscal years ended June 30,

	2011	2010	2009	2008
Average portfolio balance	\$408,490,000	\$451,176,000	\$444,787,000	\$464,426,000
Total portfolio's interest income	\$ 5,773,000	\$ 8,520,000	\$ 12,462,000	\$ 19,443,000
Average return on invested cash	1.43%	1.89%	2.80%	4.17%

The average return on invested cash decreased by 46 basis points from 1.89% in fiscal year 2010 to 1.43% in fiscal year 2011. Interest earnings for the fiscal year are \$5.8 million for the year,

down \$2.7 million from the \$8.5 million for last year. Interest earnings follow interest rates, and during the year interest rates in the marketplace traded in narrow ranges with each range trending lower as the year came to a close. The City Treasurer follows the general investment strategies set forth in a formal Statement of Investment Policy and presents monthly reports to the City Manager and the City Council.

**Risk Management.** The City is self-insured for both Comprehensive General Liability and Workers' Compensation claims up to \$2 million. The City purchases an Excess Liability layer of \$20 million, and purchases an Excess Workers' Compensation layer up to statutory limits. The City also purchases Property/Casualty, Aviation, Employment Practices, Directors and Officers, and other smaller policies for specific activities.

The City's Risk Management program is comprised of Insurance Services, Workers' Compensation and Safety. The primary goal of Risk Management is to effectively address potential risk factors that affect both the City and its employees. Insurance coverage's and their resulting premiums are reviewed annually to insure the City is properly covered. Workers' Compensation and our Safety Staff work to protect our work force, when workers are injured, staff insures that they are properly cared for, and returned to work as soon as possible.

Risk Management Staff continually reviews internal funding levels to address ever increasing claims costs. Failure to address these issues may result in significant impacts to department budgets in future years. Internal insurance premiums are set annually based upon input from Risk Management and additional analysis from an outside biannual actuarial study. Employee medical coverage is obtained through a broker and provides a variety of choices for the employees.

## **Independent Audit**

The City's financial statements have been audited by the firm of McGladrey & Pullen, LLP, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Glendale, California for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Glendale, California's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. Their unqualified opinion on the City's basic financial statements is included within this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the City's separately issued *Single Audit Report*.

read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

## **Award**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the past sixteen fiscal years ended June 30, 1995 through June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. This award is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement for Excellence requirements and we will be submitting it to GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

The preparation of this comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance & Administrative Services Department. Each member of the department has my sincere appreciation for their contribution in the preparation of this report. A special commendation should be attributed to Ms. Lily Fang, Accounting Services Administrator, for the compilation of this CAFR.

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

RESPECTFULLY SUBMITTED,

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

**ROBERT ELLIOT, CPA**  
DIRECTOR OF FINANCE

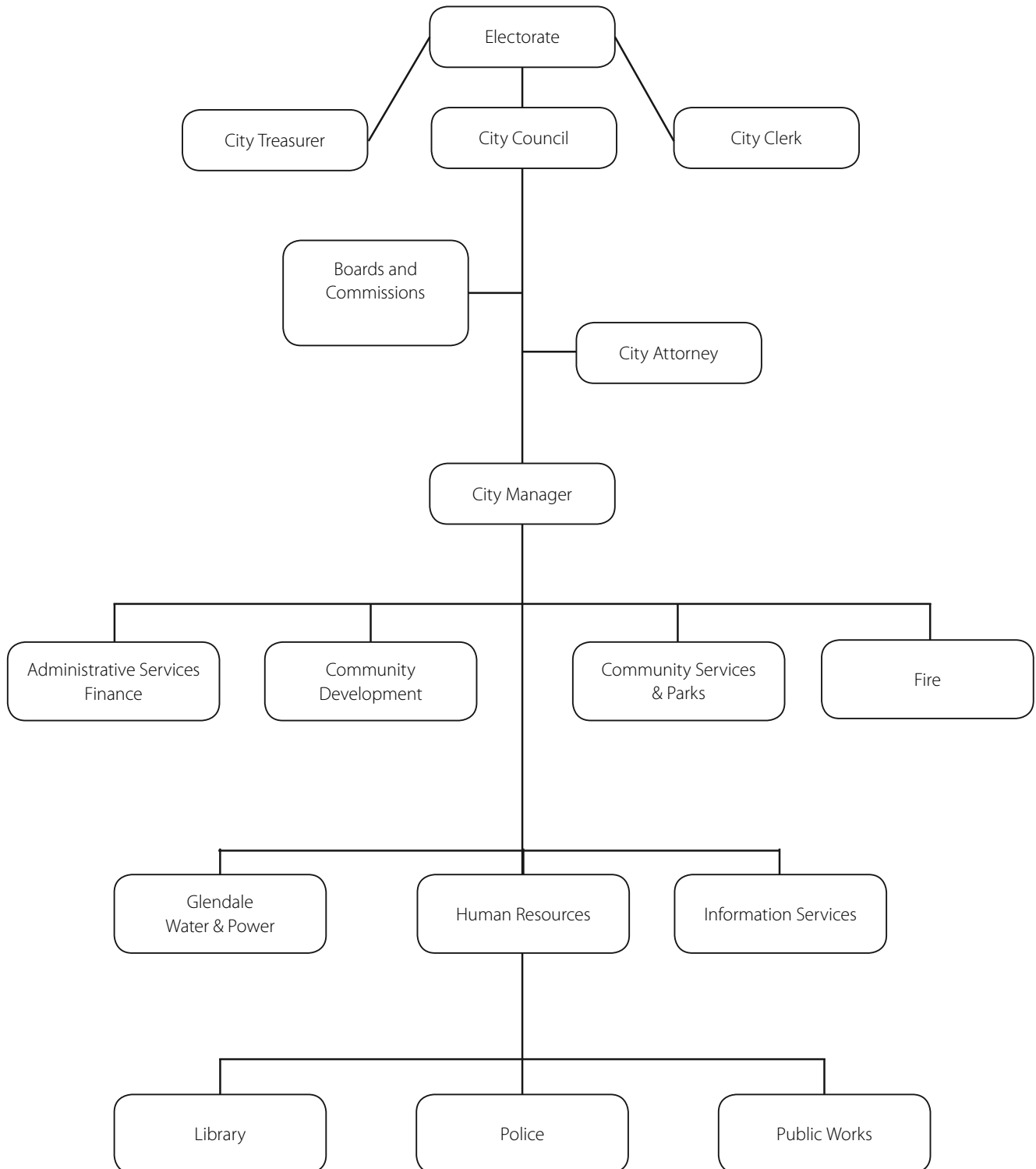
**CITY OF GLENDALE**  
Officials of the City of Glendale  
June 30, 2011

Administration and Department Heads

City Manager	James E. Starbird
Assistant City Manager	Yasmin K. Beers
City Treasurer	Ronald T. Borucki
Director of Libraries	Cindy Cleary
Police Chief	Ronald L. De Pompa
Director of Human Resources	Matthew Doyle
Director of Community Services & Parks	Jess Duran
Director of Finance	Robert P. Elliot, CPA
City Auditor	Michele Flynn, CPA
Director of Information Services	Edward Fraga
Director of Community Development	Hassan Haghani
City Attorney	Scott H. Howard
City Clerk	Ardashes Kassakhian
Fire Chief	Harold Scoggins
General Manager of Glendale Water & Power	Glenn O. Steiger
Director of Public Works	Stephen Zurn



# City of Glendale, CA Organization Chart



# Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Glendale for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the 16<sup>th</sup> consecutive year that the City of Glendale has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## 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, 2010

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



President

Executive Director

# FINANCIAL SECTION

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

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





## Independent Auditor's Report

To the Honorable Members of the City Council  
City of Glendale, CA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Glendale, California (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and other schedules and statistical section, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other schedules listed as supplementary information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and,

in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

Los Angeles, CA  
November 28, 2011

## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2011

(in thousands)

As management of the City of Glendale (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - ix of this report.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$1,655,667 (net assets). Of this amount, \$245,283 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors. The total unrestricted net assets consist of \$85,930 for governmental activities and \$159,353 for business-type activities.
- The City's total net assets increased by \$1,644. Most of this increase is attributable to increases in charges for services, and capital grants and contributions.
- As of the close of the current fiscal year, the City governmental funds reported combined ending fund balances of \$297,822, an increase of \$47,786 in comparison with the prior year. About 19% of this total amount, \$56,015 is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned General Fund balance of \$63,408 and the charter required reserve of \$21,105 for the General Fund total \$84,513, or 50% of total general fund expenditures plus transfers, or 49% of the original total General Fund budget including transfers. The General Fund has adopted a target reserve level of 35%, with a floor of 30% of the original adopted general fund budget including transfers out. This unassigned General Fund balance amount includes the Glendale Redevelopment Agency's (GRA) payment of \$30,605 of its advances to the City; assignment of GRA loans' receivable of \$3,259 and transfers of its property held for resale of \$5,101 to the City. The partial payment by GRA of its advances to the City; the assignment and transfer of its loans' receivable and property held for resale to the City were done to protect the Agency's assets due to the passing of Assembly Bill (AB) x1 26 by the California Legislature in June 2011, to eliminate Redevelopment Agencies
- The City's total debt increased by \$49,011 (10%) during the current fiscal year. The factors of this increase was the combination of items such as the issuance of the Glendale Redevelopment Agency's 2011 Subordinate Taxable Tax Allocation Bonds, claims payable, postclosure liability of Scholl Canyon Landfill, compensated absences, post employment benefits, and the Glendale Housing Authority Residential Development Loan Program, as well as 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.



## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2011

(in thousands)

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

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

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

The government-wide financial statements can be found on pages 21-23 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 40 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Glendale Redevelopment Agency fund, and the Capital Improvement fund, all of which are considered to be major funds. Data from the other 37 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.

## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2011

(in thousands)

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 24-42 of this report.

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

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

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

**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 47-90 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 91-157 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 \$1,655,667 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (81.0%) 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**

## Management's Discussion and Analysis

June 30, 2011

(in thousands)

**City of Glendale's Net Assets**

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 429,523	388,598	212,729	260,755	642,252	649,353
Capital assets	886,533	880,231	697,447	649,864	1,583,980	1,530,095
Total assets	1,316,056	1,268,829	910,176	910,619	2,226,232	2,179,448
Long-term liabilities	306,321	258,777	181,517	181,096	487,838	439,873
Other liabilities	54,906	54,895	27,821	30,657	82,727	85,552
Total liabilities	361,227	313,672	209,338	211,753	570,565	525,425
Investment in capital assets, net of related debt	814,946	806,721	526,011	476,440	1,340,957	1,283,161
Restricted	53,953	56,854	15,474	13,864	69,427	70,718
Unrestricted	85,930	91,582	159,353	208,562	245,283	300,144
Total net assets	\$ 954,829	955,157	700,838	698,866	1,655,667	1,654,023

4.2% 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* of \$245,283 may be used to meet the government's ongoing obligations to citizens and creditors. Of this total, \$159,353 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.

**Governmental activities.** Governmental activities decreased the City's net assets by \$328. Key elements of this decrease are as follows:

- Charges for services revenue increased by \$6,425 (16.5%) during the year mostly due to increase in building permits, emergency medical response and cost allocation revenues. The increase in building permits is mostly due to slight uptick of construction activities. The emergency medical response revenue increased mostly due to increase in ambulance rates and EMS calls. Also, the cost allocation revenue increased due to implementation of the last phase of General Fund central support staff charged to other funds moving back to General Fund in order to include them in the Citywide Cost Allocation Plan.
- Operating grants and contribution revenue decreased by \$6,739 (9.6%) during the year mostly due to decrease in Federal and State Public Works department grants reimbursements received in FY 2010-11 compared to prior fiscal year.
- Capital grants & contribution revenue increased by \$2,135 (30.9%) during the year mostly due to State Gas Tax 2103 ("New HUTA" or proposition 42 replacement) grant the City started receiving in August 2011. Also, the City received new Proposition 1B grant funding from the State for street repairs and construction in FY 2010-11.

## CITY OF GLENDALE

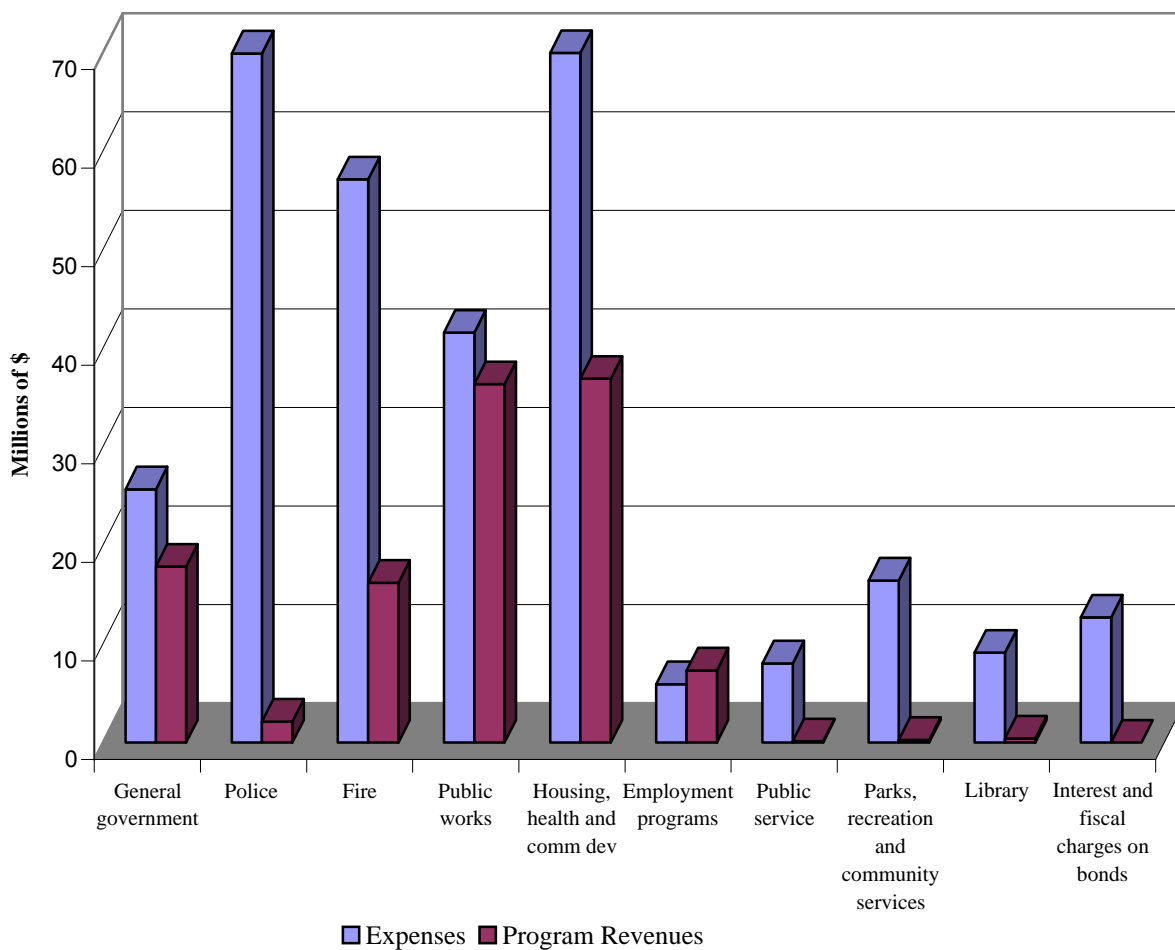
### Management's Discussion and Analysis

June 30, 2011

(in thousands)

- Sales tax increased by \$2,436 (8.8%) mostly due to stronger sales for new motor vehicle dealers, family apparel stores, grocery stores with liquor and service stations due to higher fuel prices.
- Investment income decreased by \$1,740 (30%) during the year mostly due to lower interest rates resulting from the economy.
- Interest and fiscal charges on bonds decreased by \$4,536 (26.3%) during the year mostly due to an adjustment in FY 2009-10 for the Sanitation District of Los Angeles County's revised landfill post-closure maintenance costs estimates for the Scholl Canyon.

### Expenses and Program Revenues – Governmental Activities



**CITY OF GLENDALE**

## Management's Discussion and Analysis

June 30, 2011

(in thousands)

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

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	2011	2010	2011	2010	2011	2010
Revenue:						
Program revenues:						
Charges for services	\$ 45,435	39,010	275,551	263,298	320,986	302,308
Operating grants & contribution	63,166	69,905	161	421	63,327	70,326
Capital grants & contribution	9,040	6,905	16,238	7,440	25,278	14,345
General revenues:						
Taxes:						
Property taxes	79,714	80,422	-	-	79,714	80,422
Sales tax	30,030	27,594	-	-	30,030	27,594
Utility users tax	26,802	27,827	-	-	26,802	27,827
Other taxes	13,857	13,891	-	-	13,857	13,891
Investment income	4,066	5,806	2,089	4,770	6,155	10,576
Miscellaneous	17,948	18,077	8,527	4,274	26,475	22,351
Total revenues	290,058	289,437	302,566	280,203	592,624	569,640
Expenses:						
General government	25,700	24,157	-	-	25,700	24,157
Police	69,926	66,923	-	-	69,926	66,923
Fire	57,138	55,743	-	-	57,138	55,743
Public works	41,598	38,529	-	-	41,598	38,529
Housing, health & community development	69,965	70,813	-	-	69,965	70,813
Employment programs	5,925	7,397	-	-	5,925	7,397
Public service	8,029	8,249	-	-	8,029	8,249
Parks, recreation & community services	16,449	15,578	-	-	16,449	15,578
Library	9,127	9,241	-	-	9,127	9,241
Interest & fiscal charges on bonds	12,696	17,232	-	-	12,696	17,232
Recreation	-	-	2,622	2,645	2,622	2,645
Hazardous disposal	-	-	1,745	1,848	1,745	1,848
Fire communications	-	-	3,289	3,306	3,289	3,306
Parking	-	-	7,763	7,609	7,763	7,609
Sewer	-	-	15,756	17,874	15,756	17,874
Refuse disposal	-	-	18,893	18,101	18,893	18,101
Electric	-	-	188,569	170,423	188,569	170,423
Water	-	-	35,790	34,953	35,790	34,953
Total expenses	316,553	313,862	274,427	256,759	590,980	570,621
Excess (deficiency) before transfers	(26,495)	(24,425)	28,139	23,444	1,644	(981)
Transfers	26,167	25,167	(26,167)	(25,167)	-	-
Gain on exchange of land	-	1,978	-	-	-	1,978
Increase in net assets	(328)	2,720	1,972	(1,723)	1,644	997
Net assets - Beginning of the year	955,157	952,437	698,866	700,589	1,654,023	1,653,026
Net assets - End of the year	\$ 954,829	955,157	700,838	698,866	1,655,667	1,654,023

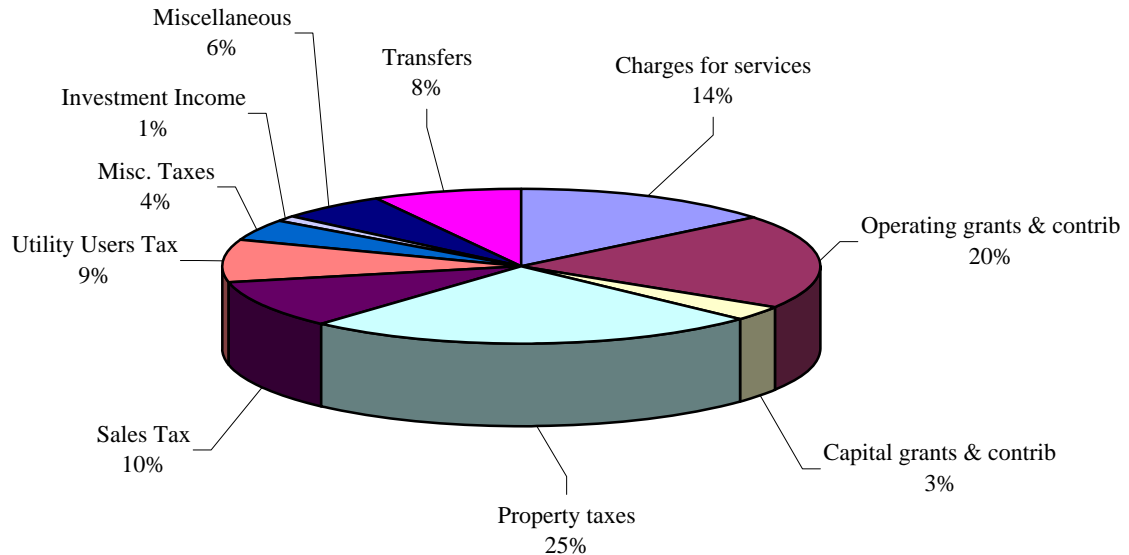
## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2011

(in thousands)

#### Revenues By Source – Governmental Activities



**Business-type activities.** Business-type activities increased the City of Glendale's net assets by \$1,972. Key elements of this increase are as follows.

- Charges for services increased overall by \$12,253 (4.7%) during the year. This increase can be attributed to an increase in Electric Sales due to increase in wholesale transactions and an increase in sales to other utilities for the disposal of excess energy as well as an increase in Water Sales due to an average of 3.8% rate increase.
- Capital grants and contribution increased by \$8,798 (118.3%) during the year. The increase is mostly due to the Smart Grid Investment Grant Program (SGIG) by the City of Glendale in conjunction with Glendale Water and Power to upgrade all electric and water meters in the City to Smart Meters.
- Investment income decreased by \$2,681 (56.2%) during the year due to a decrease in return on investment, an overall lower yield in the investment portfolio, as well as a decrease in cash balance due to investment in the Smart Grid Project.
- Miscellaneous revenues increased by \$4,253 (99.5%) during the year due to partial payments of insurable loss related to the repair/replacement of Unit No. 5 cooling tower deluge system piping at the Grayson Power Plant and a refund from L.A. County regarding reclaimed water.
- Electric expense increased by \$18,146 (10.6%) during the year. This increase can primarily be attributed to an increase in production costs brought by an increase in wholesale activities and an increase in gas reserve expenses.
- Water expense increased by \$837 (2.4%) during the year due to an increase in rate charged by Metropolitan Water District (MWD).

## CITY OF GLENDALE

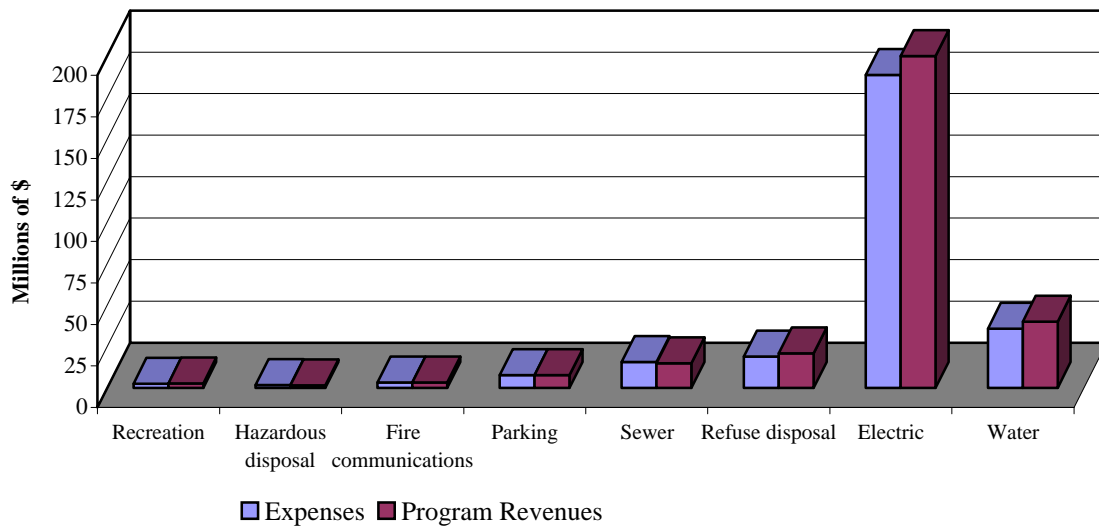
### Management's Discussion and Analysis

June 30, 2011

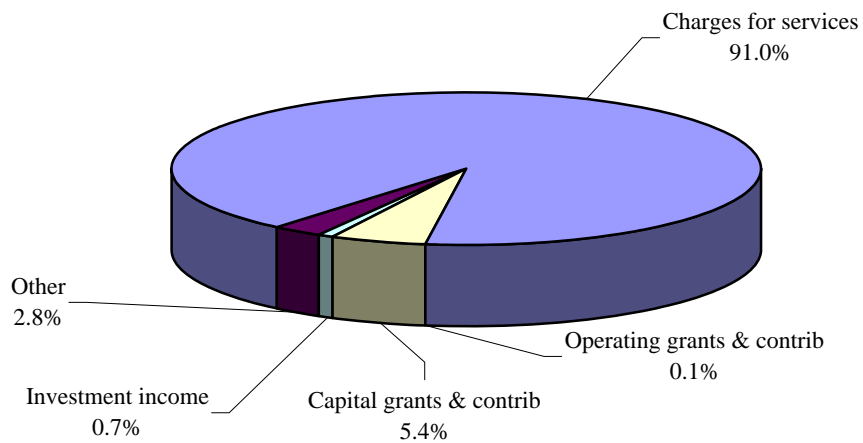
(in thousands)

- Sewer expense decreased by \$2,118 (11.8%) during the year due to a timing difference in the payment of Glendale's share in capital improvement and O&M costs of the Los Angeles-Glendale Water Reclamation Plant.
- Refuse expense increased by \$792 (4.4%) during the year due to an increase in the cost allocation and Information Services Department service charges for fiscal year 10-11 and higher contractual service expenses.

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



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





## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2011

(in thousands)

## Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$297,822, an increase of \$47,786 in comparison with the prior year. About 19% of this total amount \$56,015 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance in the amount of \$241,807 is not available for new spending because it is either nonspendable, restricted, assigned or committed. Nonspendable fund balance of \$63,884 which is legally or contractually required to be maintained intact, consists of: 1) return of deposits \$7, 2) reserve for inventories \$569, 3) prepaid items \$2,488, 4) loans receivable \$8,218, 5) advance of City funds to Glendale Redevelopment Agency \$40,481, and 6) property held for resale \$12,121. Restricted fund balance of \$175,409 which is constrained by external creditors, grantors, laws or regulations of other governments and enabling legislation, consists of: 1) City charter reserve requirement \$21,105, 2) federal and state grants \$4,735, 3) public safety \$1,759, 4) transportation \$10,606, 5) landscaping district \$53, 6) low and moderate housing \$9,419, 7) air quality improvement \$286, 8) cable access \$792, 9) electric public benefit AB1890 \$862, 10) redevelopment activities \$24,071, 11) Debt Service Funds \$52,330, and 12) Capital Projects Funds \$49,391. Assigned fund balance of \$117 consists of resources the City intends to use for economic development. Committed fund balance of \$2,397 which is constrained by Glendale City Council through formal action (i.e., passing a resolution) unless the City Council passes another resolution to change it, consists of: 1) urban art \$18, 2) public safety \$170, and 3) impact fee funded projects \$2,209.

The General fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance and the charter-required reserve of the general fund were \$63,408 and \$21,105, respectively, while total fund balance was \$134,055. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance and restricted fund balance which consists of the charter-required reserve, totaling \$84,513, represent about 50% of total general fund expenditures plus transfers.

The fund balance of the City's General fund has a net increase of \$13,584 during the current fiscal year. It is mainly due to transfer of property held for resale and loans receivable from Glendale Redevelopment Agency to the City in fiscal year 2010-11. In June 2011, the California Legislature passed Assembly Bill (AB) x1 26 eliminating Redevelopment Agencies throughout the State. Due to the passing of this Bill, the City Council and the Glendale Redevelopment Agency Board adopted resolutions approving the assignment of GRA loan receivable, promissory notes, and other indebtedness to the City. In addition, the City Council and GRA Board adopted resolutions to transfer GRA owned properties to the City in order to protect the Agency's assets. Furthermore, the increase can be attributed to slight increases to sales tax, and interest on advance to Glendale Redevelopment Agency revenues.

The Glendale Redevelopment Agency fund has a fund balance of \$25,091. This is primarily due to the increase in the other financing sources due to the issuance of the 2011 subordinate taxable tax allocation bonds to finance redevelopment and low- and moderate-income housing projects and activities of benefit to the Central Glendale Redevelopment Project Area. Also, the bond proceeds of the 2010 tax allocation bonds have not been fully expended as of the end of the current fiscal year.

The Capital Improvement Fund has a negative fund balance of \$1,666. In comparison with the prior fiscal year, the fund balance increased by \$6,791. The key factors in this increase are as follows:

## CITY OF GLENDALE

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- The primary projects in the Capital Improvement Fund include the Fairmont Avenue Extension for the SR-134 Freeway/San Fernando Road Access and Safety Improvement Program which consist of \$7,143 in revenue. The American Recovery and Reinvestment Act consisted of \$4,422 in reimbursements. These projects are tapering off in their final stages of completion and the fund increase is due to the received reimbursements from other agencies such as the State of California Department of Transportation.
- 100% of Sales Tax was deposited into the General Fund in fiscal year 2010-11, whereas there was a 4% split in fiscal year 2009-10.

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

At the end of the year, unrestricted net assets composed of \$64,901 for the Sewer Fund, \$116,193 for the Electric Fund, (\$11,059) for the Water Fund, and \$33,206 for the other proprietary funds. The net assets for the Sewer Fund increased by \$433, followed with an increase in Electric Fund of \$118, a \$3,329 increase for the Water Fund, and a \$2,735 increase for the other proprietary funds.

### General Fund Budgetary Highlights

The FY 2010-11 General Fund adopted budget increased by approximately \$2.4 million during the year. Various departments submitted items to City Council throughout the year that increased the overall appropriation. The most significant change was a transfer of \$1.9 million from the General Fund undesignated fund balance to the Capital Improvement Fund 401 for the Museum of Modern Art (MONA) project. The remaining increase of \$500,000 is comprised of various operational items from the following departments: Administrative Services, Community Development, Community Services & Parks, Fire, Management Services and Public Works.

### 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, 2011, amounts to \$1,340,957 (net of accumulated depreciation and related debt). This investment in capital assets includes land, natural gas reserve, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 4.5%; this represents a 1.0% increase for governmental activities and a 10.4% increase for business-type activities.

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

- Fixed asset transfers from the Glendale Redevelopment Agency to the City for a total of \$38,334 and \$31,101 for capitalized infrastructure on the Fairmont Avenue Extension Project for the SR-134 Freeway/San Fernando Road Access and Safety Improvement Program. A total of \$6,141 of Land Held for Resale transactions were completed, as well as \$1,580 for 624 Geneva and Land retirements of \$1,327 at 1338 North Jackson. Land purchases include \$25 for Tax Defaulted Property Purchases.

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- At the close of the fiscal year, the Electric fund reflected increases mostly due to a City wide installation of Smart Grid electric meters and its integration with the Ice Bear units. There is a \$27,626 increase in construction in progress, \$17,877 increase in machinery and equipment compared to the prior year, and a \$2,270 increase in buildings & improvements. Contributions to the increase are also attributed to improvements to Utility Operations Center (UOC) & the GWP fleet garage, and power system upgrades of GWP substations, i.e. Tropico and Rossmoyne substations.
- At the close of the fiscal year, the Water fund reflected a \$13,928 increase in construction in progress, a \$4,433 increase in buildings & improvements, and a \$957 increase in machinery and equipment compared to the prior year. The increases are mostly due to replacement and rehabilitation of the City water mains, i.e. completion of the Pelanconi Main cleaning and relining project, and installation of Smart Grid water meters.

### City of Glendale's Capital Assets

(Net of depreciation)

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 434,921	437,717	15,043	15,043	449,964	452,760
Natural Gas Reserve	-	-	17,993	15,633	17,993	15,633
Buildings and improvements	268,286	267,844	402,816	392,011	671,102	659,855
Machinery & equipment	92,487	90,329	523,040	504,869	615,527	595,198
Infrastructure	262,799	231,170	-	-	262,799	231,170
Construction in progress	68,475	80,267	152,925	111,277	221,400	191,544
Total capital assets	1,126,968	1,107,327	1,111,817	1,038,833	2,238,785	2,146,160
Less: Accumulated depreciation	(240,435)	(227,096)	(411,541)	(386,832)	(651,976)	(613,928)
Less: Gas depletion	-	-	(2,829)	(2,137)	(2,829)	(2,137)
Net of depreciation	\$ 886,533	880,231	697,447	649,864	1,583,980	1,530,095

Additional information on the City's capital assets can be found in note III B on pages 63-64 as well as pages 158-161 of this report.

**Long-term debt.** At the end of the current fiscal year, the City has total outstanding debt of \$518,887. Of this amount, \$46,894 is claims payable, \$26,874 is compensated absences ; \$19,855 is post employment benefits; and \$32,921 is set aside for post-closure care of Scholl Canyon landfill. Bonds payable totaling \$372,118 include \$52,400 in Variable Rate Demand Certificates of Participation (COPs) that were issued in 2000 to fund the new police department facility; \$148,127 are tax allocation bonds backed by the property tax increment collected from the Central redevelopment project area; \$119,245 are the revenue bonds secured solely by Electric Utility revenue; \$50,000 are the revenue bonds secured solely by Water Utility revenue; \$6,271 is for bond premiums; a negative of \$327 is for the net original bond discount on 2010 tax allocation bonds; a negative \$1,566 is for a deferred amount on the refunding of the 2006 Electric revenue bond and a negative \$2,032 net original bond discount on 2011 subordinate taxable tax allocation bonds. Other long-term liabilities totaling \$20,225 comprise of the following capital leases: \$3,826 for the Minicipal Services Building (MSB) retrofit project, \$1,659 and \$1,636 for the 2005 and 2009 fire equipments; \$470 is for section 108 loan, \$7,991 is for low and moderate income loans; \$4,643 is for the Residential Development Loan Program (RDLF).

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**City of Glendale's Outstanding Debt**

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	2011	2010	2011	2010	2011	2010
General long-term debts:						
Claims payable	\$ 46,894	40,776	-	-	46,894	40,776
Compensated absences	19,883	20,197	6,991	7,250	26,874	27,447
Post employment benefits	13,478	8,168	6,377	3,700	19,855	11,868
Landfill postclosure and postclosure care	32,921	31,826	-	-	32,921	31,826
Bonds payable:						
Police building project (COPs)	52,400	54,000	-	-	52,400	54,000
2002 GRA Tax allocation bonds	31,900	34,140	-	-	31,900	34,140
2003 GRA Tax allocation bonds	39,257	42,012	-	-	39,257	42,012
2010 GRA Tax allocation bonds	26,970	26,970	-	-	26,970	26,970
2011 Subordinate taxable tax allocation bond:	50,000	-	-	-	50,000	-
Electric revenue bonds, 2003 series	-	-	25,280	26,075	25,280	26,075
Electric revenue bonds, 2006 refunding	-	-	33,965	35,075	33,965	35,075
Electric revenue bonds, 2008 series	-	-	60,000	60,000	60,000	60,000
Water revenue bonds, 2008 series	-	-	50,000	50,000	50,000	50,000
Bond premium	2,610	2,861	3,661	3,869	6,271	6,730
Net original bond discount - 2010 TABs	(327)	(349)	-	-	(327)	(349)
Net original bond discount - 2011 STTABs	(2,032)	-	-	-	(2,032)	-
Deferred amount on refunding – 2006 series	-	-	(1,566)	(1,712)	(1,566)	(1,712)
Total bonds payable	\$ 200,778	159,634	171,340	173,307	372,118	332,941
Other long-term liabilities:						
Capital leases:						
MSB retrofit lease - Capital One	3,826	4,993	-	-	3,826	4,993
Fire equip't lease 2005 - Sun Trust	1,659	2,038	-	-	1,659	2,038
Fire equip't lease 2009 - Wells Fargo	1,636	1,835	-	-	1,636	1,835
Arbitrage rebate liability (COPs) & 2006	-	83	-	20	-	103
Section 108 loan	470	690	-	-	470	690
Low and mod loan	7,991	10,716	-	-	7,991	10,716
Residential development loan program	4,643	4,643	-	-	4,643	4,643
Accrued interest	-	-	-	-	-	-
Total other long-term liabilities	20,225	24,998	-	20	20,225	25,018
Total general long-term debts	\$ 334,179	285,599	184,708	184,277	518,887	469,876

The city's total debt increased by \$49,011 (10%) in the current fiscal year. The significant changes were due to an increase of \$6,118 in claims payable, a decrease of \$573 in compensated absences, an increase of \$7,987 in post employment benefits and \$1,095 in the post-closure and post-closure care liability for the School Canyon landfill. However, the primary factor in this increase was the issuance of the 2011 GRA Subordinate Taxable Tax Allocation Bonds for \$50,000. The remaining difference is the regular retirement of annual debt service payments.

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### Credit ratings

Municipal bond ratings provide investors with a simple way to compare the relative investment quality of different bonds. Bond ratings express the opinions of the rating agencies as to the issuer's ability and willingness to pay debt service when it is due. In general, the credit rating analysis includes the evaluation of the relative strengths and weaknesses of the following four factors as they affect an issuer's ability to pay debt and service: fiscal, economic, debt and administrative/management Factors. The City continues to receive high general credit ratings from all three national rating agencies of any large city with a population over 250,000 in California despite the difficult financial and economic conditions the national and local economy has been faced with.

The City's bond ratings are as follows:

Debt Issue	Moody's	Standard & Poor's (S & P)	Fitch Ratings'
Police building project (COPs)	Aa3(Con)/ VMIG-1 *	AA+/A-1+ *	AA-/F1+ *
2002 GRA tax allocation bonds	Aaa	AAA	N/A
2003 GRA tax allocation bonds	Aaa	AAA	N/A
2010 GRA tax allocation bonds	Baa2	A-	N/A
2011 GRA subordinate taxable tax allocation bonds	N/A	A-	N/A
Electric revenue bonds, 2003 series	Aaa	AAA	AAA
Electric revenue bonds, 2006 refunding series	Aaa	AAA	AAA
Electric revenue bonds, 2008 series	Aaa	AAA	AAA
Water revenues bonds, 2008 series	Aaa	AAA	AAA

\* These ratings are based upon the issuance of the Liquidity Facility. The City's Liquidity Facility Provider is JPMorgan Chase Bank, N.A. (JPMorgan). The JPMorgan's ratings were based in the year 2000 when the COPs was issued.

In February 2010, the Standard & Poor's Rating Services raised the City's General Obligation (GO) credit rating from 'AA+' to 'AAA'. The rating action reflects the S&P's view of the City's improved General Fund reserves and sound management practices. As of June 30, 2011, the City has no General Obligation (GO) debt outstanding. At the same time, Standard & Poor's raised the City's long-term rating from 'AA' to 'AA+' on the City's outstanding Certificates of Participation (COPs).

In November 2009 Fitch Ratings has affirmed that the City of Glendale Financing Authority, California Variable Rate Demand Certificates of Participation (COPs) - 2000 police building project is at '**AA-; Outlook Stable**'. The COPs' full rating is 'AA-F1+'. The 'F1+' short-term rating is based upon a Standby Bond Purchase Agreement (SBPA) provided by JPMorgan Chase Bank, N.A. The 'F1+' rating was not affirmed in conjunction with Fitch Ratings' press release. The 'AA-' rating reflects the city of Glendale's (the City) sound financial management, high fund balance levels, low debt burden and significant financial flexibility. The City's solid management practices are evidenced by very high reserve levels supported by a strong policy, conservative budgeting, and regular financial reporting. The City's strong debt service cash balance offsets the risk posed by the COPs' interest rate volatility. Fitch views the City's maintenance of high reserve levels as offsetting concerns regarding the economic sensitivity of a sizable share of General Fund revenues.

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

### **Legal Debt Margins**

Under the City Charter, the total bonded debt of the city shall at no time exceed a total of 15% of the total assessed valuation of all real and personal property within the City limits ("debt limit"). General obligation debt is debt secured by the City's property tax revenues. As of June 30, 2011, the total assessed value of taxable property was \$22.9 billion, which results in a total debt capacity of approximately \$3.4 billion (total assessed value x 15% = debt limit). As of June 30, 2011, the City has no general obligation debt.

### **Debt Administration**

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

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

### **Arbitrage Rebate**

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

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

## **CITY OF GLENDALE**

### **Management's Discussion and Analysis**

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(in thousands)

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

Finance engages a consultant to prepare the annual arbitrage calculations for all of the City's tax-exempt bonds. This calculation includes: (1) review the City's arbitrage compliance at five-year anniversary dates when rebate is actually due to the Federal Government; (2) compute annual and five-year installment arbitrage rebate liability on the more complex financings; and (3) provide technical assistance to the City in the area of arbitrage rebate compliance. This third-party review provides an added level of confidence that the City is in compliance with the arbitrage regulations. Such review is particularly important given that the Internal Revenue Service has stepped-up its random audit and target audit programs for tax-exempt bond issues. As of June 30, 2011, none of the City's tax-exempt bond issues has a positive arbitrage rebate liability.

### **Continuing Disclosure**

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

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

As of June 30, 2011, the City had 9 series of bonds subject to continuing disclosure Requirements. The City engages a consultant to prepare and disseminate continuing disclosure for its 3 tax-exempt tax allocation bonds and 1 subordinate taxable tax allocation bonds. The City prepares the continuing disclosure (financial and operating information) for its 5 tax-exempt bonds and engage a dissemination agent, the Trustee to disseminate. These disclosures are disseminated through the use of Electronic Municipal Market Access ("EMMA"), the Municipal Securities Rule Making Board's ("MSRB") disclosure website. Timely and accurate communication with the municipal marketplace is vital in retaining the City's creditworthiness and market access. Continuing disclosure and compliance reporting constitute a significant part of Debt Management's compliance activity for the life of each series of bonds

Additional information on the City's long-term debt can be found in note III C on pages 66-74 of this report.

## **CITY OF GLENDALE**

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

Like every city across the state, Glendale has been tremendously impacted by the economic recession. The impacts include the decrease in resources such as sales taxes, and by the State's efforts to address its loss of resources by taking or borrowing local resources, specifically from Redevelopment Agencies. Although the City's economic base is diversified with strong retail and financial services, the City has nonetheless seen revenue stagnation in most of the General Fund major revenue categories including sales tax, property tax, and utility users' tax. The variety of issues in the economy involving the housing market, financial institutions, credit markets, as well as overall consumer confidence, has impacted discretionary spending nationwide. While leading indicators point to an economic recovery on a national level, Glendale is experiencing a very slow economic recovery as the unemployment rate in Los Angeles County continues to outpace the national average. As a result, consumer spending has not fully recovered meaning sales and property tax will only increase slightly for FY 2011-12. A recent comparison of retail sales of neighboring communities, Los Angeles County and Los Angeles City, reflects that Glendale's retail diversity, and the continued success of the Americana in downtown has put Glendale in a relatively strong position. However, concerns remain that Glendale's recovery will lag behind the national economic recovery. The State of California budget challenges, combined with the still sluggish housing market, will continue to have a negative trickle down effect on the City of Glendale for FY 2011-12.

At the onset of the FY 2011-12 budget preparation, a shortfall of approximately \$18 million was anticipated in the City's General Fund. This gap was attributable to a variety of factors including:

- Decreases in revenues such as sales tax, property tax, utility user's tax, interest, and various charges for City services
- Loss of one time transfers including the transfer of the Police Staff Augmentation Fund and the Water Fund transfer
- Cost increases to retirement, workers compensation, and other employee benefits

A variety of strategies were deployed in an effort to maintain a balanced General Fund budget. Due to the significance of the budget shortfall, the goal was to implement on-going, systemic changes rather than one-time fixes. On the revenue side, the City implemented the following strategies:

- Increase the transfer from the Electric Fund by \$2 million
- Increase of \$3.1 million from the Glendale Redevelopment Agency loan repayment to the City
- Based on a comprehensive City wide fee study, fee increases for a variety of City services that will increase revenue by \$1.3 million
- Partial use of the fund balance, \$1 million, which was transferred from the Police Staff Augmentation Fund to the General Fund during FY 2010-11.

The General Fund appropriations reflect the various balancing strategies, past and present, employed by the City in order to balance the FY 2011-12 budget. In a major departure from prior years, staff broke down each department into functions or programs, and then prioritized them across the entire General Fund. Programs were rated as essential, priority, and discretionary. This was the basis by which staff presented proposed reductions to the City Council. The vast majority of the reductions came from discretionary programs being eliminated, along with a few priority and essential programs. As a result, a total of \$4.6 million in programs and services were eliminated from the General Fund, which included a total of 41.7 full-time equivalent positions.



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Also included in the FY 2011-12 General Fund appropriation is a decrease in overall salary expense due to a 1.5% salary reduction among the general employees that occurred during FY 2010-11. In addition, the salary ranges of all job classifications were expanded in FY 2010-11 to include lower level salary ranges. Other strategies employed for the FY 2011-12 General Fund budget include a hiring freeze, employee concessions, and a reduction in Maintenance & Operation expenses.

All of these balancing strategies helped offset the natural cost increases in pension costs and other employee benefits. The culmination of these strategies has produced a balanced budget while protecting and maintaining the City's core services during these challenging economic times.

In regards to the revenue estimates for the upcoming year, the following is a brief discussion on the major revenues sources for the General Fund:

- Property Tax revenue projections for FY 2011-12 will see a modest uptick in the "current" property tax category of approximately \$1 million, or 4%. The increase is attributable to an increase in the assessed property valuation but offset with a drop in the "delinquent" property tax category. As such, the delinquent category is forecasted to drop by approximately \$740,000 and the property tax supplement is forecasted to decrease by \$440,000. There will be some minor shifting in the other property tax revenues and as a result, the total Property Tax category is projected to increase slightly by \$101,000 or .2%.
- Sales Tax is forecasted to increase by \$434,000, or 1.5%. Southern California's economic recovery continues to lag behind the United States as unemployment continues to outpace the national average. The revenue estimate of \$28.6 million represents the second year that 100% of the sales tax was deposited into the General Fund.
- Licenses and Permits is expected to increase as Glendale has seen a modest rise in construction activity during FY 2010-11 and this is expected to continue for FY 2011-12.
- Intergovernmental Revenue is the loan repayment from the *Glendale Redevelopment Agency* to the General Fund. The loan repayment was increased from \$3.1 million to \$6 million for FY 2011-12.
- Interest Revenue continues to decline as the interest rate environment continues to reflect the worldwide economic slowdown and conditions.
- The \$1.1 million, or 27.9%, decrease in Charges for Services is the result of a structural change in that the Glendale Youth Alliance (GYA) was shifted to a Special Revenue Fund. It should be noted that the corresponding appropriation for the GYA was also shifted out of the General Fund, which offsets the loss in revenue.
- The decrease in the Transfer from Other Funds was attributable to the loss of the water transfer of \$4.2 million. Other factors included a one-time transfer due to the close out of the Police Augmentation Fund during FY 2010-11, and the utilization of Internal Service Fund charges in lieu of a straight transfer to the General Fund. Partially offsetting these decreases was an increase of \$2 million in the Electric Fund transfer.

### Requests for Information

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

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Exhibit A-1  
**CITY OF GLENDALE**  
Statement of Net Assets  
June 30, 2011 (in thousands)

	Governmental Activities	Business Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and invested cash	\$ 293,770	134,157	427,927
Cash with fiscal agent	22,327	8,189	30,516
Restricted Investment	-	3,675	3,675
Interest receivable	1,736	773	2,509
Accounts receivable, net	33,227	42,407	75,634
Internal balances	29,188	(29,188)	-
Inventories	569	5,583	6,152
Prepaid items	3,081	5,966	9,047
Total current assets	383,898	171,562	555,460
Noncurrent assets:			
Capital assets:			
Land	434,921	15,043	449,964
Natural gas reserve	-	15,164	15,164
Buildings and improvements	181,293	267,137	448,430
Machinery and equipment	27,809	247,178	274,987
Infrastructure	174,035	-	174,035
Construction in progress	68,475	152,925	221,400
Total capital assets	886,533	697,447	1,583,980
Designated & invested cash	22,100	27,176	49,276
Deferred charges	3,186	13,991	17,177
Loans receivable	8,218	-	8,218
Property held for resale	12,121	-	12,121
Total non current assets	932,158	738,614	1,670,772
Total assets	\$ 1,316,056	910,176	2,226,232

(Continued)

Exhibit A-1  
**CITY OF GLENDALE**  
Statement of Net Assets  
June 30, 2011 (in thousands)

	Governmental Activities	Business Type Activities	Total
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Accounts payable	\$ 12,879	16,816	29,695
Accrued wages and withholding	7,502	-	7,502
Interest payable	1,595	4,003	5,598
Claims payable	13,690	-	13,690
Compensated absences	2,292	823	3,115
Bonds payable, due in one year	7,007	2,368	9,375
Deposits	5,072	3,811	8,883
Other current liabilities	4,869	-	4,869
Total current liabilities	54,906	27,821	82,727
Noncurrent liabilities:			
Claims payable	33,204	-	33,204
Post employment benefits	13,478	6,377	19,855
Compensated absences	17,591	6,168	23,759
Landfill Postclosure	32,921	-	32,921
Long term bonds payable	193,771	168,972	362,743
Long term debt	15,356	-	15,356
Total noncurrent liabilities	306,321	181,517	487,838
Total liabilities	361,227	209,338	570,565
Net assets:			
Invested in capital assets, net of related debt	814,946	526,011	1,340,957
Restricted			
City Charter - stabilization	21,105	-	21,105
Low and moderate housing	20,390	-	20,390
Debt service	12,458	9,763	22,221
SCAQMD emission controls	-	5,711	5,711
Unrestricted	85,930	159,353	245,283
Total net assets	\$ 954,829	700,838	1,655,667

Exhibit A-2  
**CITY OF GLENDALE**  
Statement of Activities  
Year Ended June 30, 2011 (in thousands)

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		Total
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	
	Expenses						
Governmental Activities:	\$						
General government	25,700	17,276	583	-	(7,841)	-	(7,841)
Police	69,926	779	1,353	-	(67,794)	-	(67,794)
Fire	57,138	13,774	2,442	4	(40,918)	-	(40,918)
Public works	41,598	11,685	15,639	9,036	(5,238)	-	(5,238)
Housing, health and comm dev	69,965	51	36,863	-	(33,051)	-	(33,051)
Employment programs	5,925	1,631	5,687	-	1,393	-	1,393
Public service	8,029	-	133	-	(7,896)	-	(7,896)
Parks, recreation and community services	16,449	13	269	-	(16,167)	-	(16,167)
Library	9,127	226	197	-	(8,704)	-	(8,704)
Interest and fiscal charges on bonds	12,696	-	-	-	(12,696)	-	(12,696)
Total governmental activities	316,553	45,435	63,166	9,040	(198,912)	-	(198,912)
Business-type activities:							
Recreation	2,622	2,640	6	194	-	218	218
Hazardous disposal	1,745	1,530	-	95	-	(120)	(120)
Fire Communications	3,289	3,337	-	-	-	48	48
Parking	7,763	7,853	-	-	-	90	90
Sewer	15,756	14,977	-	-	-	(779)	(779)
Refuse disposal	18,893	20,776	23	-	-	1,906	1,906
Electric	188,569	187,801	129	12,579	-	11,940	11,940
Water	35,790	36,637	3	3,370	-	4,220	4,220
Total business-type activities	274,427	275,551	161	16,238	-	17,523	17,523
Total primary government	\$ 590,980	320,986	63,327	25,278	(198,912)	17,523	(181,389)
General revenues:							
Taxes:							
				\$	79,714	-	79,714
					30,030	-	30,030
					26,802	-	26,802
					13,857	-	13,857
					4,066	2,089	6,155
					17,948	8,527	26,475
Transfers					26,167	(26,167)	-
Total general revenues and transfers					198,584	(15,551)	183,033
Change in net assets					(328)	1,972	1,644
Net assets, July 1					955,157	698,866	1,654,023
Net assets, June 30	\$				954,829	700,838	1,655,667

Exhibit B-1  
**CITY OF GLENDALE**  
Balance Sheet  
Governmental Funds  
June 30, 2011 (in thousands)

	Major Funds				
	General Fund	Glendale Redevelopment Agency Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and invested cash	\$ 83,711	63,374	-	83,386	230,471
Cash with fiscal agent	-	2,004	-	20,323	22,327
Designated & invested cash	-	-	-	22,100	22,100
Interest receivable	473	229	4	502	1,208
Accounts receivable, net	12,196	1,668	3,256	15,806	32,926
Advances to other funds	40,481	-	-	-	40,481
Due from other funds	12,694	-	-	-	12,694
Inventories	569	-	-	-	569
Prepaid items	15	-	-	2,473	2,488
Loans receivable	3,259	-	-	4,959	8,218
Property held for resale	5,101	1,013	-	6,007	12,121
<b>Total assets</b>	<b>158,499</b>	<b>68,288</b>	<b>3,260</b>	<b>155,556</b>	<b>385,603</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	4,236	2,713	854	3,668	11,471
Due to other funds	-	-	3,304	10,721	14,025
Interest payable	-	-	-	6	6
Wages and benefits payable	7,501	-	-	1	7,502
Deferred revenues	7,769	-	768	687	9,224
Deposits	4,938	3	-	131	5,072
Advances from other funds	-	40,481	-	-	40,481
<b>Total liabilities</b>	<b>\$ 24,444</b>	<b>43,197</b>	<b>4,926</b>	<b>15,214</b>	<b>87,781</b>

(Continued)

Exhibit B-1  
**CITY OF GLENDALE**  
Balance Sheet  
Governmental Funds  
June 30, 2011 (in thousands)

	Major Funds				
	General Fund	Glendale Redevelopment Agency Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Deposit	\$ -	7	-	-	7
Inventory	569	-	-	-	569
Prepaid	15	-	-	2,473	2,488
Loans receivable	3,259	-	-	4,959	8,218
City/Agency advances	40,481	-	-	-	40,481
Property held for resale	5,101	1,013	-	6,007	12,121
Restricted For:					
City Charter - stabilization	21,105	-	-	-	21,105
Federal and state grants	-	-	-	4,735	4,735
Public safety	-	-	-	1,759	1,759
Transportation	-	-	-	10,606	10,606
Landscaping district	-	-	-	53	53
Low and Mod Housing	-	-	-	9,419	9,419
Air quality improvement	-	-	-	286	286
Cable access	-	-	-	792	792
Electric public benefit AB1890	-	-	-	862	862
Redevelopment activities	-	24,071	-	-	24,071
Debt service	-	-	-	52,330	52,330
Capital projects	-	-	-	49,391	49,391
Assigned To:					
Economic Development	117	-	-	-	117
Committed to:					
Urban art	-	-	-	18	18
Public safety	-	-	-	170	170
Impact fee funded projects	-	-	-	2,209	2,209
Unassigned:	63,408	-	(1,666)	(5,727)	56,015
Total fund balances	134,055	25,091	(1,666)	140,342	297,822
Total liabilities and fund balances	\$ 158,499	68,288	3,260	155,556	385,603

**CITY OF GLENDALE**

## Reconciliation of Balance Sheet of

## Governmental Funds to the Statement of Net Assets

June 30, 2011 (in thousands)

Fund balances of governmental funds	\$	297,822
-------------------------------------	----	---------

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	\$	434,921	
Buildings and improvements		181,293	
Equipment		27,809	
Infrastructure		174,035	
Construction in progress		<u>68,475</u>	886,533

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	437	
Low & Mod Housing Loan	32	
2002 Tax allocation bonds	606	
2003 Tax allocation bonds	1,204	
2010 Tax allocation bonds	324	
2011 Tax allocation bonds	<u>583</u>	3,186

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

Due within one year:

Police building bonds	(1,700)	
2002 Tax allocation bonds	(2,320)	
2003 Tax allocation bonds	(2,905)	
Capital lease	(1,819)	
2002 Tax allocation bond premium-current	(106)	
2003 Tax allocation bond premium-current	(145)	
2010 Tax allocation bond discount-current	24	
2011 Tax allocation bond discount-current	145	
Section 108	(230)	
Loans Payable Current - Low & Mod Housing	<u>(2,820)</u>	(11,876)

Due more than one year:

Police building bonds	(50,700)
2002 Tax allocation bonds	(29,580)
2003 Tax allocation bonds	(36,352)
2010 Tax allocation bonds	(26,970)
2011 Tax allocation bonds	(50,000)
Post closure and post closure care	(32,921)

(Continued)



## Exhibit B-2

**CITY OF GLENDALE**

## Reconciliation of Balance Sheet of

## Governmental Funds to the Statement of Net Assets

June 30, 2011 (in thousands)

2002 Tax allocation bond premium-long term	\$	(1,003)	
2003 Tax allocation bond premium-long term		(1,356)	
2010 Tax allocation bond discount-long term		303	
2011 Tax allocation bond discount-long term		1,887	
Capital lease		(5,302)	
Section 108		(240)	
Residential Development Loan Program		(4,643)	
Loans Payable LT - Low & Mod Housing		<u>(5,171)</u>	(242,048)
Accrued interest payable for the current portion of interest due are not included in the governmental fund activity:			
2002 Tax allocation bonds		(127)	
2003 Tax allocation bonds		(145)	
2010 Tax allocation bonds		(122)	
2011 Tax allocation bonds		(882)	
Residential Development Loan Program		(88)	
Section 108		(8)	
Low & Mod Housing		(39)	
Capital lease		<u>(178)</u>	(1,589)
Deferred revenue in the governmental funds is revenue in the statement of activities:			
			9,224
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.			
			13,577
Net assets of governmental activities	\$	<u><u>954,829</u></u>	

## Exhibit C-1

**CITY OF GLENDALE**

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

## Governmental Fund

Year Ended June 30, 2011 (in thousands)

	Major Funds				
	General Fund	Glendale	Capital	Non Major	Total
		Redevelopment Agency Fund	Improvement Fund	Governmental Funds	Governmental Funds
Revenues:					
Property taxes	\$ 41,141	20,503	-	18,070	79,714
Sales tax	28,292	-	-	1,738	30,030
Utility users tax	26,802	-	-	-	26,802
Other taxes	8,450	-	-	5,407	13,857
Revenue from other agencies	1,573	-	15,769	66,862	84,204
Licenses and permits	6,154	-	-	2,682	8,836
Fines and forfeitures	1,661	-	-	371	2,032
Charges for services	3,438	148	2,376	17,212	23,174
Use of money and property	4,564	507	2	1,035	6,108
Intergovernmental revenue	4,976	-	-	-	4,976
Interfund services provided to other funds	14,943	-	-	-	14,943
Sales of property	5	-	-	23	28
Miscellaneous revenue	583	10	6	1,024	1,623
Total Revenues	142,582	21,168	18,153	114,424	296,327
Expenditures:					
Operating expenditures					
General government	19,856	-	59	1,412	21,327
Community promotion	106	-	-	-	106
Police	62,015	-	-	2,985	65,000
Fire	37,630	-	20	15,100	52,750
Public works	21,854	-	874	11,207	33,935
Housing, health and community development	3,028	19,410	-	44,606	67,044
Employment programs	-	-	-	5,794	5,794
Public service	-	-	-	7,970	7,970
Parks, recreation and community services	11,342	-	867	647	12,856
Library	7,803	-	75	444	8,322
Capital	64	7,053	9,924	14,195	31,236
Debt service	-	-	-	16,828	16,828
Total expenditures	163,698	26,463	11,819	121,188	323,168
Excess of revenues over (under) expenditures	(21,116)	(5,295)	6,334	(6,764)	(26,841)

(Continued)

## Exhibit C-1

**CITY OF GLENDALE**

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

## Governmental Fund

Year Ended June 30, 2011 (in thousands)

	Major Funds				
	General Fund	Glendale Redevelopment Agency Fund	Capital Improvement Fund	Non Major Governmental Funds	Total Governmental Funds
Other financing sources (use):					
Issuance of debt	-	44,998	-	5,002	50,000
Original/Issue discount	-	(2,032)	-	-	(2,032)
Cost of issuance	-	(583)	-	-	(583)
Transfer from:					
Transfer-General Fund	-	-	1,930	2,237	4,167
Transfer-Special Revenue	8,285	-	-	240	8,525
Transfer-Capital Funds	81	-	-	1,392	1,473
Transfer-GRA	3,259	-	-	10,105	13,364
Transfer-Refuse Fund	1,000	-	-	-	1,000
Transfer-Electric	19,107	-	-	-	19,107
Transfer-Water	4,160	-	-	-	4,160
Transfer-Parking	1,900	-	-	-	1,900
Transfer-Internal Service Fund	1,075	-	-	-	1,075
Total transfer from	38,867	-	1,930	13,974	54,771
Transfer to:					
Transfer-General Fund	-	(8,360)	(81)	(3,184)	(11,625)
Transfer-Special Revenue	(2,237)	-	-	(240)	(2,477)
Transfer-Debt Service	-	-	(1,392)	-	(1,392)
Transfer-Capital Funds	(1,930)	(10,105)	-	-	(12,035)
Total transfer to	(4,167)	(18,465)	(1,473)	(3,424)	(27,529)
Total other financing sources, net	34,700	23,918	457	15,552	74,627
Net change in fund balances	13,584	18,623	6,791	8,788	47,786
Fund balance (deficit), July 1	120,471	6,468	(8,457)	131,554	250,036
Fund balance (deficit), June 30	\$ 134,055	25,091	(1,666)	140,342	297,822

**CITY OF GLENDALE**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in the Fund balances of  
 Governmental Funds to the Statement of Activities  
 Year Ended June 30, 2011 (in thousands)

Net change in fund balances - total governmental funds	\$	47,786
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital assets as expenditures		23,701
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		(17,832)
In the statement of activities, bond issuance costs are deferred and allocated to expense over the life of bonds:		
Police building bonds	(23)	
Low & Mod Housing Loan	(16)	
2002 Tax allocation bonds	(58)	
2003 Tax allocation bonds	(118)	
2010 Tax allocation bonds	(23)	
2011 Tax allocation bonds	583	345
In governmental funds, the 2011 TAB Proceeds are recorded as other financing sources and in government-wide statements of net assets it is reported as liability		(50,000)
In the statement of activities, bond premiums/discounts is allocated over the life of bonds as adjustment to interest expense		
2002 Tax allocation bonds	106	
2003 Tax allocation bonds	145	
2010 Tax allocation bonds	(23)	
2011 Tax allocation bonds	2,032	2,260
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	1,600	
2002 Tax allocation bonds	2,240	
2003 Tax allocation bonds	2,755	
Capital leases	1,167	
Section 108	220	
Low & Mod Housing Loan	2,726	
Notes payable	-	10,708

(Continued)

**CITY OF GLENDALE**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in the Fund balances of  
 Governmental Funds to the Statement of Activities  
 Year Ended June 30, 2011 (in thousands)

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. The adjustments combine the net changes of the following amounts:

Interest Expense FY 2011		
2002 Tax allocation bonds	7	
2003 Tax allocation bonds	12	
2010 Tax allocation bonds	364	
2011 Tax allocation bonds	(882)	
RDLP Loan	(51)	
Section 108	3	
Low & Mod Housing Loan	13	
Capital lease - MSB Retrofit	39	(495)
Landfill postclosure care liability increased from prior year		(1,095)
Arbitrage liability		83
Deferred revenue in the governmental funds is a revenue in the statement of activities		(8,158)
Change in net assets of Internal Service funds allocated to governmental activities		(7,631)
Change in net assets for governmental activities	\$	<u><u>(328)</u></u>

## Exhibit D-1

**CITY OF GLENDALE**

## Statement of Revenues - Budget to Actual

## General Fund

Year Ended June 30, 2011 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Property taxes	\$ 42,210	42,210	41,141	(1,069)
Sales taxes				
Sales tax	20,836	20,836	20,384	(452)
ERAF in lieu of sales tax	5,705	5,705	6,522	817
State 1/2% sales tax	1,600	1,600	1,386	(214)
Total	28,141	28,141	28,292	151
Utility users tax	28,525	28,525	26,802	(1,723)
Other Taxes				
Franchise tax	2,713	2,713	2,806	93
Occupancy tax	2,900	2,900	3,045	145
Property transfer tax	550	550	569	19
Landfill host assessment	2,800	2,800	2,030	(770)
Total	8,963	8,963	8,450	(513)
Licenses and permits:				
Dog licenses	100	100	110	10
Building permits	3,430	3,430	4,081	651
Plan check fees	128	128	225	97
Planning permits	675	675	976	301
Grading permits	20	20	34	14
Street permits	300	300	261	(39)
Business license permits	450	450	467	17
Total	5,103	5,103	6,154	1,051
Fines & forfeitures-Traffic safety fines	1,585	1,585	1,661	76
Use of money and property:				
Interest & inv. revenue	1,500	1,500	1,227	(273)
Interest & inv GASB 31	-	-	31	31
Landfill gas royalties	2,500	2,500	2,473	(27)
Rental income	240	240	318	78
Lease income	450	515	515	-
Total	\$ 4,690	4,755	4,564	(191)

(Continued)

## Exhibit D-1

**CITY OF GLENDALE**

## Statement of Revenues - Budget to Actual

## General Fund

Year Ended June 30, 2011 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Revenue from other agencies:				
Mutual aid reimbursement	\$ -	-	(31)	(31)
Historic preserve grant	-	-	1	1
Disaster relief reimb - State	-	-	6	6
State S/B 90	50	50	297	247
Motor vehicle in lieu	500	500	1,054	554
State library grant	80	80	16	(64)
State H/O exemptions	225	225	220	(5)
County grants	10	10	-	(10)
Local grants	-	10	10	-
Total	865	875	1,573	698
Miscellaneous revenue:				
Donations & contribution	20	20	64	44
Rose float donations	-	-	45	45
Sponsorships	-	-	9	9
Advertising revenue	30	30	76	46
Rebate revenue	-	-	29	29
Miscellaneous Revenue	773	773	364	(409)
Total	823	823	588	(235)
Charges for services:				
Zoning-Subdivision fees	24	24	25	1
Map and publication fees	30	30	53	23
Filing-certification fee	10	10	1	(9)
Notary fees	-	-	2	2
Film rentals of city property	100	100	5	(95)
Special event fees	-	-	92	92
Finger print fees	200	200	226	26
Special police fees	860	860	400	(460)
Vehicle tow admin fee (VTACR)	150	150	156	6
Fire fees	475	475	337	(138)
Fire mechanical maint fees	10	10	-	(10)
Hydrant flow test fees	\$ -	-	3	3

(Continued)

## Exhibit D-1

**CITY OF GLENDALE**

## Statement of Revenues - Budget to Actual

## General Fund

Year Ended June 30, 2011 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Code enforcement fees	\$ 40	40	51	11
Youth employment fees	1,686	1,686	1,571	(115)
Outreach revenue	130	130	60	(70)
Express plan check fees	5	5	95	90
Final Map Checking Fees	-	40	1	(39)
Excavation fees	90	90	63	(27)
Collectible jobs - A & G	80	80	101	21
Library fines and fees	125	125	108	(17)
Library misc fees	-	-	-	-
Aquatics	15	15	13	(2)
Local assessment fees	50	50	75	25
Total	4,080	4,120	3,438	(682)
Interfund revenue				
Charges to enterprise funds for:				
Salary O/H	410	410	556	146
Interfund services provided to other funds	14,387	14,387	14,387	-
Total	14,797	14,797	14,943	146
Intergovernmental revenue	3,081	3,081	4,976	1,895
Total revenues	\$ 142,863	142,978	142,582	(396)



## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures - Budget to Actual

## General Fund

Year Ended June 30, 2011 (in thousands)

		Salaries and Benefits			Variance With Final Budget (Over)/Under
		Original Budget	Final Budget	Actual	
General government:	\$				
City clerk		882	882	808	74
Elections		65	65	68	(3)
City treasurer		498	498	479	19
City manager		2,813	2,824	2,442	382
City auditor		861	796	688	108
Legal		3,304	3,304	3,080	224
Finance		2,603	2,603	2,443	160
Purchasing		530	536	400	136
Planning		3,231	3,240	3,180	60
Personnel		1,589	1,589	1,356	233
Training		-	-	-	-
Total		16,376	16,337	14,944	1,393
Community promotion:					
Special Events		-	-	-	-
Membership and dues		-	-	-	-
Total		-	-	-	-
Police:					
Police		54,402	54,402	52,395	2,007
Total		54,402	54,402	52,395	2,007
Fire:					
Fire		30,773	30,773	31,089	(316)
Fire prevention		1,199	1,206	996	210
Fire communications		-	-	-	-
Emergency services		124	124	108	16
Total	\$	32,096	32,103	32,193	(90)

(Continued)

## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures - Budget to Actual

## General Fund

Year Ended June 30, 2011 (in thousands)

		Maintenance and Operation			Variance With Final Budget (Over)/Under
		Original Budget	Final Budget	Actual	
General government:	\$				
City clerk		196	196	195	1
Elections		373	373	387	(14)
City treasurer		81	81	95	(14)
City manager		1,100	1,146	656	490
City auditor		72	137	49	88
Legal		261	261	216	45
Finance		1,718	1,718	1,643	75
Purchasing		27	27	27	-
Planning		566	746	565	181
Personnel		1,030	1,030	955	75
Training		170	170	125	45
Total		5,594	5,885	4,913	972
Community promotion:					
Special Events		40	40	16	24
Membership and dues		100	100	90	10
Total		140	140	106	34
Police:					
Police		9,638	9,638	9,620	18
Total		9,638	9,638	9,620	18
Fire:					
Fire		4,336	4,356	4,347	9
Fire prevention		246	246	120	126
Fire communications		914	914	914	-
Emergency services		80	80	57	23
Total	\$	5,576	5,596	5,438	158

(Continued)

**CITY OF GLENDALE**

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2011 (in thousands)

		Capital Outlay			Variance With Final Budget (Over)/Under
		Original Budget	Final Budget	Actual	
General government:	\$				
City clerk		-	-	-	-
Elections		-	-	-	-
City treasurer		-	-	-	-
City manager		-	-	-	-
City auditor		-	-	-	-
Legal		-	-	-	-
Finance		-	-	-	-
Purchasing		-	-	-	-
Planning		-	-	-	-
Personnel		-	-	-	-
Training		-	-	-	-
Total		-	-	-	-
Community promotion:					
Special Events		-	-	-	-
Membership and dues		-	-	-	-
Total		-	-	-	-
Police:					
Police		-	-	-	-
Total		-	-	-	-
Fire:					
Fire		54	34	34	-
Fire prevention		-	-	-	-
Fire communications		-	-	-	-
Emergency services		30	30	30	-
Total	\$	84	64	64	-

(Continued)

**CITY OF GLENDALE**

## Statement of Expenditures - Budget to Actual

## General Fund

Year Ended June 30, 2011 (in thousands)

		Total			Variance With Final Budget (Over)/Under
		Original Budget	Final Budget	Actual	
General government:	\$				
City clerk		1,078	1,078	1,003	75
Elections		438	438	455	(17)
City treasurer		579	579	574	5
City manager		3,913	3,970	3,098	872
City auditor		933	933	737	196
Legal		3,565	3,565	3,296	269
Finance		4,321	4,321	4,085	236
Purchasing		557	563	427	136
Planning		3,797	3,986	3,745	241
Personnel		2,619	2,619	2,311	308
Training		170	170	125	45
Total		21,970	22,222	19,856	2,366
Community promotion:					
Special Events		40	40	16	24
Membership and dues		100	100	90	10
Total		140	140	106	34
Police:					
Police		64,040	64,040	62,015	2,025
Total		64,040	64,040	62,015	2,025
Fire:					
Fire		35,163	35,163	35,469	(306)
Fire prevention		1,445	1,452	1,116	336
Fire communications		914	914	914	-
Emergency services		234	234	195	39
Total	\$	37,756	37,763	37,694	69

(Continued)

## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures - Budget to Actual

## General Fund

Year Ended June 30, 2011 (in thousands)

		Salaries and Benefits			Variance With Final Budget (Over)/Under
		Original Budget	Final Budget	Actual	
Public works:	\$				
Public works		1,037	1,037	981	56
Engineering		2,615	2,623	2,249	374
Building inspection		3,120	3,174	2,779	395
Corporation yard		7,242	7,242	5,629	1,613
Mechanical maintenance		-	-	-	-
Warehouse		129	129	128	1
Traffic engineering		593	593	876	(283)
Total		14,736	14,798	12,642	2,156
Housing, health and community development:					
Economic development		-	-	-	-
Neighborhood services		1,100	1,100	1,036	64
Youth Employment		1,864	1,864	1,582	282
Total		2,964	2,964	2,618	346
Parks, recreation and community services:					
Parks administration		740	740	671	69
Parks		5,177	5,177	4,521	656
Facility & events services		1,244	1,298	1,172	126
Recreation & community services		2,302	2,325	1,760	565
Total		9,463	9,540	8,124	1,416
Library		6,240	6,240	5,748	492
Total expenditures	\$	136,277	136,384	128,664	7,720

(Continued)

## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures - Budget to Actual

## General Fund

Year Ended June 30, 2011 (in thousands)

Maintenance and Operation				
	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Public works:	\$			
Public works	882	882	872	10
Engineering	264	304	243	61
Building inspection	281	282	179	103
Corporation yard	4,314	4,314	4,207	107
Mechanical maintenance	2,412	2,412	2,412	-
Warehouse	8	8	5	3
Traffic engineering	1,447	1,447	1,294	153
Total	9,608	9,649	9,212	437
Housing, health and community development:				
Economic development	11	11	-	11
Neighborhood services	340	340	258	82
Youth Employment	172	172	153	19
Total	523	523	411	112
Parks, recreation and community services:				
Parks administration	789	789	752	37
Parks	1,985	1,985	1,829	156
Facility & events services	169	196	159	37
Recreation & community services	529	529	478	51
Total	3,472	3,499	3,218	281
Library	2,085	2,085	2,054	31
Total expenditures	\$ 36,636	37,015	34,972	2,043

(Continued)

**CITY OF GLENDALE**

Statement of Expenditures - Budget to Actual

General Fund

Year Ended June 30, 2011 (in thousands)

		Capital Outlay			Variance With Final Budget (Over)/Under
		Original Budget	Final Budget	Actual	
Public works:	\$				
Public works		-	-	-	-
Engineering		-	-	-	-
Building inspection		-	-	-	-
Corporation yard		-	-	-	-
Mechanical maintenance		-	-	-	-
Warehouse		-	-	-	-
Traffic engineering		-	-	-	-
Total		-	-	-	-
Housing, health and community development:					
Economic development		-	-	-	-
Neighborhood services		-	-	-	-
Youth Employment		-	-	-	-
Total		-	-	-	-
Parks, recreation and community services:					
Parks administration		-	-	-	-
Parks		-	-	-	-
Facility & events services		-	-	-	-
Recreation & community services		-	-	-	-
Total		-	-	-	-
Library		-	-	-	-
Total expenditures	\$	84	64	64	-

(Continued)

## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures - Budget to Actual

## General Fund

Year Ended June 30, 2011 (in thousands)

Total				Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
Public works:	\$			
Public works	1,919	1,919	1,853	66
Engineering	2,879	2,927	2,492	435
Building inspection	3,401	3,456	2,958	498
Corporation yard	11,556	11,556	9,836	1,720
Mechanical maintenance	2,412	2,412	2,412	-
Warehouse	137	137	133	4
Traffic engineering	2,040	2,040	2,170	(130)
Total	24,344	24,447	21,854	2,593
Housing, health and community development:				
Economic development	11	11	-	11
Neighborhood services	1,440	1,440	1,293	147
Youth Employment	2,036	2,036	1,735	301
Total	3,487	3,487	3,028	459
Parks, recreation and community services:				
Parks administration	1,529	1,529	1,423	106
Parks	7,162	7,162	6,350	812
Facility & events services	1,413	1,494	1,331	163
Recreation & community services	2,831	2,854	2,238	616
Total	12,935	13,039	11,342	1,697
Library	8,325	8,325	7,803	522
Total expenditures	\$ 172,997	173,463	163,698	9,765



Exhibit E-1  
**CITY OF GLENDALE**  
Statement of Net Assets  
Proprietary Funds  
June 30, 2011 (in thousands)

	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>						
<b>Current assets:</b>						
Cash and invested cash	\$ 63,081	39,027	1	32,048	134,157	63,299
Cash with fiscal agent	-	4,704	3,485	-	8,189	-
Interest receivable	277	380	(21)	137	773	528
Restricted investments	-	3,675	-	-	3,675	-
Accounts receivable, net	2,091	31,265	6,185	2,866	42,407	301
Due from other funds	-	12,174	-	-	12,174	-
Inventories	-	5,583	-	-	5,583	-
Prepaid items	-	5,966	-	-	5,966	593
Total current assets	65,449	102,774	9,650	35,051	212,924	64,721
<b>Noncurrent assets:</b>						
Designated & invested cash	-	27,176	-	-	27,176	-
Deferred charges	-	13,383	608	-	13,991	-
	-	40,559	608	-	41,167	-
<b>Capital assets:</b>						
Land	578	6,141	1,034	7,290	15,043	-
Natural gas reserve	-	17,993	-	-	17,993	-
Buildings and improvements	199,963	61,145	92,755	48,952	402,815	-
Machinery and equipment	2,248	446,297	50,277	24,218	523,040	33,960
Accumulated Depreciation	(50,761)	(262,658)	(59,599)	(38,522)	(411,540)	(19,183)
Gas depletion	-	(2,829)	-	-	(2,829)	-
Construction in progress	94	77,722	75,109	-	152,925	-
Total capital assets	152,122	343,811	159,576	41,938	697,447	14,777
Total non-current assets	152,122	384,370	160,184	41,938	738,614	14,777
Total assets	217,571	487,144	169,834	76,989	951,538	79,498

(Continued)

Exhibit E-1  
**CITY OF GLENDALE**  
Statement of Net Assets  
Proprietary Funds  
June 30, 2011 (in thousands)

	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Liabilities and Net Assets</b>						
<b>Current liabilities:</b>						
Accounts payable	280	8,803	6,292	1,441	16,816	1,407
Due to other funds	-	-	10,842	-	10,842	-
Interest payable	-	2,848	1,155	-	4,003	49
Claims payable	-	-	-	-	-	13,690
Compensated absences	-	-	-	-	-	3,115
Bonds payable, due in one year	-	2,304	64	-	2,368	-
Capital leases	-	-	-	-	-	600
Deposits	268	2,420	719	404	3,811	-
Total current liabilities	548	16,375	19,072	1,845	37,840	18,861
<b>Noncurrent liabilities:</b>						
Claims payable	-	-	-	-	-	33,204
Compensated absences	-	-	-	-	-	23,758
Long term bonds payable	-	117,315	51,657	-	168,972	-
Long term debt	-	-	-	-	-	2,695
Total noncurrent liabilities	-	117,315	51,657	-	168,972	59,657
Total liabilities	548	133,690	70,729	1,845	206,812	78,518
<b>Net assets:</b>						
Investment in capital assets, net of related debt	152,122	224,097	107,854	41,938	526,011	11,481
Restricted						
Debt service	-	7,453	2,310	-	9,763	-
SCAQMD emission controls	-	5,711	-	-	5,711	-
Unrestricted (deficits)	64,901	116,193	(11,059)	33,206	203,241	(10,501)
Total net assets	\$ 217,023	353,454	99,105	75,144	744,726	980
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.						
					(43,888)	
Total net assets of business-type activities				\$	700,838	

**CITY OF GLENDALE**

Statement of Revenues, Expenses and

Changes in Net Assets

Proprietary Funds

Year Ended June 30, 2011 (in thousands)

Business-Type Activities - Enterprise Funds						
	Sewer Fund	Electric Fund	Water Fund	Non Major Enterprise Funds	Total	Internal Service Funds
Operating revenues:	\$					
Charges for services	14,977	187,801	36,636	36,137	275,551	72,520
Miscellaneous revenue	162	3,352	2,530	2,202	8,246	553
Total operating revenue	15,139	191,153	39,166	38,339	283,797	73,073
Operating expenses	9,706	159,114	29,128	30,454	228,402	33,073
Claims and settlement	-	-	-	-	-	42,745
Depreciation	5,786	19,962	3,494	3,008	32,250	2,216
Gas depletion	-	692	-	-	692	-
Total operating expenses	15,492	179,768	32,622	33,462	261,344	78,034
Operating income (loss)	(353)	11,385	6,544	4,877	22,453	(4,961)
Non operating revenues (expenses):						
Interest revenue	786	1,134	10	440	2,370	1,363
Disaster relief reimb	-	129	3	-	132	-
Recyclables - State grant	-	-	-	23	23	-
Disaster relief reimb - State	-	45	1	-	46	-
Proprietary grants	-	10,857	2,826	270	13,953	-
Interest on bonds	-	(6,002)	(2,438)	-	(8,440)	-
Interest expense	-	-	-	-	-	(141)
Total non operating revenues, net	786	6,163	402	733	8,084	1,222
Income before contributions and transfers	433	17,548	6,946	5,610	30,537	(3,739)
Capital Contributions	-	1,677	543	25	2,245	528
Transfer out						
Transfer-General Fund	-	(19,107)	(4,160)	(2,900)	(26,167)	(1,075)
Change in net assets	433	118	3,329	2,735	6,615	(4,286)
Total net assets, July 1	216,590	353,336	95,776	72,409		5,266
Total net assets, June 30	\$ 217,023	353,454	99,105	75,144		980
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.					(4,643)	
Total net assets of business-type activities				\$	1,972	

Exhibit E-3  
**CITY OF GLENDALE**  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2011 (in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Cash from customers	\$ 14,919	177,438	38,576	38,732	269,665	72,939
Cash paid to employees	(2,686)	(41,000)	(4,382)	(13,504)	(61,572)	(17,497)
Cash paid to suppliers	(7,291)	(112,836)	(16,536)	(17,188)	(153,851)	(53,404)
Net cash provided by operating activities	4,942	23,602	17,658	8,040	54,242	2,038
Cash flows from noncapital financing activities:						
Transfers out	-	(19,107)	(4,160)	(2,900)	(26,167)	(1,075)
Investment - gas/electric commodity	-	(1,267)	-	-	(1,267)	-
Grant received	-	11,031	2,830	294	14,155	-
Net cash used in noncapital financing activities	-	(9,343)	(1,330)	(2,606)	(13,279)	(1,075)
Cash flows from capital and related financing activities:						
Interest on long term debt	-	(5,574)	(2,245)	-	(7,819)	(141)
Bond, premium and interest accrued	-	(1,926)	(65)	-	(1,991)	(585)
Contribution in aid	-	1,677	543	25	2,245	528
Acquisition of property, plant, gas and equipment	(4,573)	(55,540)	(19,771)	(644)	(80,528)	(2,650)
Net cash used in capital and related financing activities	(4,573)	(61,363)	(21,538)	(619)	(88,093)	(2,848)
Cash provided by investing activities - interest received	779	1,316	74	423	2,592	1,338
Net increase (decrease) in cash and cash equivalents	1,148	(45,788)	(5,136)	5,238	(44,538)	(547)
Cash and cash equivalents at beginning of year	61,933	116,695	8,621	26,810	214,059	63,846
Cash and cash equivalents at end of year	63,081	70,907	3,485	32,048	169,521	63,299
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	(353)	11,385	6,545	4,877	22,454	(4,961)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	5,786	19,962	3,494	3,008	32,250	2,216
Gas Depletion	-	692	-	-	692	-
(Increase)Decrease Accounts receivable net	156	(16,958)	(3,715)	835	(19,682)	(19)
(Increase)Decrease Unbilled receivable	(396)	13,733	3,282	(319)	16,300	-
(Increase)Decrease Due from other agencies	20	353	(158)	(123)	92	(115)
(Increase)Decrease Due from other funds	-	(10,842)	-	-	(10,842)	-
(Increase)Decrease Inventories	-	655	-	-	655	-
(Increase)Decrease Prepaid expenses	-	15,558	-	-	15,558	(80)
(Increase)Decrease Deferred charges	-	(10,634)	23	-	(10,611)	-
Increase(Decrease) Compensated absences	-	-	-	-	-	(572)
Increase(Decrease) Accounts payable	(239)	(159)	(2,651)	(191)	(3,240)	(549)
Increase(Decrease) Due to other agencies	-	-	-	4	4	-
Increase(Decrease) Due to other funds	-	-	10,842	-	10,842	-
Increase(Decrease) Deposits	(32)	(143)	(3)	(51)	(229)	-
Increase(Decrease) Claims payable	-	-	-	-	-	6,118
Total adjustments	5,295	12,217	11,114	3,163	31,789	6,999
Net cash provided by (used in) operating activities	\$ 4,942	23,602	17,658	8,040	54,242	2,038
Noncash investing, capital, and financing activities:						
Increase in fair value of investments	213	236	(31)	105	523	208

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### **I. Summary of Significant Accounting Policies**

#### **A. Reporting Entity**

These financial statements present the financial results of the City of Glendale, California (the City) and its component units as required by accounting principles generally accepted in the United States of America. Component units are legally separate entities for which the primary government is financially accountable. The City has 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 Redevelopment Agency, the Housing 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 Redevelopment 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 and Debt Service Funds. Further information may be obtained from the Agency's Annual Financial Report available through the City.

The Housing Authority was established by the Glendale City Council in 1975. The Authority is responsible for the administration of Department of Housing and Urban Development (HUD) funded housing assistance payments projects undertaken by the City. HUD provides an annual contribution of funds, in accordance with Section 8 of the United States Housing Act of 1937, in order to provide decent, safe and sanitary dwellings for low to moderate income families, and to increase the supply and quality of affordable housing. The Authority's financial data and transactions are included within the Special Revenue 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:

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 \$64,200 in variable rate demand certificates of participation (COPs) for the construction of the Police Services Building. The Financing Authority's financial data and transactions are included within the Debt Service Funds - Police Building Project Fund; no separate financial report is issued for the Financing Authority.

On July 1, 2010 the City and the Financing Authority executed a lease agreement to fund the City's Government Access Channel, GTV6, through Public Education and Government (PEG) access fees collected by the local cable companies. The transactions associated with this lease are included within the Special Revenue Fund type - Cable Access Fund.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

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

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

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

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

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 62 funds comprising of the General Fund, 27 Special Revenue Funds, 7 Debt Service Funds, 5 Capital Project Funds, 8 Enterprise funds and 14 Internal Service Funds.

#### ***1) Governmental Fund Types***

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

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

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

Other nonmajor 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 which are used to account for financial resources used for the acquisition of major capital facilities other than those financed by Special Revenue and Proprietary Funds.

### **2) *Proprietary Fund Types***

Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position, and cash flows. 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.

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

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

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### C. Measurement Focus and Basis of Accounting

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences Other Post Employment Benefits (OPEB) and claims and judgments, are recorded only when payment is due.

Sales Tax, utility users tax, charges for services and intergovernmental revenue are recognized in the period when they become both measurable and available to finance the expenditures of the fiscal period. Intergovernmental revenue and sales tax is considered available if it is expected to be collected within 90 days of fiscal year-end and all eligibility requirements are met.

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

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

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



## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### **D. 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 the Electric Fund was first established in 2003. Its provision calls for annual review of the reserves to determine if the recommended levels are sufficient. The annual review of the Cash Reserve Policy for fiscal year ended June 30, 2011, established a target of \$66,400 of designated cash in the following categories: \$40,400 for contingency reserve; \$10,000 for rate stabilization reserve; and \$16,000 for Reserve for Gas Reserve Project. As of June 30, 2011, \$27,176 was designated.

In December of 2003, GWP management received approval from the City Council to implement a cash reserve policy for the Water Fund to ensure a long term sustainable financial health of the water operation. The policy calls for annual review of the reserves to determine if the recommended levels are sufficient. The annual review of the Cash Reserve Policy for fiscal year ended June 30, 2011, established a target of \$7,500 of designated cash in the following categories: \$6,500 for contingency reserve; and \$1,000 for rate stabilization reserve. As of June 30, 2011 no reserve was designated.

The designated cash of \$22,100 in Landfill Postclosure Fund is for Scholl Canyon Landfill Reserve.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### **3. Receivables**

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

Accounts Receivables – Are primarily revenues that have already been earned but not yet received by the City as of June 30 from individual customers, private entities & government agencies. In addition, this account includes accrued revenues due from other agencies for expenditure driven types of grants whereby the City accrues grant revenues for expenditures incurred but not yet reimbursed by the grantors. Also, Property taxes earned but not received from the County of Los Angeles as of June 30 and unbilled services for utility and other services delivered to customers but not billed as of June 30, 2011 are included in this account. Utility customer closed accounts are written off when deemed uncollectible. Recoveries to utility customer receivables previously written off are recorded when received.

Loans receivable - Special Revenue Fund expenditures relating to long-term loans arising from loans subsidy programs are charged to operations upon funding and the loans are recorded, net of an estimated allowance for potentially uncollectible loans. In June 2011, the California Legislature passed Assembly Bill (AB) x1 26. This bill is to eliminate Redevelopment Agencies. With the passing of this bill, the City Council and the Glendale Redevelopment Agency Board adopted resolutions approving the assignment of GRA receivables, promissory notes and other indebtedness owing to the Agency, to the City to assist the City in appropriately implementing the projects and other related activities as set forth in the previous Cooperation Agreement, and to pay previously incurred indebtedness, to enforce existing covenants, contracts or other obligations and for other municipal purposes benefiting the Project Areas in accordance with the Redevelopment Plans. As of June 30, 2011, the City's outstanding loans receivable total is \$3,259. This amount consist of \$1,704, the Agency's loan to the Glendale Unified School District (GUSD) to fund the Moyse Field improvement project of the school and \$1,555 was to fund the purchase of the Embassy Suites Hotel property.

Housing Loans Receivable - The Housing Authority uses CDBG grant, HOME grant and 20% of redevelopment agency's property taxes to make different kinds of loans to create and maintain affordable housing for low and moderate income people. As of June 30, 2011, the Housing Authority's outstanding loans receivable, in the amount of \$4,959, was to fund the Doran Gardens Project. On the other hand, most of the Housing Authority loans are forgiven or restructured when all requirements are met, so they are not recorded on the financial statements. There are usually four different kinds of loans.

- *Single Family Home Rehab Loan*

The program provides funds for moderate rehabilitation of owner occupied homes for low and moderate income households. The deferred payment loan is interest bearing with rate ranging from 0% to 4% annually (simple interest) for up to 10 years, with a loan amount up to \$25. Generally, the loan is repaid at the time of sale or transfer of the property. The loan is secured by a deed of trust on the property.

- *First Time Home Buyer Loan*

The program provides funds for down payment and affordability gap assistance for the purchase of a newly constructed or a resale home by a low or moderate income first time home buyer household. The loan is a 0% interest rate, 2<sup>nd</sup> mortgage deferred payment, forgivable loan up to \$75 for resale homes. For new construction units, the amount of the loan is based upon the amount of the affordability gap. The loan is secured by a deed of trust on the property and affordable housing covenants. The loan term is 45 years and the loan is forgiven at the end of the loan term. If the property is sold or transferred, or if the property is no longer owner occupied before the term expires, the borrower must repay the original principal amount plus an appreciation share.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

- ***Multi Family Apartment Rehab Loan***

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

- ***New Construction Rental Development Loan***

The program provides funds for new construction of affordable rental housing. Loan terms and loan underwriting requirements are negotiated with the developer on a project by project basis. The loan is secured by a deed of trust and affordable housing covenants on the property. Loans provide gap assistance to make housing units affordable to low and moderate income households and units must be rented at an affordable rent. Leveraging of funds with other sources and contribution of developer equity is required. Generally, loan principal plus interest must be repaid at the end of loan term. The term depends upon funding source. Residual receipt payments are required.

#### ***4. Inter-fund Transactions***

Inter-fund services provided and used would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues (seller funds) and expenditures or expenses (purchaser funds) in the funds involved. For the fiscal year ended June 30, 2011, the General Fund recorded \$14,943 as inter-fund revenue for general government services provided to other funds.

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

#### ***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.

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### 6. Capital Assets

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

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	3-20
Police Patrol	3
Passenger Cars, Pickup/Refuse	6
Cargo Vans, Street Sweepers	7
Dump/Tractor/Trailer Trucks	10
Emergency Response Engines	20
Sewer Improvements (Intangible)	40
Infrastructure (non-sewer)	20-60

In accordance with GASB 51, the City recorded the contractual discharged capacity from the City of Los Angeles as an intangible asset, that is recorded under building and improvements.

In June 2005, the City elected to participate in the Natural Gas Reserve Project through SCPPA and entered into a 25 year Gas Sales Agreement with SCPPA for up to 2,000 MMBtu per day. The project calls for the acquisition and development of gas resources, reserves, fields, wells, and related facilities to provide a long-term supply of natural gas for its participants. The first acquisition was completed on July 1, 2005 with the total cost to the participants at \$306.1 million. The City's share in the project is \$13.1 million or 4.2553%, with estimated peak daily volume between 1,600 to 1,800 MMBtu. As of June 30, 2011, the net balance for Natural Gas Reserve Project, including drilling program capitalization was \$15,164.

### 7. Long-Term Debt

In the Government-wide Financial Statements and the proprietary fund types in the Fund Financial Statements, long-term debt and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance cost are reported as deferred charges and amortized over the term of the related debt. In the governmental funds statement of revenues, expenditures and changes in fund balances, issuance of debt, premiums, discounts and issuance costs are recorded, as other financing source (use) in the respective fund. Issuance costs and payment of principal are reported as debt service expenditures.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### ***8. Compensated Absences***

The City records a liability for its employees' earned but unused accumulated vacation and overtime. The unused accumulated vacation and overtime are expensed in the Employee Benefits Fund, an Internal Service Fund, which incurs the liability. As of June 30, 2011, the total liability is \$14,680, and the City has \$6,267 available in the Employee Benefits Fund dedicated to this liability.

The City also provides sick leave conversion benefits through the Retiree Health Saving Plan (RHSP). Employees earned one day of sick leave per month and the unused sick leave is converted to a dollar amount and deposited in the employee's RHSP account at retirement or termination with 20 years of City service for Glendale Police Officers Association (GPOA), Glendale City Employee Association (GCEA) and Glendale Management Association (GMA). The account is used to pay healthcare premiums for the retiree and beneficiaries. After the account is exhausted, the retirees can terminate coverage or elect to continue paying the healthcare premiums from personal funds. Total benefits paid by the City under the RHSP for the fiscal year ended June 30, 2011 is \$2,036.

Based on the most recent actuarial valuation, the actuarial accrued liability for the RHSP as of June 30, 2009 is \$17,074. The City has a reserve of \$4,245 in the RHSP Benefits Fund, an Internal Service Fund, dedicated to provide benefits, so the unreserved actuarial accrued liability is \$12,829 as of June 30, 2009. The City has \$5,092 in reserve for RHSP as of June 30, 2011, and the unreserved actuarial accrued liability is \$12,193. The actuarial accrued liability takes into account an estimate of future sick leave usage, additional sick leave accumulation for current active employees, and investment return of 4.5% and no increase for sick leave conversion hourly rate.

### ***9. Post Employment Benefits***

For Glendale City Employees Association (GCEA) and Glendale Management Employees Association (GMA) who retired prior to July 2001, Glendale Police Officers Association (GPOA) employees who retired prior to December 2001 and Glendale Fire Fighters Association (GFFA) employees who retired prior to September 2002, the accumulated unused sick leave upon their retirement may be converted to the number of months that the City will contribute all or partial of these retirees' monthly medical insurance premiums. The conversion calculations are based on the respective bargaining units' MOU or Benefit Ordinance. Currently, there are 29 retirees receiving this City paid benefit. These 29 retirees may also elect at any time to receive a one-time cash payment of a maximum of 50% of the value of the remainder of their unused sick leave conversion for the insurance plan for which they qualify. After all the accumulated unused sick leaves are exhausted or cashed out, the retirees can terminate coverage or elect to continue paying the medical insurance premiums from personal funds.

The City also has a Retiree Healthcare Plan which is a single-employer defined benefit healthcare plan administered by the City. The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established by and may be amended by the City. The City does not have a separate audited GAAP-basis postemployment benefit plan report for this defined benefit plan.

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

The City's contribution is currently based on a projected pay-as-you-go funding method, that is, benefits are payable when due. For fiscal year 2010-11, the City contributed \$2,094 in benefit payments (\$142 for the premium subsidy and \$1,952 for the implied subsidy). No assets were invested in an irrevocable plan trust.

**CITY OF GLENDALE**

## Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

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

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

	Amount
Annual required contribution	\$ 10,445
Interest on net OPEB obligation	534
Adjustment to annual required contribution	(898)
Annual OPEB cost (expense)	10,081
Contributions to irrevocable trust	-
Benefit payments	(2,094)
Increase in net OPEB obligation	7,987
Net OPEB obligation – beginning of year	11,868
Net OPEB obligation – end of year	<u>\$ 19,855</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the three preceding years were:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	\$ 3,109	39%	\$ 1,885
6/30/2009	3,392	38%	3,997
6/30/2010	9,408	16%	11,868
6/30/2011	10,081	21%	19,855

The funded status of the plan as of June 30, 2009, the plan's most recent actuarial valuation date, was:

Actuarial accrued liability (AAL)	\$ 103,947
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 103,947</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active Plan members)	\$ 140,934
UAAL as a percentage of covered payroll	74%

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

The June 30, 2009 unfunded actuarial accrued liability has increased significantly from the June 30, 2007 valuation. There are two main reasons for the increases:

- Impact on blending rates: The 2007 valuation assumed the premiums charged to Medicare eligible retirees properly reflected the cost of providing medical coverage. In the 2009 valuation, it became evident that premiums were insufficient to cover the cost resulting in Medicare retirees being subsidized. Therefore, the implied subsidy was included in the 2009 valuation for Medicare retirees as well as for early retirees. The impact on the actuarial accrued liability is approximately \$49.8 million.
- Impact of not increasing Medicare eligible retiree rates by actual experience: The Medicare eligible retiree actual cost (unblended rates) experienced an increase ranging from 10% to 45% in 2009 and 2010 but the Medicare eligible premium rates were only increased 4% to 12%. The impact on the actuarial accrued liability is approximately \$25.6 million.

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

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

In the June 30, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is the expected long-term investment return on the City's investments, a 3% general inflation assumption, an annual pre-Medicare eligible HMO medical cost trend rate of 8.4% (9.0% for PPO's) for 2011 decreasing to 4.5% after 6 years. The post-Medicare eligible medical cost trend rate started 0.3% higher for 2011. The UAAL is being amortized as a level percentage of projected payroll over 30 years on an open basis. The remaining amortization period at June 30, 2009 was 30 years.

**Schedule of Funding Progress  
Postemployment Healthcare Plan**

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

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

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

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

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

Land and buildings acquired for future sale to developers have been capitalized and are shown as real property held for resale in the accompanying combined financial statements. Real property held for resale is carried at the lower of cost or net realizable value (realizable value less cost to sell). In June 2011, the California Legislature passed Assembly Bill (AB) x1 26. This bill is to eliminate Redevelopment Agencies. With the passing of this bill and to protect the assets of the Agency, the City Council and the Glendale Redevelopment Agency Board adopted Resolutions Nos. 11-44 & R-894 respectively, approving the transfers of GRA owned properties to the City pursuant to Health & Safety Code Sections 33430 & 33432. As of June 30, 2011, the Glendale Redevelopment Agency transferred majority of its Real Property Held for Resale to the City. The total transfer amount was \$5,101.

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

The City and the Agency entered into cooperation agreements through which the City agreed to advance funds to the Central Redevelopment and the San Fernando Road Corridor Redevelopment project areas to begin redevelopment before tax increment build up. The advances are interest bearing at a fixed rate of 7% per annum effective fiscal year 2009-10. A Resolution was adopted in January 2011 by the City Council and the Glendale Redevelopment Agency Board approving the repayment schedule of the Agency's advances from the City. In June 2011, the California Legislature passed Assembly Bill (AB) x1 26 eliminating Redevelopment Agencies. To protect the assets of the agency, the City Council and the Glendale Redevelopment Agency Board adopted Resolutions approving a partial payment of the Agency's advances from the City. During the year, the Agency made a partial payment of \$30,605.

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

The City implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*, for the year ended June 30, 2011. Impact of implementations of GASB54 resulted on new classifications within the fund balance section of governmental fund types. In the fund financial statements, the governmental funds may report nonspendable, restricted, committed, assigned, and unassigned fund balances to show the level of constraint governing the use of the funds.

Nonspendable fund balances cannot be spent, because they are in nonspendable form or are required to be maintained intact.

Restricted fund balances are restricted for specific purposes by third parties or enabling legislation.

Committed fund balances include amounts that can be used only for specific purposes determined by formal action of the City Council. These committed amounts cannot be used for any other purpose unless the City removes or changes the specified use through the same type of formal action taken to establish the commitment.

Assigned fund balances comprise amounts intended to be used by the City for specific purposes but are not restricted or committed. The City Council delegates the authority to assign amounts to be used for specific purposes to the Director of Finance.

Unassigned fund balances are residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories.



## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

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

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

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

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

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

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

The City Council is required to adopt an annual budget for the General, Debt Service, Special Revenue, Enterprise and Internal Service fund types, except the Glendale Redevelopment Agency Fund. The City Council annually adopts the capital improvement program for the Agency and the Capital Projects Fund. The City of Glendale budget presents the Capital Improvement Projects on a ten year plan basis, with the "Future Years" column representing a cumulative of five years projections. The City Council only approves and authorize one year of the Capital Improvement project. The outlying years are included for informational and planning purposes.

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

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

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

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

As of June 30, 2011 there are no departments that are over expended.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

**III. Detailed Notes on All Funds****A. Cash and Investments**

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

Investments	\$ 480,895
Cash with fiscal agents	30,516
	<u>511,411</u>
Cash held in financial institutions & imprest cash	(17)
Total	<u><u>\$ 511,394</u></u>

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

Cash and invested cash	\$ 427,927
Cash with fiscal agents	30,516
Restricted investment	3,675
Designated cash and investments	49,276
Total	<u><u>\$ 511,394</u></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</u> <u>Maturity</u>	<u>Maximum %</u> <u>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	20%
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 and reserve funds held by bond fiscal agents. Permitted investments are specified in related trust agreements.

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

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

**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	5,000	5,000	-	-	-
Federal Agency Term Notes	30,311	5,051	-	25,260	-
U.S. Government Agency Callable Bonds	192,262	-	21,557	170,705	-
Corporate Notes	30,310	2,565	14,629	13,116	-
State Investment Pool	150,236	150,236	-	-	-
Money Market Mutual Fund	72,776	72,776	-	-	-
Held by Fiscal Agents					
Federal Agency Term Notes	9,847	9,847	-	-	-
Guaranteed Investment Contracts	6,313	-	-	-	6,313
Money Market Mutual Fund	14,356	14,356	-	-	-
	<b>\$ 511,411</b>	<b>259,831</b>	<b>36,186</b>	<b>209,081</b>	<b>6,313</b>

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

		Rating as of Year End				
		AAA	AA	Aa2	A1,P1	Unrated
Commercial Paper	\$ 5,000	-	-	-	\$ 5,000	-
Federal Agency Term Notes	30,311	30,311	-	-	-	-
U.S. Government Agency Callable Bonds	192,262	192,262	-	-	-	-
Corporate Notes	30,310	-	12,863	-	17,447	-
State Investment Pool	150,236	-	-	-	-	150,236
Money Market Mutual Fund	72,776	72,776	-	-	-	-
Held by Fiscal Agents						
Federal Agency Term Notes	9,847	9,847	-	-	-	-
Guaranteed Investment Contracts	6,313	-	-	6,313	-	-
Money Market Mutual Fund	14,356	14,356	-	-	-	-
	<b>\$ 511,411</b>	<b>319,552</b>	<b>12,863</b>	<b>6,313</b>	<b>22,447</b>	<b>150,236</b>

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

**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
FHLB	Federal Agency	\$ 5,051
FHLB	Federal Agency Callable Bonds	48,071
		<u>\$ 53,122</u>
FHLMC	Federal Agency	\$ 3,034
FHLMC	Federal Agency Callable Bonds	45,055
		<u>\$ 48,089</u>
FNMA	Federal Agency	\$ 22,225
FNMA	Federal Agency Callable Bonds	89,534
		<u>\$ 111,759</u>

**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 market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2011, the carrying amount of the City's deposits was <\$17> and the corresponding bank balance was \$7,933. The difference of \$7,950 was principally due to outstanding warrants, wires, deposits in transit and some pending miscellaneous adjustments. Of the Bank balance, \$250 was insured by the FDIC depository insurance and \$7,683 was covered by the collateralization requirement. 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 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 City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. As of June 30, 2011, in accordance with the City's investment policy, none of the City's investments were held with counter-party. All of the City's investments were held with an independent third party custodian bank. The City uses Bank of America as a third party custody and safekeeping service for its investment securities.

**Investment in State Investment Pool**

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

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance at July 1	Increases	Decreases (Reclass & Retirements)	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 437,717	111	(2,907)	434,921
Construction in progress	80,267	19,309	(31,101)	68,475
Total assets not being depreciated	517,984	19,420	(34,008)	503,396
Depreciable capital assets				
Building and improvements	267,844	285	157	268,286
Machinery and equipment *	90,329	4,312	(2,154)	92,487
Infrastructure	231,170	5,079	26,550	262,799
Total other capital assets at cost	589,343	9,676	24,553	623,572
Less accumulated depreciation				
Building and improvements	79,350	7,643	-	86,993
Machinery and equipment **	60,409	6,386	(2,117)	64,678
Infrastructure	87,337	5,978	(4,551)	88,764
Total accumulated depreciation	227,096	20,007	(6,668)	240,435
Total assets being depreciated, net	362,247	(10,331)	31,221	383,137
Governmental activities capital assets, net	\$ 880,231	\$ 9,089	\$ (2,787)	\$ 886,533

\*\$33,958 of Machinery &amp; Equipment from Internal Service funds is included in Governmental Activities.

\*\*\$19,183 of Accumulated Depreciation from Internal Service funds is included in Governmental Activities

Depreciation expense was charged to functions of the City for the year ended June 30, 2011 as follows:

Governmental Activities:	
General Government	\$ 4,692
Police	1,730
Fire	1,991
Public Works	7,971
Parks, Recreation & Community Services	2,837
Library	256
Housing, Health & Community Development	530
Total governmental activities depreciation expense	<u>\$ 20,007</u>

# **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

	Balance at July 1	Increases	Decreases (Reclass & Retirements)	Ending Balance
Business-type activities:				
Capital assets not being depreciated/depleted				
Land	\$ 15,043	-	-	15,043
Construction in progress	111,277	41,648	-	152,925
Drilling in progress	-	-	-	-
Total assets not being depreciated/depleted	126,320	41,648	-	167,968
Depreciable capital assets:				
Building and improvements	392,011	10,805	-	402,816
Machinery and equipment	504,869	25,769	(7,598)	523,040
Total other capital assets at cost	896,880	36,574	(7,598)	925,856
Depletable capital assets				
Natural Gas Reserve	15,634	2,359	-	17,993
Less accumulated depreciation				
Building and improvements	143,182	10,007	(17,510)	135,679
Machinery and equipment	243,650	22,243	9,969	275,862
Total accumulated depreciation	386,832	32,250	(7,541)	411,541
Less allowance for gas depletion				
Natural Gas Reserve	2,137	692	-	2,829
Total assets being depreciated, net	523,545	5,991	(57)	529,479
Business-type activities capital assets, net	\$ 649,865	47,639	(57)	697,447

Depreciation and depletion expense was charged to functions of the City for the year ended June 30, 2011 as follows:

## Business-type Activities:

Depreciation:	Sewer	\$ 5,786
	Electric	19,962
	Water	3,494
	Recreation	3
	Hazardous Disposal	46
	Parking	1,190
	Refuse Disposal	1,584
	Fire Communication	185
	Total depreciation expense	32,250
Depletion:	Electric	692
	Total depletion expense	692
Total business-type activities depreciation and depletion expense		\$ 32,942

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

**C. Property Held for Resale**

The following is a list of property held for resale at June 30, 2011:

Purpose	Acquisition Date	Location	Carrying Value
North Central	Dec-1987	820 N. Central	<u>825</u>
Other	Aug-1982	111 E. Wilson	352
	Mar-1986	225 W. Wilson	1,013
	Jun-2008	216-218 S. Brand	2,885
	Dec-2010	212 S. Brand	<u>1,039</u>
			5,289
Housing Project	Oct-2011	Fifth & Sonora	<u>6,007</u>
Total			<u><u>\$ 12,121</u></u>

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

The City's long-term debt as of June 30, 2011 consists of the following:

	Principal Amount	Interest Rate (%)	Amount Out- standing at June 30, 2010	Addi- tions	Retire- ments	Amount Out- standing at June 30, 2011	Due within one year
<b>Governmental activities</b>							
Claims payable	\$ -	-	\$ 40,776	48,863	42,745	46,894	13,690
Compensated absences	-	-	20,197	8,878	9,192	19,883	2,292
Post employment benefits	-	-	8,168	5,310	-	13,478	-
Landfill post-closure and post closure care liability	-	-	31,826	1,095	-	32,921	-
Bonds payable:							
Police building project (COPs)	64,200	0.01	54,000	-	1,600	52,400	1,700
2002 GRA tax allocation bonds	48,015	4.50	34,140	-	2,240	31,900	2,320
2003 GRA tax allocation bonds	58,880	4.18	42,012	-	2,755	39,257	2,905
2010 GRA tax allocation bonds	26,970	5.00	26,970	-	-	26,970	-
2011 Subordinate taxable tax allocation bonds	50,000	6.75	-	50,000	-	50,000	-
Bond premium	-	-	2,861	-	251	2,610	251
Net original bond discount – 2010 TABs	-	-	(349)	-	(23)	(327)	(24)
Net original bond discount – 2011 STTABs	-	-	-	(2,032)	-	(2,032)	(145)
Total bonds payable	248,065		159,634	47,968	6,823	200,778	7,007
Other long-term liabilities							
Capital leases:							
MSB retrofit lease - Capital One Public Funding	8,200	4.51	4,993	-	1,167	3,826	1,219
Fire equip't lease 2005 - BOA Public Capital Corp.	3,743	3.65	2,038	-	379	1,659	393
Fire equip't lease 2009 - Wells Fargo Equip.	2,299	4.04	1,835	-	199	1,636	207
Arbitrage rebate liability (COPs)	-	-	83	-	83	-	-
Section 108 loan - Housing and Urban Development (HUD)	1,800	7.06	690	-	220	470	230
Low & mod loan - Union Bank	14,000	3.35	10,716	-	2,726	7,991	2,820
Residential development loan program (RDLP) - CA Housing Finance Authority	4,643	3.00	4,643	-	-	4,643	-
Total other long-term liabilities	34,685		24,998	-	4,774	20,225	4,869
Total governmental long-term liabilities	\$ 282,750		285,599	112,114	63,534	334,179	27,858



**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

	Principal Amount	Interest Rate (%)	Amount Out- standing at June 30, 2010	Addi- tions	Retire- ments	Amount Out- standing at June 30, 2011	Due within one year
<b>Business Type Activities</b>							
Compensated absences	\$ -	-	7,250	2,370	2,629	6,991	823
Post employment benefits	-	-	3,700	2,677	-	6,377	-
Bonds payable:							
Electric revenue bonds, 2003 series	31,640	3.25-6.00	26,075	-	795	25,280	795
Electric revenue bonds, 2006 refunding series	38,830	4.00-5.00	35,075	-	1,110	33,965	1,170
Electric revenue bonds, 2008 series	60,000	4.00-5.00	60,000	-	-	60,000	-
Water revenue bonds, 2008 series	50,000	2.95-5.00	50,000	-	-	50,000	-
Bond premium	-	-	3,869	-	208	3,661	544
Deferred amount on 2006 refunding series	-	-	(1,712)	-	(146)	(1,566)	(141)
Total bonds payable	180,470		173,307	-	1,967	171,340	2,368
Other long-term liability:							
Arbitrage rebate liability - 2006 series	-	-	20	-	20	-	-
Total other long-term liability	-		20	-	20	-	-
Total business type long-term liabilities	180,470		184,277	5,047	4,616	184,708	3,191
Total long-term debt	\$ 463,220		469,876	117,161	68,150	518,887	31,049

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

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

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

The Bonds were issued pursuant to the resolutions adopted by the City Council and the board of directors of the Glendale Financing Authority on June 6, 2000. The proceeds of the bonds were used to (a) finance for the acquisition, construction and improvement of a police building (the "Police Building"), (b) establish a bond reserve fund of \$5 million in accordance with the trust agreement, and (c) pay for the costs incurred to issue the bonds. The annual debt service requirement schedule for these bonds is included in note C. The Variable Rate Demand Certificates of Participation (COPs) mature in annual installments ranging from \$1,700 to \$4,200 annually from 2012-2030 with variable interest rates set in connection with remarketing efforts on a weekly basis.

The Bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on five days' notice and delivery to the City's Remarketing Agent, J.P. Morgan Securities, LLC. The Remarketing Agent is required its best efforts to sell the repurchased bonds at a price equal to 100% of the principal amount by adjusting the interest rate. The City agreed to pay to the Remarketing Agent a fee computed as .065% per annum of the average daily outstanding principal amount of the COPs during any quarter, payable in quarterly installments in arrears, based on a year of 365 or 366 days, as applicable and actual days elapsed.

The COPs are secured by Standby Bond Purchase Agreement (SBPA) with JPMorgan Chase Bank, N.A. (JPMorgan). The liquidity facility expires on July 15, 2013. Under the SBPA, if the City is not able to either renew or extend the SBPA when it expires on July, 15, 2013 then the entire amount of the outstanding Police Building Project COP's of \$48,900 would be due and payable for the fiscal year ending June 30, 2014 resulting in total governmental and business type principal debt service payments of \$62,241 for the fiscal year ending June 30, 2014. The City has agreed to pay or cause to be paid (as Additional Payments) to the JPMorgan an annual Commitment Fee for the SBPA 0.76% per annum on the daily amount of the Available Commitment.

Accordingly, the Certificates of Participation are classified as long-term debt in the City's financial statements. The City did not draw on this liquidity facility during the year ended June 30, 2011, nor were there any amounts outstanding under this liquidity facility at June 30, 2011.

The Financing Authority has leased the Police Building back to the City of Glendale pursuant to a lease agreement dated July 1, 2000. The bond indebtedness is secured by a lease to the City and is payable from rentals received under terms of the lease agreement. The annual lease payments from the City of Glendale are to be at a rate sufficient to meet debt service requirements of the outstanding bond indebtedness on the leased premises. As of June 30, 2011 the interest rate was 0.135%.

### **GLENDALE REDEVELOPMENT AGENCY BONDS**

#### 2002 GRA Tax Allocation Bonds

The Agency issued \$48,015 in 2002 tax allocation bonds with an average rate of 4.5% to fund economic development activities of the Agency primarily relating to the Town Center development, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The 2002 Bonds mature in regularly increasing principal amounts ranging from \$2,320 to \$3,655 from 2012 to 2022. The 80% of all incremental property taxes revenues allocated to and received by the Agency for the Central Project Area net of county share of statutory tax sharing and county administration charge, has been pledged to the payment of principal, interest and premium (if any) on these bonds. The bonds maturing on or before December 1, 2012, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2013, are subject to redemption at the option of the Agency on any interest payment date at a price ranging from 101% to 100% of the principal value. The principal and interest paid for the current year and total net revenues were \$3,806 and \$21,183 respectively.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### 2003 GRA Tax Allocation Bonds

The Agency issued \$58,880 in 2003 tax allocation refunding bonds with an average rate of 4.18% to pay Agency's outstanding Central Glendale Redevelopment Project 1993 Tax Allocation Bonds (the "Prior Bonds") with an average interest rate of 5.5%, and to pay the cost of issuance of the 2003 Bonds. The 2003 Bonds mature in regularly increasing principal amounts ranging from \$3,105 to \$4,520 from 2012 to 2022. The 80% of all incremental property taxes revenues allocated to and received by the Agency for the Central Project Area net of county share of statutory tax sharing and county administration charge and on a parity with the Agency's previously issued 2002 tax allocation bonds, has been pledged to the payment of principal, interest and premium (if any) on these bonds. The bonds maturing on or before December 1, 2013, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2014 are subject to redemption prior to maturity at the option of the Agency and by lot within a maturity, from any source of available funds at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. Principal and interest paid for the current year and total net revenues were \$4,768 and \$21,183 respectively.

### 2010 GRA Tax Allocation Bonds

The agency issued \$26,970 in 2010 tax allocation bonds with an average rate of 5% for 15 years to fund economic development activities of the Agency primarily relating to the Adult Recreation Center Improvement; Glendale Central Library Renovation and Columbus Soccer Field Project, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The bonds mature in amounts ranging from \$150 to \$8,510 from 2014 to 2025. The incremental property taxes revenues allocated to and received by the Agency for the Central Project Area on a parity with the Agency's previously issued 2002 tax allocation bonds and 2003 tax allocation refunding bonds, net of county share of statutory tax sharing and county administration charge, are pledged to the payment of principal, interest and premium (if any) on these bonds. Principal and interest paid for the current year and total net revenues were \$1,823 and \$21,183 respectively.

### 2011 GRA Subordinate Taxable Tax Allocation Bonds

The agency issued \$50,000 in 2011 subordinate taxable tax allocation bonds with an average rate of 6.75% for 14 years. The Bonds were issued to finance redevelopment projects and low and moderate income housing activities; to fund the Reserve Requirement for the Bonds; and to provide for the costs of issuing the Bonds. The bonds mature in amounts ranging from \$1,730 to \$7,210 from 2013 to 2025. For the security of the Non-Housing portion of the Bonds, the Agency grants a first pledge of and lien on all of the Subordinate Tax Revenues consisting of Non-Housing Tax Revenues on a parity with the pledge and lien which secures any Parity Debt. For the security of the Housing portion of the Bonds, the Agency grants a first pledge of and lien on all of the Subordinate Tax Revenues consisting of Housing Tax Revenues, on a parity with the pledge and lien which secures any Parity Debt. Subordinate Tax Revenues are pledged to the payment of principal and interest on the Bonds pursuant to the Indenture until the Bonds are paid, or until moneys are set-aside irrevocably for that purpose. There were no principal and interest payments made for the current year.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### **THE CITY OF GLENDALE HOUSING AUTHORITY**

#### Section 108 Loan

Section 108 Loan of \$1,800 was used as part of the City's overall Edison School/Pacific Park Revitalization Project funding plan. The HUD administers the Section 108 Loan Guarantee program and the program's purpose is to fill funding gaps on major community / economic development projects throughout the country. The Section 108 Loan Guarantee program was created as part of the original Housing and Community Development Act of 1974. Section 108 obligations are permanently financed through underwritten public offerings. This was the City's first time receiving a Section 108 loan. The City received \$1,791 in August 2002, after HUD's deduction of loan and underwriter fees of \$9. The term of the loan is ten years with an interest rate of 7.06% and the total interest is \$493. The City has pledged current and future CDBG funds as principal security for the loan. The principal amounts ranging from \$230 to \$240 for fiscal year 2012 to 2013. The Section 108 loan payment is budgeted as a CDBG project each year based on the payment schedule.

#### Low & Mod Loan

The Housing Authority obtained a \$14,000 loan from Union Bank of California in February 2009 to fund the development of affordable rental and owner housing projects. The Housing Authority received \$13,920 in February 2009, net of cost of issuance of \$80. The term of the loan is five years, and the interest rate is 3.35%. The total interest is \$1,281. The loan indebtedness is secured by a pledge of 20% of incremental property taxes (Redevelopment Set-aside funds) received by the Housing Authority from Glendale Redevelopment Project areas.

#### Residential Development Loan Program (RDLP) Loan

The loan in the amount of \$5,000 was approved by the California Housing Finance Authority to the Housing Authority of the City of Glendale, from proceeds of the Housing and Emergency Shelter Trust Fund of 2006 (Proposition 1C Housing Bond.) on November 5, 2008. The loan has a 5 year 9 month term (as amended) with a 3% simple annual interest rate. The Housing Authority drew \$4,809 in August 2009, and returned \$253 unused funds in March 2010, of which \$165 was applied to principal repayment, and \$88 was applied to interest. The purpose of the loan is to provide land acquisition financing for a portion of the Doran Gardens project. The Loan Agreement states that it is an unsecured loan, and repayment is a general obligation of the Housing Authority. The RDLP loan principal and interest will be repaid upon the sale of the affordable units for the Doran Gardens project or fiscal year 2015.

### **CAPITAL IMPROVEMENT PROJECTS**

#### Landfill Closure and Post-closure Care Costs

Pursuant to Assembly Bill 2448 and the regulations established by the California Department of Resources Recycling and Recovery (CalRecycle), landfill operators are required to submit an initial cost estimate of closure and post-closure maintenance and to establish a financial mechanism to demonstrate the availability of funding to conduct closure and post-closure maintenance activities. The City selected a trust fund as the financial mechanism and the Board approved this. The City Treasurer was designated as the trustee to ensure that the City set aside annual required deposits. The City subcontracts with Los Angeles County Sanitation District to operate Scholl Canyon and as part of this contract, the County is responsible for the closure cost of Scholl Canyon. The City is responsible for the post-closure maintenance cost of Scholl Canyon. According to Los Angeles County Sanitation District's records, the permitted capacity filled between August 18, 1989 and July 11, 2011 was 9.74 million tons. The total permitted capacity remains 14.75 million tons.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

Therefore, the City has 5.01 million tons unfilled capacity remaining. Based on an estimated average annual fill capacity of 460 tons the Scholl Canyon Landfill has a remaining life of approximately 10 years. Using an inflation factor from the U.S. Department of Commerce, Bureau of Economic Analysis of 1.010, the revised post-closure cost was \$49,855. Using the data above, the amount of \$32,921 is recognized as a long-term liability on the Statement of Net Assets. Accordingly, the portion of the estimated total obligation for landfill postclosure cost that has not been recognized in the financial statements is \$16,934. The City records the annual provision for the required landfill deposits as designated cash in the Landfill Postclosure Fund. At the end of June 30, 2011 the City has set aside \$22,100 of this in the Landfill Postclosure Fund. The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

### Capital Leases

The City entered into a Master Lease Agreement with SunTrust Leasing Corporation to provide funds for acquisition of fire equipment, which includes two 2004 Pierce Quantum Tiller Trucks, four Pierce Quantum Pumper Trucks with CAFS Foam System, four fabrication and installation of equipment brackets to Pierce Pumper Trucks, two fabrication and installation of equipment brackets into Pierce Ladder Trucks, one Brush Patrol Truck 2005 GMC Sierra, and one Battalion Chief Command Vehicle 2005 GMC Yukon. The cost of the equipment funded was \$3,743 with an annual interest rate of 3.65%. The City will make lease payments each consisting of principal and interest for a term of ten years. The annual lease payment is \$453. Payments are due on April 20 annually. The balance of \$1,659 has been assigned by SunTrust Leasing Corporation to Bank of America Public Capital Corp.

In August 2006, the City approved the Master Lease Agreement with SunTrust Leasing Corporation for the purpose of financing the seismic upgrade of the Municipal Services Building (MSB) project. The lease amount is \$8,200 with an annual interest of 4.51%. The City will make lease payments each consisting of principal and interest for a term of seven years. The annual lease payment is \$1,392. Payments are due on September 28 annually. The balance of this lease has been assigned by SunTrust Leasing Corporation to Capital One Public Funding, LLC in fiscal year 2010. As of June 30, 2011, the balance of the lease was \$3,826.

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

## **ENTERPRISE FUNDS**

### Electric Revenue Bonds, 2003 Series

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

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

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

The bonds mature in regularly increasing amounts ranging from \$795 to \$1,865 annually from 2012 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.

### Electric Revenue Bonds, 2006 Refunding Series

The Electric utility of Glendale Water & Power issued \$38,830 in revenue bonds in April 2006 to provide funds for the refunding of all of the City's outstanding Electric Revenue Bonds, 2000 Series. The bond proceeds were deposited in an escrow account and will be used to refund the Electric Revenue Bonds, 2000 Series through a legal defeasance. The advance refunding of Electric Revenue Bonds, 2000 Series resulted in a difference between the reacquisition price of refunding bonds and the net carrying amount of the refunded bonds. Deferred loss on refunding as of June 30, 2011 for \$1,566 is recognized and reported in the financial statements as a contra account to bonds payable and is being amortized through February 1, 2030. At June 30, 2009, \$37,000 of the 2000 series bonds outstanding is considered defeased. Liabilities for defeased bonds are not included in the City's financial statements.

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

The bonds mature in regularly increasing amounts ranging from \$1,170 to \$2,570 annually from 2012 to 2030. The 2006 Refunding Bonds maturing on or prior to February 1, 2016 are not subject to redemption prior to maturity. The 2006 Refunding Bonds maturing on and after February 1, 2017 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2016, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2006 Refunding Bonds to be redeemed, together with accrued interest to the redemption date.

### Electric Revenue Bonds, 2008 Series

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

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

# **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

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

## Water Revenue Bonds, 2008 Series

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

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

The bonds mature in regularly increasing amounts ranging from \$1,175 to \$3,060 annually from 2013 to 2038. The 2008 Bonds maturing on or prior to February 1, 2018 are not subject to redemption prior to maturity. The 2008 bonds maturing on and after February 1, 2019 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2018, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2008 Bonds to be redeemed, together with accrued interest to the redemption date.

The debt service maturity schedule below assumes that the City will remarket the bonds over term of the debt and either renew or replace the Standby Bond Purchase Agreement (SBPA) for the Police Building Project COP's throughout the term of the bonds that currently expires on July 15, 2013. If the City is not able to either renew or extend the SBPA when it expires on July, 15, 2013 then the entire amount of the outstanding Police Building Project COP's of \$48,900 would be due and payable for the fiscal year ending June 30, 2014 resulting in total governmental and business type principal debt service payments of \$62,241 for the fiscal year ending June 30, 2014. The maturity schedule below reflects bond premiums, original issue discounts and deferred charges on refunding bonds.

Fiscal Year	Police Building Project (COPs)		GRA Tax Allocation Bonds		Revenue Bonds	
	Governmental				Business-type	
	Interest	Principal	Interest	Principal	Interest	Principal
2012	\$ 52	1,700	8,839	5,307	7,798	2,043
2013	51	1,800	8,091	7,212	7,708	3,287
2014	49	1,900	7,760	7,677	7,568	3,393
2015	47	2,000	7,415	8,032	7,422	3,481
2016	45	2,000	7,027	9,012	7,290	3,588
2017-2021	192	12,000	27,018	54,326	33,566	28,197
2022-2026	126	15,400	9,310	56,812	26,556	36,745
2027-2031	40	15,600	-	-	17,591	43,060
2032-2036	-	-	-	-	9,572	33,139
2037-2040	-	-	-	-	2,197	14,407
	<u>\$ 602</u>	<u>52,400</u>	<u>75,460</u>	<u>148,378</u>	<u>127,267</u>	<u>171,340</u>

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

Fiscal Year	Capital Lease		Section 108		Low & Mod Loans Payable	
			Governmental			
	Interest	Principal	Interest	Principal	Interest	Principal
2012	\$ 299	1,819	18	230	237	2,820
2013	222	1,897	6	240	139	2,917
2014	140	1,978	-	-	39	2,253
2015	56	670	-	-	-	-
2016	31	242	-	-	-	-
2017-2021	31	515	-	-	-	-
	<u>\$ 779</u>	<u>7,121</u>	<u>24</u>	<u>470</u>	<u>414</u>	<u>7,991</u>

Fiscal Year	RDLP Loan		Total		Total
			Governmental & Business		Debt
	Interest	Principal	Interest	Principal	Service
2012	\$ -	-	17,243	13,919	31,162
2013	-	-	16,216	17,353	33,569
2014	-	-	15,556	17,201	32,757
2015	571	4,643	15,511	18,827	34,338
2016	-	-	14,392	14,842	29,235
2017-2021	-	-	60,808	95,038	155,846
2022-2026	-	-	35,992	108,957	144,949
2027-2031	-	-	17,631	58,660	76,291
2032-2036	-	-	9,572	33,139	42,711
2037-2040	-	-	2,197	14,407	16,604
	<u>\$ 571</u>	<u>4,643</u>	<u>205,117</u>	<u>392,343</u>	<u>597,460</u>

**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 6/30/2011
City of Glendale Insured Hospital Revenue Bonds Verdugo Hills Hospital, 1994 Series	6.375% - 8%	\$27,140	\$7,800
City of Glendale Mountain Road Assessment District Limited Obligation Refunding Bonds, Series 2003	2% - 4.5%	8,850	3,155



## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### **D. 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. \$12,458 is restricted for debt service and bond indenture requirements. The City Charter-stabilization of \$21,105 is restricted by enabling legislation to meet the legal demands against the treasury during the beginning of new budget period prior to the receipt of ad valorem taxes, changes to the City Charter requires the vote of public. Pursuant to redevelopment laws of the State of California, \$20,390 is restricted for low and moderate housing.

The Electric Fund's restricted net assets totaled \$13,164 as of June 30, 2011. \$7,453 was for the Reserve Fund Requirement according to the terms of the debt indenture. \$5,711 was for excess capital surcharge revenue to retrofit the City's Grayson Power Plant as mandated by the South Coast Air Quality Management District. The Water Fund's restricted net assets totaled \$2,310 as of June 30, 2011, which was for the Reserve Fund Requirement according to the terms of the debt indenture.

### **E. Net Deficits of Individual Funds**

As of June 30, 2011, the following fund has a negative fund balance or net assets:

Capital Improvement Fund:	
Capital Improvement Fund	\$ 1,666
Special Revenue Funds:	
Community Development Fund	1,322
Public Works Special Grant Fund	58
Fire Grant Fund	712
Fire Paramedic Fund	3,596
Internal Service Funds:	
Liability Insurance Fund	2,354
Compensation Insurance Fund	19,222
Employee Benefit Fund	8,385
RHSP Benefits Fund	7,078

Capital Improvement Fund – This is grant funded. As revenues are always drawn down based on the expenditures, there will always be a timing difference between revenue and expenditures, thus causing a deficit.

Community Development Fund – Vendors involved in capital projects are only paid 90% of the invoiced amounts prior to completion of the project although 100% of the invoiced amounts are expenses. Based on the grant regulations, the 10% retention cannot be drawn until it is paid.

Public Works Special Grant Fund – Revenue has not been received from the grantor as of September 30, 2011 (deferred revenue).

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

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

Fire Paramedic Fund – The City is considering General Fund support to reduce the net deficit in the Fire Paramedic Fund in subsequent fiscal years. Additionally, during FY 2009-10, the Glendale Fire Department successfully introduced a Basic Life Support (BLS) transportation component to the EMS system. By using BLS personnel to provide transportation of non-critical patients to hospitals, the department has been able to free up Advanced Life Support (ALS) personnel to be the first responders on every call, and therefore, it would reduce costs of service delivery in the subsequent fiscal years.

Liability Insurance Fund – The City increased the premiums charged to the funds in fiscal year 2010-11, and will continue the premium increase in the next few fiscal years. Additionally, properties acquired through settlements are being, or will be sold to raise capital in this fund to offset future costs.

Compensation Insurance Fund – The City has increased the premiums charged to the funds in fiscal year 2010-11, and will continue the premium increase in future fiscal years to eliminate the deficit.

Employee Benefit Fund – The City has increased the premiums charged to the funds in fiscal year 2010-11, and will continue the premium increase in future fiscal years to eliminate the deficit .

RHSP Benefits Fund – The City has increased the premiums charged to the funds in fiscal year 2010-11, and will continue the premium increase in future fiscal years to eliminate the deficit.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

**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, unemployment insurance, post employment benefits, general auto, dental, medical and vision as well as public liability through separate Internal Service Funds. The City purchased several commercial insurance policies from third-party insurance companies for errors and omissions of its officers and employees, and destruction of assets as well as excess workers' compensation and general public liability claims. The City also purchases property insurance for GWP-owned and non-GWP-owned facilities, aviation insurance for Police helicopter and employee dishonesty insurance. There were no significant settlements or reductions in insurance coverage from settlements for the past three years. The insurance schedule for fiscal year 2011-12 is as follows:

Insurance Type	Program	
	Limits	Deductible /SIR (self insured retention)
Excess Liability Insurance	\$20,000	\$2,000 SIR per occurrence
D &O Employment Practices	\$2,000	\$250 SIR non-safety; \$500 SIR safety
Excess Workers' Comp Employer's Liability Insurance	Statutory	\$2,000 SIR per occurrence
Property Insurance (GWP)	\$250,000	Various deductibles up to \$250
Property Insurance (Non-GWP)	\$400,000	\$25 deductible all locations
Aviation Insurance (Police Helicopter)	\$50,000	Various deductibles
Employee Dishonesty – Crime Policy	\$1,000	\$10

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, 2011 are adequate to cover the cost of claims incurred to date. However, such liabilities are, by necessity, based upon estimates and there can be no assurance that the ultimate cost will not exceed such estimates. A reconciliation of the changes in the aggregate liabilities for claims for the current fiscal and the prior fiscal year are as follows:

Fiscal Year	Beginning Balance	Claims and Changes	Claim Payments	Ending Balance
2009-10	\$36,124	\$45,743	\$41,091	\$40,776
2010-11	\$40,776	\$48,863	\$42,745	\$46,894

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### **B. Contingent Liabilities and Commitments**

#### **Power Purchase Agreements**

The City first participated in Boulder Canyon Project for electric service from the Hoover Power Plant in 1937 for a term of 50-year, expired on May 31, 1987. The plant was operated by Southern California Edison and Los Angeles Department of Water and Power under the supervision of the Bureau of Reclamation during the contract term. Before the expiration of the contract, Hoover Power Plant Act of 1984 authorized the uprating of the 17 main generating units and provided long-term contingent capacity and firm energy to the participants in a renewal contract. The uprating program replaced all 17 original turbines in the Hoover Dam Power Plant that began in 1986. When the program was finished in 1993, it increased the capacity of the plant from 1,344 megawatts to 2,079 megawatts.

In January 1987, the City renewed the contract with the United States Bureau of Reclamation providing for the advancement of funds for the Hoover Uprating Project and Western Area Power Administration for the purchase of power from the project. The renewed contract is for a term of 30-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 megawatts or 1.0251% of the capacity and 1.5874% of the firm energy.

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

The City's electric operation executed two power sale and exchange agreements in 1988. The first agreement is with Bonneville Power Administration (BPA). The 20-year agreement with BPA expired in April 2008. The second agreement is a 25-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 in California. The City began taking delivery of the energy on September 1, 2003.

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

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

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

In November 2007, City Council approved a purchase power agreement with the SCPPA for the purchase of 20 megawatts of renewable energy from Pebble Springs Wind Generation Facility for a term of 18-year.

In October 2009, the City Council approved a purchase power agreement with SCPPA for the purchase of 50%, approximately 6.8 megawatts of renewable energy from a small hydroelectric resource near the town of Tieton in Yakima County, Washington. The Tieton Hydropower Project (THP) has a maximum capacity of approximately 20 megawatts. The Project includes a 115 kV transmission line, approximately 22-miles long, connecting the generating station with PacificCorp's Tieton Substation. Delivery of energy from the project to the City started in May 2009.

### **C. Jointly Governed Organizations**

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

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

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

#### **Joint Power Agreement for San Fernando Council of Governments**

The City, County of Los Angeles, City of Los Angeles, Burbank and Santa Clarita have agreed to create the San Fernando Council of Governments (SFVCOG) through a Joint Power Agreement. The cities of San Fernando, Calabasas, and Hidden Hills may joint at a later time. The SFVCOG would act as a planning sub-region for the Southern California Association of Governments (SCAG) and promote better regional coordination of planning and transportation planning efforts in San Fernando Valley. The SFVCOG would also be engaged in local, regional, state, and federal grant development and programming for the region.

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

The SFVCOG will have representatives from each member agency. The City of Los Angeles will have one representative for each Council district located entirely or partially in the Valley (7 representatives) while the County will have one representative for each supervisorial district entirely or partially in the Valley (2 representatives). Every other city will have one representative to the SFVCOG. The SFVCOG JPA requires unanimous vote to take any action; thus, no member agency's vote or input will be diluted or weighted negatively. The representative for the City must be a Council member. Council must also appoint at least one alternate representative to the Board. The alternate representative(s) must be either Council member or full-time staff members of the City. Neither the representative nor alternate representative(s) receive compensation. The JPA allows each member agency to set the term of its representative and alternate representative(s) to the Board. The initial annual dues for SFVCOG are \$10. After the first year, dues and other financial contributions will be set by the Board and would require a unanimous vote of the Board. They are not expected to significantly increase.

### **"Take or Pay" Contracts**

The City has entered into twelve "Take or Pay" contracts, which require payments to be made whether or not projects are completed or operable, or whether output from such projects is suspended, interrupted or terminated. Such payments represent the City's share of current and long-term obligations. Payment for these obligations is expected to be made from operating revenues received during the year that payment is due. These contracts provide for current and future electric generating capacity and transmission of energy for City residents. Through these contracts, the City purchased approximately 58% of its total energy requirements during fiscal year 2010-2011. This energy will displace some of the energy that was to have been supplied by the local generating plant. The City is obligated to pay the amortized cost of indebtedness regardless of the ability of the contracting agency to provide electricity. The original indebtedness will be amortized by adding the financing costs to purchase energy over the life of the contract. All of these agreements contain "step-up" provisions obligating the City to pay a share of the obligations of any defaulting participant.

- The Intermountain Power Project, a subdivision of the State of Utah, was formed in January 1974 to finance the construction of a 1,400 megawatt coal-fired generating plant, consisting of two generating units located near Delta, Utah. The project began uprating of the two generating units in early 2003. When the uprating was finished in March 2004, it increased the capacity of the plant from 1,400 megawatts to 1,800 megawatts. The City through contract is obligated for 30 megawatts or 1.704% of the generation. In addition, the City entered into an "Excess Power Sales Agreement" with the ICPA, agent for the Utah Municipal Purchasers and the Cooperative Purchasers, which entitles the City to an additional share of 8 megawatts or 0.501% beginning March 24, 2004. The total City's obligation from Intermountain Power Project (IPP) is 38 megawatts.

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

- The first of the SCPPA projects is a 3,810 megawatt nuclear fuel generation plant in Arizona. The Palo Verde (PV) nuclear project consists of 3 units, each having an electric output of approximately 1,270 megawatts. SCPPA has purchased approximately 225 megawatts of capacity and associated energy (approximately 5.910% of total Palo Verde output), of which the City receives 9.9 megawatts or 4.400% of SCPPA's entitlement. As of June 30, 2011, Glendale's share is 4.400% (PV).

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

- A second project financed through SCPPA is the Southern Transmission System (STS) that transmits power from the coal-fired IPP to Southern California. The 500 kV DC line is rated at 1,920 megawatts. The City's share of the line is 2.2740% or approximately 44 megawatts. As of June 30, 2011, Glendale's share is 2.2740% (STS).
- A third project financed through SCPPA is the acquisition of 41.80% ownership interest in a coal-fired 497 megawatt unit in San Juan Generating Station, Unit 3, located in New Mexico. SCPPA members are entitled to 208 megawatts. The City is obligated for 20 megawatts or 9.8047% of the SCPPA entitlement. As of June 30, 2011, Glendale's share is 9.8047% (SJ).
- A fourth project financed through SCPPA is Mead-Adelanto Project (MA). The project consists of a 202-mile 500 kV AC transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada, and the development of the Marketplace Substation at the southern Nevada terminus approximately 17 miles southwest of Boulder City, Nevada. The initial transfer capability of the Mead-Adelanto Project is estimated at 1,200 megawatts. SCPPA members in the project are entitled to 815 megawatts. The City is obligated for 90 megawatts or 11.0430% of the SCPPA entitlement. As of June 30, 2011, Glendale's share is 11.0430% (MA).
- A fifth project financed through SCPPA is Mead-Phoenix Project (MP). The project consists of a 256-mile long 500 kV AC transmission line from the Westwing Substation in the vicinity of Phoenix, Arizona to the Marketplace Substation approximately 17 miles southwest of Boulder City, Nevada with an interconnection to the Mead Substation in southern Nevada. The project consists of three separate components: the Westwing-Mead Component, the Mead Substation Component, and the Mead-Marketplace Component. The City's participation shares in the components range from 11.7647% to 22.7273%. The Mead-Phoenix Project in conjunction with the Mead-Adelanto Project provides an alternative path for the City's purchases from the Palo Verde Nuclear Generating Station, San Juan Generating Station and Hoover Power Plant. These transmission lines also provide access to the southwest U.S. where economical coal energy is readily available. As of June 30, 2011, Glendale's share is 14.8000% (MP).
- A sixth project financed through SCPPA is the Magnolia Power Project (MPP) located on Burbank Water & Power's generation station complex adjacent to Magnolia Boulevard in Burbank, California. The project consists of a combined cycle natural gas-fired generating plant with a nominally rated net base capacity of 242 megawatts. The City is obligated for 40 megawatts or 16.5289% of the project's output. As of June 30, 2011, Glendale's generation cost share is 16.5289% and indenture cost share is 17.2536% (MPP).
- A seventh project financed through SCPPA is Natural Gas Prepaid Project (NGPP). In August 2007, the City entered into a 30-year Prepaid Natural Gas Agreement with the SCPPA. The agreement will provide a secure and long-term supply of natural gas up to 5,000 MMBtu per day at a discounted price below spot market price. The delivery of natural gas started in July 2008. As of June 30, 2011, Glendale's share is 23.0000% (NGPP).
- An eighth project financed through SCPPA is the Linden Wind Energy Project (LIN) located in Klickitat County in the state of Washington. The facility is a 50 MW capacity wind farm. The 25 year purchase power agreement with SCPPA is for purchase of 10% (approximately 5 MW) of the capacity of the project. The city has a three year agreement to sell its output entitlement share to Los Angeles Water and Power (LADWP) and LADWP is obligated to pay Glendale's share of the monthly costs for such output entitlement share under the power purchase agreement. As of June 30, 2011, Glendale's share is 10.0000% (LIN).

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

- A ninth project financed through SCPPA is the Tieton Hydropower Project (THP) located near the town of Tieton in Yakima County, Washington. The Project has a maximum capacity of approximately 20 megawatts. The Project includes a 115 kV transmission line, approximately 22-miles long, connecting the generating station with PacificCorp's Tieton Substation. The City is obligated for approximately 6.8 megawatts or 50% of the project's output. As of June 30, 2011, Glendale's share is 50.0000 % (THP).
- A tenth project financed through SCPPA is Windy Point/Windy Flats project (WP) located in Klickitat County in the state of Washington. The Project has a maximum capacity of approximately 262.2 megawatts. The City Council approved a 20 year purchase power agreement with SCPPA for the purchase of approximately 20 megawatts or 7.63% of the renewable energy output from the Project. The city has a three year agreement to sell its output entitlement share to Los Angeles Water and Power (LADWP) and LADWP is obligated to pay Glendale's share of the monthly costs for such output entitlement share under the power purchase agreement. As of June 30, 2011, Glendale's share is 7.6300 % (WP).
- An eleven project financed through SCPPA is the Milford II Wind Project (MIL2) located near Beaver and Millard Counties, Utah. The Project has a capacity of approximately 102 megawatts. The City Council approved 20 year purchase power agreement with SCPPA for the purchase of approximately 5 megawatts or 4.902% of the Project's output. The city has a three year agreement to sell its output entitlement share to Los Angeles Water and Power (LADWP) and LADWP is obligated to pay Glendale's share of the monthly costs for such output entitlement share under the power purchase agreement. As of June 30, 2011, Glendale's share is 4.9020% (MIL2).

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

Project	Contract Expiration Date	Glendale's Share
Intermountain Power Project (IPP)	2027	1.97%
Palo Verde Project (PV)	2030	4.40%
Southern Transmission System (STS)	2027	2.27%
San Juan Project (SJ)	2030	9.80%
Mead-Adelanto Project (MA)	2030	11.04%
Mead-Phoenix Project (MP)	2030	14.80%
Magnolia Power Project (MPP)	2036	17.25%
Natural Gas Prepaid Project (NGPP)	2038	23.00%
Linden Wind Energy Project (LIN)	2030	10.00%
Tieton Hydropower Project (THP)	2029	50.00%
Windy Point/Windy Flats Project (WP)	2030	7.63%
Milford II Wind Project (MIL2)	2031	4.90%



**CITY OF GLENDALE**

## Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

A summary of the City's "Take or Pay" contracts and related projects and its contingent liability at June 30, 2011 is as follows:

Fiscal Year	IPP	PV	STS	SJ	MA	MP	MPP	NGPP	LIN	THP	WP	MIL2*	TOTAL
2012	\$ 5,706	545	2,113	1,845	2,525	1,176	3,808	5,020	929	1,680	3,132	536	29,015
2013	4,526	547	1,905	1,845	2,529	1,177	3,811	4,849	929	1,679	3,132	630	27,559
2014	4,746	551	1,910	3,171	2,506	985	3,811	4,628	929	1,680	3,131	631	28,679
2015	4,280	554	1,916	1,647	2,504	1,010	3,812	4,538	929	1,679	3,132	630	26,631
2016	4,748	556	1,883	1,646	2,373	951	3,813	4,539	930	1,679	3,132	631	26,881
2017-2021	22,872	560	9,485	4,893	9,511	3,810	14,960	23,706	4,647	8,401	15,659	3,153	121,657
2022-2026	5,828	-	5,923	-	-	-	16,027	27,894	4,647	9,209	15,658	3,153	88,339
2027-2031	-	-	820	-	-	-	16,748	32,814	4,647	8,339	12,527	3,153	79,048
2032-2036	-	-	-	-	-	-	25,263	23,057	3,717	8,338	-	-	60,375
2037-2041	-	-	-	-	-	-	-	9,325	-	8,353	-	-	17,678
2042-2046	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$52,706	3,313	25,955	15,047	21,948	9,109	92,053	140,370	22,304	51,037	59,503	12,517	505,862

\* Bonds issued in FY 2011-12.

In addition to debt service, the City's entitlement requires the payment for fuel costs, operation 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 2010-11 and budgets for fiscal year 2011-12 are as follows:

Fiscal Year	IPP	PV	STS	SJ	MA	MP	MPP	NGPP	LIN	THP	WP	MIL2*	TOTAL
2011	\$ 6,995	2,418	550	6,694	262	174	3,662	25	-	-	-	-	20,780
2012	8,806	2,316	599	7,455	245	172	4,439	26	1,192	834	3,067	1,331	30,482

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### **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, which includes both safety (fire and police) and miscellaneous (general and management) employees, are required to participate in the single CalPERS plan, in which all related benefits vest after five years of service. Upon five years of service, employees who retire at age 50 or older are entitled to receive an annual retirement benefit. The benefit is payable monthly for life. For all employees hired under the 1st tier plan, the benefit is calculated as follows: years of credited service multiplied by their highest twelve consecutive months of salary multiplied by a percentage factor. Effective January 1, 2011 the City implemented a 2nd tier plan and for all new hired miscellaneous employees, the benefit is calculated as follows: years of credited service multiplied by their highest three average years multiplied by a percentage factor. The percentage factor is age-based. All public safety employees hired under the 1st tier plan use the 3% at age 50 factor and effective January 1, 2011, the 2nd tier plan implemented all new hired fire safety employees to use the 3% at age 55 factor. All miscellaneous employees hired under the 1st tier plan use the 2.5% at age 55 factor, and effective January 1, 2011, the 2nd tier plan implemented all new hired miscellaneous employees to use the 2.0% 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. The City's miscellaneous employees hired under the 1st tier plan are required to contribute 8.0% of their annual salary and effective January 1, 2011, the 2nd tier plan implemented all new hired miscellaneous employees are required to contribute 7.0% of their annual salary. All the City's safety employees are required to contribute 9.0% of their annual salary. The City is also required to contribute at an actuarially determined rate. The City's contribution rate for miscellaneous members effective July 1, 2010 was 11.672%. The City's contribution rate for safety members effective July 1, 2010 was 25.067%. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Based on the Memoranda of Understanding (MOU's) between the City and the five City Associations (International Brotherhood of Electrical Workers, IBEW, was established within the City effective May 1, 2011), all employees contribute part of the City's PERS cost in fiscal year 2010-11, which is in addition to their required employees' contributions. For fiscal year 2010-11, Glendale City Employee Association (GCEA) and International Brotherhood of Electrical Workers (IBEW)

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

contributed an additional 0.5% of their persable earnings. Glendale Management Association (GMA) contributed an additional 0.5% of their persable earnings for the month of July 2010, and effective August 1, 2010, contributed an additional 1.5% of their persable earnings, thus totaling a 2.0% deduction through the end of the fiscal year. From July 1, 2010 through December 31, 2010 Glendale Fire Fighter Association (GFFA) contributed an additional 1.5% of their persable earnings and effective January 1, 2011 contributed an additional 0.5% of their persable earnings, thus totaling a 2.0% deduction through the end of the fiscal year. For fiscal year 2010-11, Glendale Police Officers Association (GPOA) contributed additional 1.5% of their annual salaries.

### Annual Pension Cost

Contributions to CalPERS totaling \$24,838 were made during the fiscal year ended June 30, 2011 in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2009. 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 fifteen 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 30 year period. 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
06/30/2009:			
Misc.	\$ 12,004	100%	0
Safety	11,885	100%	0
Total	<u>23,889</u>		
06/30/2010:			
Misc.	11,829	100%	0
Safety	12,023	100%	0
Total	<u>23,852</u>		
06/30/2011:			
Misc.	11,922	100%	0
Safety	12,916	100%	0
Total	<u>\$ 24,838</u>		

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

**Schedule of Pension Funding Progress (Unaudited)**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability <AAL> – Entry Age (B)	(Over- funded AAL) / Unfunded AAL (B-A)	Funded Ratio (A/B)	Covered Payroll ( C )	(Overfunded AAL) / Unfunded AAL as a Percentage of Covered Payroll {(B-A)/C}
06/30/2008:						
Misc.	\$ 641,356	678,218	36,862	94.60%	101,970	36.10%
Safety	413,321	485,398	72,077	85.20%	46,911	153.60%
Total	<u>1,054,677</u>	<u>1,163,616</u>	<u>108,939</u>	<u>90.60%</u>	<u>148,881</u>	<u>73.20%</u>
06/30/2009:						
Misc.	666,773	759,485	92,712	87.80%	104,075	89.10%
Safety	430,823	533,851	103,028	80.70%	48,703	211.50%
Total	<u>1,097,596</u>	<u>1,293,336</u>	<u>195,740</u>	<u>84.90%</u>	<u>152,778</u>	<u>128.10%</u>
06/30/2010:						
Misc.	694,063	788,085	94,022	88.1%	104,409	90.05%
Safety	449,556	560,655	111,099	80.2%	50,320	220.78%
Total	<u>\$ 1,143,619</u>	<u>1,348,740</u>	<u>205,121</u>	<u>84.8%</u>	<u>154,729</u>	<u>132.57%</u>

**E. Inter-fund Transactions**

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

Due to/from other funds are temporary cash overdrafts within a fund. Due to/from other funds for fiscal year 2010-11 consisted of the following:

Due to general fund from:	
Nonmajor governmental funds	\$ 10,721
Capital improvement	<u>1,973</u>
	<u>12,694</u>
Due to electric fund from:	
Water fund	10,842
Capital improvement fund	<u>1,331</u>
	<u>\$ 12,173</u>

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

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
Transfers to general fund from:		
Electric fund	\$ 19,107	Fund general fund operations
Water fund	4,160	Fund general fund operations
Capital improvement fund	81	Fund general fund operations
GRA	8,360	Transfer of GRA properties and assignment of its loan receivable to the City
Nonmajor governmental funds	3,184	Fund general fund operations
Nonmajor enterprise fund	2,900	Fund general fund operations
Internal service fund	1,075	Fund general fund operations
	<u>\$ 38,867</u>	
Transfers to nonmajor governmental funds from:		
General fund	\$ 137	Fund nutritional meals operations
General fund	2,100	Fund fire paramedics operations
Nonmajor governmental funds	240	Fund supplemental law enforcement operations
Capital improvement fund	1,392	Fund MSB Building lease payment
	<u>\$ 3,869</u>	
Transfers to capital improvement fund from:		
General fund	\$ 1,930	Fund capital improvement projects
GRA	10,105	Assignment of GRA agreement w/ LA Co. to the City
	<u>\$ 12,035</u>	
Total Interfund Transfers	<u>\$ 54,771</u>	

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

### **F. Subsequent Event**

In June 2011, the California Legislature passed Assembly Bills (AB) x1 26 and 27 which could have a significant impact on the Glendale Redevelopment Agency's ability to operate. ABx1 26 eliminates Redevelopment Agencies throughout the State and ABx1 27 allows agencies to "opt-in" and continue to operate by remitting significant funds to the State. In July 2011, the Glendale Redevelopment Agency and Housing Authority passed an ordinance that would allow the Agency to opt-in under the provisions of ABx1 27. A payment of approximately \$9.3 million would be made during FY 2011-12 and another \$2.8 million the year after. The Agency would be required to make annual payments thereafter in order to continue to operate.

Shortly after the passage of ABx1 26 & 27, the California Redevelopment Association filed a lawsuit challenging the constitutionality of both bills. In August 2011, the California Supreme Court issued a partial stay and will hear the case later this year; it is expected that a ruling will be made prior to January 15, 2012, of which one-half of the Voluntary Alternative Redevelopment Program (VARP) calculated initial remittance amount is due to be paid to the county auditor-controller for deposit in the county's Educational Revenue Augmentation Fund (ERAF). In the meantime, the future of Redevelopment Agencies in California is uncertain. The range of possibilities include the elimination of all Redevelopment Agencies throughout California, Agencies continuing to operate under the provisions of ABx1 27, or the California Supreme Court could rule both Assembly Bills are unconstitutional and Agencies would continue to operate as normal.

With the passing of AB x1 26 in June 2011, the City Council and the Glendale Redevelopment Agency Board adopted resolutions approving the assignment of GRA receivables, promissory notes and other indebtedness owing to the Agency, to the City to assist the City in appropriately implementing the projects and other related activities as set forth in the previous Cooperation Agreement, and to pay previously incurred indebtedness, to enforce existing covenants, contracts or other obligations and for other municipal purposes benefiting the Project Areas in accordance with the Redevelopment Plans. Also, to protect the Agency assets, the City Council and the Glendale Redevelopment Agency Board adopted Resolutions approving the transfers of GRA owned properties to the City pursuant to Health & Safety Code Sections 33430 & 33432. In summary, at the end of this fiscal year the following took place:

- The Glendale Redevelopment Agency assigned its loans receivable balance of \$3,259 to the City. These loans receivable consist of the following: Agency's loan to the Glendale Unified School District (GUSD) to fund the Moyse Turf Field, the loan balance was \$1,704 and the Agency's loan to Embassy Suites Hotel to fund the purchase of the Embassy Suites property, the loan balance was \$1,555.
- The Agency transferred \$5,101 of its Real Property Held for Resale to the City;
- The Agency transferred the Capital Project balance of the San Fernando Road Corridor Tax Share Fund in the amount of \$10,105 to the City; and
- The Agency transferred its Capital Assets of \$34,648 to the City.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

In August 2011, in the course of its annual review on the City's Glendale Water and Power's (GWP) Water Enterprise Revenue Bonds 2008 Series, the Moody's Investor Service has downgraded the City of Glendale (CA) Water Enterprise's Revenue Bonds 2008 rating to Aa3 from Aa2. The rating downgrade affects \$50,000 in outstanding rated debt. One of the rating rationale was the bonds are secured by the net revenues of Glendale's Water Enterprise. The rating downgrade reflects the system's weak financial reserve position, expectation of a significant increase in debt burden, debt service coverage levels are expected to decline due to additional debt plans, anticipation of decreased debt coverage levels as the new debt is issued as well as financial reserve position is expected to not to improve until FY 2012 audit year. Further, bondholder security is provided by a 1.25 times additional bonds test and rate covenant.

The system's financial reserve position has weakened significantly over the past two years after funding a new smart grid system. The capital project, which began in fiscal 2009, was expected to take roughly five years to complete. Cash on hand was used to complete the project in approximately three years after it had been quickly accelerated. The system ended fiscal 2010 with a -5.5% net working capital and a thin 7.9% unrestricted reserve, both as a % of operations and maintenance expenses. Management reports that the smart grid project was completed by fiscal year end 2011, but has reportedly used all cash on hand to do so. As of June 30, 2011, the Water Enterprise Fund has a negative cash balance of \$10,482. The Glendale Water and Power management is proposing water rate increases to the Council to replenish negative cash and intends on replenishing reserves used on this project with debt proceeds from an anticipated issuance in late 2011. Moody's does not view this as a weakness, but does believe the financial position reported in fiscal 2010 and expected fiscal 2011 are not reflective of a credit in the Aa2 category.

Debt service coverage levels remained strong through fiscal year 2010 at 3.54 times annual debt service and 2.34 times maximum annual debt service obligations. Fiscal 2011 debt service coverage levels are expected to remain strong at over seven times due to the small annual debt service obligation as well as large amount of legally available grant revenue received during the year. However, the anticipated fiscal year 2012 issuance of approximately \$60,000 in additional debt will significantly impact both the system's debt ratio and debt service coverage levels. The issuance would more than double the system's current debt portfolio of \$50,000 and possibly will make the debt ratio exceed 50%. The maximum annual debt service would also nearly double to \$6,800 and in-turn drive down the coverage level to approximately 1.29X with projected fiscal 2012 net revenues. Fiscal 2012 net revenues also include a significant sales volume rebound, which may be optimistic. Management projects coverage to increase beyond 2012 given planned rate increases and expectations of increased volume/sales. Moody's views the Aa3 rating level more appropriate with the projected debt service coverage level nearing the system's rate covenant in the near future.

Also incorporated into the Aa3 rating level is the system's very stable and strong diverse service area, strong management, rate increases are expected to accompany the planned additional debt as well as planned additional debt is expected to replenish reserve levels that were used for capital projects. Moody's expects that the system will be able to absorb and service the additional debt given the management team's conservative budgeting practices and willingness to raise rates.

In October 2011, as part of its ongoing surveillance, Fitch Ratings has affirmed the City of Glendale Financing Authority, California's variable-rate certificates of participation (COPs) at 'AA'; Outlook Stable. The \$52.4 COPs affirmed at 'AA'. In addition, Fitch Ratings assigns Glendale, California an implied general obligation (GO) rating of 'AA+'. The city does not have GO bonds outstanding. The key rating drivers are as follows: 1) Strong Financial Position - the implied ULTGO rating

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2011

(in thousands)

reflects the city's strong financial position with high fund balances, solid financial performance, prudent financial policies, and conservative budgeting practices; 2) Security Features - the COPs rating reflects the general credit characteristics of the city as well as the security features supporting the COPs; 3) Low Debt Burden – the city's debt burden is low and expected to remain low with no additional bond issuances planned for the near future. The city has an unfunded but affordable other post-employment benefit (OPEB) liability; 4) Stable Tax Base - the city's tax base is diverse and stable with modest growth in fiscal years 2011 and 2012; and 5) Diverse Economy - the local economy benefits from a diverse range of employment sectors and its participation in the broad labor market of the greater Los Angeles area. The unemployment rate remains elevated but below corresponding County and State averages. Wealth levels are slightly above the national average.

The city's economy benefits from a diverse group of local employment sectors, including the large presence of entertainment and health care, and its participation in the diverse labor market of the greater Los Angeles area. The city's unemployment rate remains elevated at 10.8% in June 2011, but below the corresponding unemployment rates of the County at 12.4% and State at 12.1%. Wealth indicators for the city are somewhat mixed relative to State averages but generally indicators slightly above average wealth levels when compared to the nation with per capita income and median household income at 110% and 105% of the national average, respectively.

### **G. Pronouncement Issued but Not yet Accepted**

GASB issued pronouncements prior to June 30, 2011 that have an effective date that may impact future financial presentation. Management has not currently determined any impact on the implementation of the following statements may have on the financial statements of the City:

- Governmental Accounting Standards Board Statement No. 57 - *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.
- Governmental Accounting Standards Board Statement No. 60 – *Accounting and Financial Reporting for Service Concession Arrangements*.
- Governmental Accounting Standards Board Statement No. 61 – *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*.
- Governmental Accounting Standards Board Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- Governmental Accounting Standards Board Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Governmental Accounting Standards Board Statement No. 64 – *Derivative Instruments: Application of Hedge Accounting Termination Provisions-An Amendment of GASB Statement No. 53*.



# NONMAJOR GOVERNMENTAL FUNDS

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

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



## Exhibit F-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds

June 30, 2011 (in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and invested cash	\$ 27,541	31,881	23,964	83,386
Cash with fiscal agent	-	20,323	-	20,323
Designated & invested cash	-	-	22,100	22,100
Interest receivable	269	132	101	502
Accounts receivable, net	9,592	-	6,214	15,806
Prepaid items	2,251	-	222	2,473
Loans receivable	4,959	-	-	4,959
Property held for resale	6,007	-	-	6,007
Total assets	50,619	52,336	52,601	155,556
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	3,070	-	598	3,668
Due to other funds	10,721	-	-	10,721
Wages and benefits payable	1	-	-	1
Interest payable	-	6	-	6
Unearned revenues	506	-	181	687
Deposits	131	-	-	131
Total liabilities	\$ 14,429	6	779	15,214

(Continued)

## Exhibit F-1

**CITY OF GLENDALE**

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2011 (in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Fund Balances:				
Nonspendable:				
Prepaid	\$ 2,251	-	222	2,473
Loans receivable	4,959	-	-	4,959
Property resale	6,007	-	-	6,007
Restricted For:				
Federal and state grants	4,735	-	-	4,735
Public safety	1,759	-	-	1,759
Transportation	10,606	-	-	10,606
Landscaping district	53	-	-	53
Low and Mod Housing	9,419	-	-	9,419
Air quality improvement	286	-	-	286
Cable access	792	-	-	792
Electric public benefit AB1890	862	-	-	862
Debt service	-	52,330	-	52,330
Capital projects	-	-	49,391	49,391
Committed to:				
Urban art	18	-	-	18
Public safety	170	-	-	170
Impact fee funded projects	-	-	2,209	2,209
Unassigned:	(5,727)	-	-	(5,727)
Total fund balances	36,190	52,330	51,822	140,342
Total liabilities and fund balances \$	50,619	52,336	52,601	155,556

## Exhibit F-2

**CITY OF GLENDALE**

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

## Nonmajor Governmental Funds

Year Ended June 30, 2011 (in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 4,780	13,290	-	18,070
Sales taxes	1,738	-	-	1,738
Other taxes	5,407	-	-	5,407
Revenue from other agencies	55,568	-	11,294	66,862
Licenses and permits	17	-	2,665	2,682
Fines and forfeitures	371	-	-	371
Charges for services	17,212	-	-	17,212
Use of money and property	241	506	288	1,035
Miscellaneous revenue	1,047	-	-	1,047
Total Revenues	86,381	13,796	14,247	114,424
Expenditures:				
Operating expenditures				
General government	1,412	-	-	1,412
Police	2,432	553	-	2,985
Fire	15,100	-	-	15,100
Public works	9,349	-	1,858	11,207
Housing, health & community development	44,578	13	15	44,606
Employment programs	5,794	-	-	5,794
Public service	7,970	-	-	7,970
Parks, recreation and community services	529	-	118	647
Library	444	-	-	444
Capital	6,315	-	7,880	14,195
Debt service				
Interest on loan	28	-	-	28
Accrued interest 2010 TABs	-	1,823	-	1,823
Interest on bonds	-	136	-	136
Accrued interest 2003 tax allo	-	1,812	-	1,812
Accrued interest 2002 tax allo	-	1,566	-	1,566
Interest on loan - L&M	-	330	-	330
Accr int cap lease -MSB retrof	-	225	-	225
Principal	220	-	-	220
Principal 2003 tax allocation	-	2,955	-	2,955
Principal 2002 tax allocation	-	2,240	-	2,240
Principal cap lease-MSB retrof	-	1,167	-	1,167
Principal on loan - L&M	-	2,726	-	2,726
Principal police bond	-	1,600	-	1,600
Total expenditures	94,171	17,146	9,871	121,188
Excess of revenues over (under) expenditures	(7,790)	(3,350)	4,376	(6,764)

(Continued)

## Exhibit F-2

**CITY OF GLENDALE**

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

## Nonmajor Governmental Funds

Year Ended June 30, 2011 (in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Other financing sources (uses):				
Issuance of debt	-	5,002	-	5,002
Transfer from				
Transfer-General Fund	2,237	-	-	2,237
Transfer-Special Revenue	240	-	-	240
Transfer-Capital Funds	-	1,392	-	1,392
Transfer-GRA	-	-	10,105	10,105
Transfer to				
Transfer-General Fund	(3,184)	-	-	(3,184)
Transfer-Special Revenue	(240)	-	-	(240)
Total financing sources (uses)	(947)	6,394	10,105	15,552
Net change in fund balances	(8,737)	3,044	14,481	8,788
Fund balance, July 1	44,927	49,286	37,341	131,554
Fund Balance, June 30	\$ 36,190	52,330	51,822	140,342

## **SPECIAL REVENUE FUNDS**

- 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 Fund - To account for grant monies received and expended, for the federally funded job training program
- Urban Art Fund – To account for art fees collected by the City from contractors to make sure that art is added to all new construction in the city.
- Low and Moderate 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 via Prop A and C which are restricted to transportation-related activities.
- Air Quality Improvement Fund - To account for monies received from South Coast Air Quality Management District and expended on air pollution reduction.
- Public Works Special Grants Fund - To account for various small grants received and expended by the City, such as Senior Citizen Traffic Safety Education Program.
- San Fernando Landscape District Fund - To account for assessments and expenditures associated with the San Fernando Road Corridor (SFRC) Landscape & Maintenance District Project.
- Measure R Fund – To account for monies received from the ½ cent sales tax increase approved in November 2008 by Los Angeles County voters, and the related transportation project expenses.
- 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.
- Fire Mutual Aid Fund - To account for reimbursements received from either Federal or the State of California for the City’s fire strike team labor costs, fire equipment charges as well as overhead costs incurred by the City in assisting fire incidents outside of the City’s jurisdiction.

- Special Events Fund – To accounts for monies received and expended from Police and Fire special events and movie details.
- Nutritional Meals Grant Fund - To account for monies received from Federal assistance programs for senior citizen services.
- Library 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.
- 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, 2011 (in thousands)

	Community Development Fund	Housing Assistance Fund	Home Grant Fund
<b>Assets:</b>			
Cash and invested cash	\$ 33	1,416	-
Interest receivable	-	6	-
Accounts receivable, net	1,434	451	39
Prepaid items	-	2,202	-
Loans receivable	-	-	-
Property held for resale	-	-	-
Total assets	1,467	4,075	39
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	789	9	2
Due to other funds	2,000	-	37
Wages and benefits payable	-	-	-
Unearned revenues	-	-	-
Deposits	-	26	-
Total liabilities	2,789	35	39
<b>Fund Balances:</b>			
Nonspendable:			
Prepaid	-	2,202	-
Loans receivable	-	-	-
Property resale	-	-	-
Restricted for:			
Federal and state grants	-	1,838	-
Public safety	-	-	-
Transportation	-	-	-
Landscaping district	-	-	-
Low and Mod Housing	-	-	-
Air quality improvement	-	-	-
Cable access	-	-	-
Electric public benefit AB1890	-	-	-
Committed to:			
Urban art	-	-	-
Public safety	-	-	-
Unassigned:	(1,322)	-	-
Total fund balances	(1,322)	4,040	-
Total liabilities and fund balances	\$ 1,467	4,075	39

(Continued)

## Exhibit G-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds-Special Revenue

June 30, 2011 (in thousands)

		Supportive Housing Grant Fund	Emergency Shelter Grant Fund	Workforce Investment Fund
Assets:				
Cash and invested cash	\$	-	-	-
Interest receivable		-	-	-
Accounts receivable, net		384	41	955
Prepaid items		30	9	-
Loans receivable		-	-	-
Property held for resale		-	-	-
Total assets		414	50	955
Liabilities and Fund Balances				
Liabilities:				
Accounts payable		97	9	114
Due to other funds		317	41	294
Wages and benefits payable		-	-	-
Unearned revenues		-	-	-
Deposits		-	-	3
Total liabilities		414	50	411
Fund Balances:				
Nonspendable:				
Prepaid		30	9	-
Loans receivable		-	-	-
Property resale		-	-	-
Restricted for:				
Federal and state grants		-	-	544
Public safety		-	-	-
Transportation		-	-	-
Landscaping district		-	-	-
Low and Mod Housing		-	-	-
Air quality improvement		-	-	-
Cable access		-	-	-
Electric public benefit AB1890		-	-	-
Committed to:				
Urban art		-	-	-
Public safety		-	-	-
Unassigned:		(30)	(9)	-
Total fund balances		-	-	544
Total liabilities and fund balances	\$	414	50	955

(Continued)

## Exhibit G-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds-Special Revenue

June 30, 2011 (in thousands)

		Urban Art Fund	Low & Moderate Housing Fund	Local Transit Assistance Fund
<b>Assets:</b>				
Cash and invested cash	\$	18	8,885	8,091
Interest receivable		-	182	32
Accounts receivable, net		-	528	500
Prepaid items		-	5	-
Loans receivable		-	4,959	-
Property held for resale		-	6,007	-
Total assets		18	20,566	8,623
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable		-	33	1,129
Due to other funds		-	-	-
Wages and benefits payable		-	-	-
Unearned revenues		-	143	-
Deposits		-	-	-
Total liabilities		-	176	1,129
<b>Fund Balances:</b>				
Nonspendable:				
Prepaid		-	5	-
Loans receivable		-	4,959	-
Property resale		-	6,007	-
Restricted for:				
Federal and state grants		-	-	-
Public safety		-	-	-
Transportation		-	-	7,494
Landscaping district		-	-	-
Low and Mod Housing		-	9,419	-
Air quality improvement		-	-	-
Cable access		-	-	-
Electric public benefit AB1890		-	-	-
Committed to:				
Urban art		18	-	-
Public safety		-	-	-
Unassigned:				
Total fund balances		18	20,390	7,494
Total liabilities and fund balances	\$	18	20,566	8,623

(Continued)

## Exhibit G-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds-Special Revenue

June 30, 2011 (in thousands)

		Air Quality Improvement Fund	Public Works Special Grants Fund	San Fernando Landscape District Fund
<b>Assets:</b>				
Cash and invested cash	\$	253	-	48
Interest receivable		-	-	-
Accounts receivable, net		60	1,161	5
Prepaid items		-	-	-
Loans receivable		-	-	-
Property held for resale		-	-	-
Total assets		313	1,161	53
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable		27	-	-
Due to other funds		-	1,161	-
Wages and benefits payable		-	-	-
Unearned revenues		-	58	-
Deposits		-	-	-
Total liabilities		27	1,219	-
<b>Fund Balances:</b>				
Nonspendable:				
Prepaid		-	-	-
Loans receivable		-	-	-
Property resale		-	-	-
Restricted for:				
Federal and state grants		-	-	-
Public safety		-	-	-
Transportation		-	-	-
Landscaping district		-	-	53
Low and Mod Housing		-	-	-
Air quality improvement		286	-	-
Cable access		-	-	-
Electric public benefit AB1890		-	-	-
Committed to:				
Urban art		-	-	-
Public safety		-	-	-
Unassigned:		-	(58)	-
Total fund balances		286	(58)	53
Total liabilities and fund balances	\$	313	1,161	53

(Continued)

## Exhibit G-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds-Special Revenue

June 30, 2011 (in thousands)

		Narcotic Forfeiture		
		Measure R Fund	Fund	Special Grant Fund
<b>Assets:</b>				
Cash and invested cash	\$	3,099	1,665	-
Interest receivable		13	9	-
Accounts receivable, net		-	26	232
Prepaid items		-	-	-
Loans receivable		-	-	-
Property held for resale		-	-	-
Total assets		3,112	1,700	232
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable		-	133	4
Due to other funds		-	-	227
Wages and benefits payable		-	-	1
Unearned revenues		-	-	-
Deposits		-	56	-
Total liabilities		-	189	232
<b>Fund Balances:</b>				
Nonspendable:				
Prepaid		-	-	-
Loans receivable		-	-	-
Property resale		-	-	-
Restricted for:				
Federal and state grants		-	-	-
Public safety		-	1,511	-
Transportation		3,112	-	-
Landscaping district		-	-	-
Low and Mod Housing		-	-	-
Air quality improvement		-	-	-
Cable access		-	-	-
Electric public benefit AB1890		-	-	-
Committed to:				
Urban art		-	-	-
Public safety		-	-	-
Unassigned:				
Total fund balances		3,112	1,511	-
Total liabilities and fund balances	\$	3,112	1,700	232

(Continued)

## Exhibit G-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds-Special Revenue

June 30, 2011 (in thousands)

		Supplemental Law Enforcement Fund	Fire Grant Fund	Special Events Fund
<b>Assets:</b>				
Cash and invested cash	\$	107	-	-
Interest receivable		-	-	-
Accounts receivable, net		141	894	194
Prepaid items		-	-	-
Loans receivable		-	-	-
Property held for resale		-	-	-
Total assets		248	894	194
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable		-	27	-
Due to other funds		-	1,274	24
Wages and benefits payable		-	-	-
Unearned revenues		-	305	-
Deposits		-	-	-
Total liabilities		-	1,606	24
<b>Fund Balances:</b>				
Nonspendable:				
Prepaid		-	-	-
Loans receivable		-	-	-
Property resale		-	-	-
Restricted for:				
Federal and state grants		-	-	-
Public safety		248	-	-
Transportation		-	-	-
Landscaping district		-	-	-
Low and Mod Housing		-	-	-
Air quality improvement		-	-	-
Cable access		-	-	-
Electric public benefit AB1890		-	-	-
Committed to:				
Urban art		-	-	-
Public safety		-	-	170
Unassigned:		-	(712)	-
Total fund balances		248	(712)	170
Total liabilities and fund balances	\$	248	894	194

(Continued)

## Exhibit G-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds-Special Revenue

June 30, 2011 (in thousands)

		Nutritional Meals		
		Grant Fund	Library Grant Fund	Cable Access Fund
<b>Assets:</b>				
Cash and invested cash	\$	240	2,113	749
Interest receivable		1	9	6
Accounts receivable, net		7	3	37
Prepaid items		-	-	-
Loans receivable		-	-	-
Property held for resale		-	-	-
Total assets		248	2,125	792
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable		20	-	-
Due to other funds		-	-	-
Wages and benefits payable		-	-	-
Unearned revenues		-	-	-
Deposits		-	-	-
Total liabilities		20	-	-
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid		-	-	-
Loans receivable		-	-	-
Property resale		-	-	-
<b>Restricted for:</b>				
Federal and state grants		228	2,125	-
Public safety		-	-	-
Transportation		-	-	-
Landscaping district		-	-	-
Low and Mod Housing		-	-	-
Air quality improvement		-	-	-
Cable access		-	-	792
Electric public benefit AB1890		-	-	-
<b>Committed to:</b>				
Urban art		-	-	-
Public safety		-	-	-
<b>Unassigned:</b>				
Total fund balances		228	2,125	792
Total liabilities and fund balances	\$	248	2,125	792

(Continued)

## Exhibit G-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds-Special Revenue

June 30, 2011 (in thousands)

	Electric Public Benefit Fund	Fire Paramedic Fund	Total Nonmajor Special Revenue Funds
<b>Assets:</b>			
Cash and invested cash	\$ 824	-	27,541
Interest receivable	4	7	269
Accounts receivable, net	685	1,815	9,592
Prepaid items	5	-	2,251
Loans receivable	-	-	4,959
Property held for resale	-	-	6,007
Total assets	1,518	1,822	50,619
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	607	70	3,070
Due to other funds	-	5,346	10,721
Wages and benefits payable	-	-	1
Unearned revenues	-	-	506
Deposits	44	2	131
Total liabilities	651	5,418	14,429
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid	5	-	2,251
Loans receivable	-	-	4,959
Property resale	-	-	6,007
<b>Restricted for:</b>			
Federal and state grants	-	-	4,735
Public safety	-	-	1,759
Transportation	-	-	10,606
Landscaping district	-	-	53
Low and Mod Housing	-	-	9,419
Air quality improvement	-	-	286
Cable access	-	-	792
Electric public benefit AB1890	862	-	862
<b>Committed to:</b>			
Urban art	-	-	18
Public safety	-	-	170
Unassigned:	-	(3,596)	(5,727)
Total fund balances	867	(3,596)	36,190
Total liabilities and fund balances	\$ 1,518	1,822	50,619



## 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, 2011 (in thousands)

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund
Revenues:				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	5,136	28,659	203	2,083
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	19	-	-
Miscellaneous revenue	-	9	7	-
Total Revenues	5,136	28,687	210	2,083
Expenditures:				
Operating expenditures				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community	3,129	28,659	210	2,081
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community	-	-	-	-
Library	-	-	-	-
Capital	3,007	-	-	-
Debt service	248	-	-	-
Total expenditures	6,384	28,659	210	2,081
Excess of revenues over (under) expenditures	(1,248)	28	-	2
Other financing sources (uses):				
Transfer from:				
Transfer-General Fund	-	-	-	-
Transfer-Special Revenue Fund	-	-	-	-
Transfer to:				
Transfer-General Fund	-	-	-	-
Transfer -Special Revenue Fund	-	-	-	-
Total financing sources (uses)	-	-	-	-
Net change in fund balances	(1,248)	28	-	2
Fund balance, July 1	(74)	4,012	-	(2)
Fund Balance, June 30	\$ (1,322)	4,040	-	-

(Continued)

## 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, 2011 (in thousands)

	Emergency Shelter Grant Fund	Workforce Investmet Fund	Urban Art Fund	Low & Moderate Housing Fund
Revenues:				
Property taxes	\$ -	-	-	4,780
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	675	5,788	-	-
Licenses and permits	-	-	17	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	1	64
Miscellaneous revenue	-	-	-	582
Total Revenues	675	5,788	18	5,426
Expenditures:				
Operating expenditures				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community	675	-	-	9,824
Employment programs	-	5,794	-	-
Public service	-	-	-	-
Parks, recreation and community	-	-	-	-
Library	-	-	-	-
Capital	-	-	-	2
Debt service	-	-	-	-
Total expenditures	675	5,794	-	9,826
Excess of revenues over (under) expenditures	-	(6)	18	(4,400)
Other financing sources (uses):				
Transfer from:				
Transfer-General Fund	-	-	-	-
Transfer-Special Revenue Fund	-	-	-	-
Transfer to:				
Transfer-General Fund	-	-	-	-
Transfer -Special Revenue Fund	-	-	-	-
Total financing sources (uses)	-	-	-	-
Net change in fund balances	-	(6)	18	(4,400)
Fund balance, July 1	-	550	-	24,790
Fund Balance, June 30	\$ -	544	18	20,390

(Continued)

## 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, 2011 (in thousands)

	Local Transit Assistance Fund	Air Quality Improvement Fund	PW Special Grants Fund	San Fernando Landscape District Fund
Revenues:				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	6,296	242	1,103	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	1,624	10	-	-
Use of money and property	81	3	-	1
Miscellaneous revenue	34	-	-	36
Total Revenues	8,035	255	1,103	37
Expenditures:				
Operating expenditures				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	9,061	249	-	39
Housing, health and community	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community	-	-	-	-
Library	-	-	-	-
Capital	-	-	1,161	-
Debt service	-	-	-	-
Total expenditures	9,061	249	1,161	39
Excess of revenues over (under) expenditures	(1,026)	6	(58)	(2)
Other financing sources (uses):				
Transfer from:				
Transfer-General Fund	-	-	-	-
Transfer-Special Revenue Fund	-	-	-	-
Transfer to:				
Transfer-General Fund	-	-	-	-
Transfer -Special Revenue Fund	-	-	-	-
Total financing sources (uses)	-	-	-	-
Net change in fund balances	(1,026)	6	(58)	(2)
Fund balance, July 1	8,520	280	-	55
Fund Balance, June 30	\$ 7,494	286	(58)	53

(Continued)

## 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, 2011 (in thousands)

	Measure R Fund	Narcotic Forfeiture Fund	Special Grant Fund	Supplemental Law Enforcement Fund
Revenues:				
Property taxes	\$ -	-	-	-
Sales taxes	1,738	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	-	-	1,531	229
Licenses and permits	-	-	-	-
Fines and forfeitures	-	371	-	-
Charges for services	-	-	223	-
Use of money and property	40	3	-	-
Miscellaneous revenue	-	18	62	-
Total Revenues	1,778	392	1,816	229
Expenditures:				
Operating expenditures				
General government	-	-	-	-
Police	-	698	738	318
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community	-	-	-	-
Library	-	-	-	-
Capital	-	129	283	-
Debt service	-	-	-	-
Total expenditures	-	827	1,021	318
Excess of revenues over (under) expenditures	1,778	(435)	795	(89)
Other financing sources (uses):				
Transfer from:				
Transfer-General Fund	-	-	-	-
Transfer-Special Revenue Fund	-	-	-	240
Transfer to:				
Transfer-General Fund	-	-	-	-
Transfer -Special Revenue Fund	-	-	-	-
Total financing sources (uses)	-	-	-	240
Net change in fund balances	1,778	(435)	795	151
Fund balance, July 1	1,334	1,946	(795)	97
Fund Balance, June 30	\$ 3,112	1,511	-	248

(Continued)

## 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, 2011 (in thousands)

	Police Staff Augmentation Fund	Fire Grant Fund	Fire Mutual Aid Fund	Special Events Fund
Revenues:				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	-	2,280	(87)	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	939
Use of money and property	-	-	-	-
Miscellaneous revenue	-	11	-	-
Total Revenues	-	2,291	(87)	939
Expenditures:				
Operating expenditures				
General government	-	-	-	-
Police	-	-	-	678
Fire	-	558	(87)	91
Public works	-	-	-	-
Housing, health and community	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community	-	-	-	-
Library	-	-	-	-
Capital	-	1,632	-	-
Debt service	-	-	-	-
Total expenditures	-	2,190	(87)	769
Excess of revenues over (under) expenditures	-	101	-	170
Other financing sources (uses):				
Transfer from:				
Transfer-General Fund	-	-	-	-
Transfer-Special Revenue Fund	-	-	-	-
Transfer to:				
Transfer-General Fund	(3,184)	-	-	-
Transfer -Special Revenue Fund	(240)	-	-	-
Total financing sources (uses)	(3,424)	-	-	-
Net change in fund balances	(3,424)	101	-	170
Fund balance, July 1	3,424	(813)	-	-
Fund Balance, June 30	\$ -	(712)	-	170

(Continued)

## 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, 2011 (in thousands)

	Nutritional Meals			Electric Public
	Grant Fund	Library Grant Fund	Cable Access Fund	Benefits Fund
Revenues:				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	5,407
Revenue from other agencies	268	181	-	981
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	117	646	-
Use of money and property	2	4	11	2
Miscellaneous revenue	56	126	-	88
Total Revenues	326	428	657	6,478
Expenditures:				
Operating expenditures				
General government	-	-	515	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	7,970
Parks, recreation and community	529	-	-	-
Library	-	444	-	-
Capital	-	-	-	-
Debt service	-	-	-	-
Total expenditures	529	444	515	7,970
Excess of revenues over (under) expenditures	(203)	(16)	142	(1,492)
Other financing sources (uses):				
Transfer from:				
Transfer-General Fund	137	-	-	-
Transfer-Special Revenue Fund	-	-	-	-
Transfer to:				
Transfer-General Fund	-	-	-	-
Transfer -Special Revenue Fund	-	-	-	-
Total financing sources (uses)	137	-	-	-
Net change in fund balances	(66)	(16)	142	(1,492)
Fund balance, July 1	294	2,141	650	2,359
Fund Balance, June 30	\$ 228	2,125	792	867

(Continued)

## 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, 2011 (in thousands)

	Fire Paramedic Fund	ICIS Fund	Total Nonmajor Special Revenue Funds
Revenues:			
Property taxes	\$ -	-	4,780
Sales taxes	-	-	1,738
Other taxes	-	-	5,407
Revenue from other agencies	-	-	55,568
Licenses and permits	-	-	17
Fines and forfeitures	-	-	371
Charges for services	13,414	239	17,212
Use of money and property	-	10	241
Miscellaneous revenue	4	14	1,047
Total Revenues	13,418	263	86,381
Expenditures:			
Operating expenditures			
General government	-	897	1,412
Police	-	-	2,432
Fire	14,538	-	15,100
Public works	-	-	9,349
Housing, health and community	-	-	44,578
Employment programs	-	-	5,794
Public service	-	-	7,970
Parks, recreation and community	-	-	529
Library	-	-	444
Capital	101	-	6,315
Debt service	-	-	248
Total expenditures	14,639	897	94,171
Excess of revenues over (under) expenditures	(1,221)	(634)	(7,790)
Other financing sources (uses):			
Transfer from:			
Transfer-General Fund	2,100	-	2,237
Transfer-Special Revenue Fund	-	-	240
Transfer to:			
Transfer-General Fund	-	-	(3,184)
Transfer -Special Revenue Fund	-	-	(240)
Total financing sources (uses)	2,100	-	(947)
Net change in fund balances	879	(634)	(8,737)
Fund balance, July 1	(4,475)	634	44,927
Fund Balance, June 30	\$ (3,596)	-	36,190

## 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, 2011 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over/(Under)</u>
Community Development Fund:				
Revenue from other agencies	\$ 3,792	7,606	5,136	(2,470)
Total	<u>3,792</u>	<u>7,606</u>	<u>5,136</u>	<u>(2,470)</u>
Housing Assistance Fund:				
Use of money and property	20	20	19	(1)
Revenue from other agencies	26,904	28,304	28,659	355
Miscellaneous revenue	<u>47</u>	<u>47</u>	<u>9</u>	<u>(38)</u>
Total	<u>26,971</u>	<u>28,371</u>	<u>28,687</u>	<u>316</u>
Home Grant Fund:				
Revenue from other agencies	2,317	4,951	203	(4,748)
Miscellaneous revenue	<u>3</u>	<u>3</u>	<u>7</u>	<u>4</u>
Total	<u>2,320</u>	<u>4,954</u>	<u>210</u>	<u>(4,744)</u>
Supportive Housing Grant Fund:				
Revenue from other agencies	<u>2,194</u>	<u>3,659</u>	<u>2,083</u>	<u>(1,576)</u>
Total	<u>2,194</u>	<u>3,659</u>	<u>2,083</u>	<u>(1,576)</u>
Emergency Shelter Grant Fund:				
Revenue from other agencies	<u>144</u>	<u>1,162</u>	<u>675</u>	<u>(487)</u>
Total	<u>144</u>	<u>1,162</u>	<u>675</u>	<u>(487)</u>
Workforce Investment Act Fund:				
Revenue from other agencies	3,912	7,007	5,788	(1,219)
Miscellaneous revenue	<u>50</u>	<u>50</u>	<u>-</u>	<u>(50)</u>
Total	<u>3,962</u>	<u>7,057</u>	<u>5,788</u>	<u>(1,269)</u>
Urban Art Fund:				
Revenue from other agencies	-	-	17	17
Use of money and property	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total	\$ <u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>

(Continued)



## 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, 2011 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Low & Moderate Housing Fund:				
Property taxes	\$ 4,153	4,153	4,780	627
Use of money and property	200	200	64	(136)
Miscellaneous revenue	250	250	582	332
Total	4,603	4,603	5,426	823
Local Transit Assistance Fund:				
Use of money and property	-	-	81	81
Revenue from other agencies	6,535	6,535	6,296	(239)
Charges for services	1,447	1,447	1,624	177
Miscellaneous revenue	40	40	34	(6)
Total	8,022	8,022	8,035	13
Air Quality Improvement Fund:				
Use of money and property	20	20	3	(17)
Revenue from other agencies	255	255	242	(13)
Charges for services	52	52	10	(42)
Total	327	327	255	(72)
Public Works Special Grant Fund:				
Revenue from other agencies	-	-	1,103	1,103
Total	-	-	1,103	1,103
San Fernando Landscape District:				
Use of money and property	-	-	1	1
Miscellaneous revenue	40	40	36	(4)
Total	40	40	37	(3)
Measure R Fund:				
Sales taxes	1,400	1,400	1,738	338
Use of money and property	9	9	40	31
Total	\$ 1,409	1,409	1,778	369

(Continued)

## 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, 2011 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
<b>Narcotic Forfeiture Fund:</b>				
Use of money and property	\$ -	-	3	3
Fines and forfeitures	-	-	371	371
Miscellaneous revenue	-	-	18	18
Transfers	240	-	-	-
Total	240	-	392	392
<b>Special Grant Fund:</b>				
Revenue from other agencies	445	1,980	1,531	(449)
Charges for services	257	257	223	(34)
Miscellaneous revenue	50	50	62	12
Total	752	2,287	1,816	(471)
<b>Supplemental Law Enforcement Fund:</b>				
Revenue from other agencies	330	330	229	(101)
Transfers	-	240	240	-
Total	330	570	469	(101)
<b>Fire Grant Fund:</b>				
Revenue from other agencies	3,412	7,253	2,280	(4,973)
Miscellaneous revenue	3	247	11	(236)
Total	3,415	7,500	2,291	(5,209)
<b>Fire Mutual Aid Fund:</b>				
Revenue from other agencies	392	392	(87)	(479)
Total	392	392	(87)	(479)
<b>Special Events Fund:</b>				
Charges for services	778	778	939	161
Total	778	778	939	161
<b>Nutritional Meals Grant Fund:</b>				
Use of money and property	3	3	2	(1)
Revenue from other agencies	284	301	268	(33)
Miscellaneous revenue	94	94	56	(38)
Transfers	137	137	137	-
Total	\$ 518	535	463	(72)

(Continued)

## 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, 2011 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
<b>Library Grant Fund:</b>				
Use of money and property	\$ 18	18	4	(14)
Revenue from other agencies	-	163	181	18
Charges for services	113	113	117	4
Miscellaneous revenue	49	49	126	77
Total	180	343	428	85
<b>Cable Access Fund:</b>				
Use of money and property	17	17	11	(6)
Revenue from other agencies	-	-	-	-
Charges for services	450	450	646	196
Miscellaneous revenue	1	1	-	(1)
Transfers	-	-	-	-
Total	468	468	657	189
<b>Electric Public Benefit Fund:</b>				
Other taxes	6,798	6,798	5,407	(1,391)
Use of money and property	100	100	2	(98)
Revenue from other agencies	-	-	981	981
Miscellaneous revenue	50	50	88	38
Total	6,948	6,948	6,478	(470)
<b>Fire Paramedic Fund:</b>				
Charges for services	11,814	11,814	13,414	1,600
Miscellaneous revenue	-	-	4	4
Transfers	2,100	2,100	2,100	-
Total	13,914	13,914	15,518	1,604
<b>ICIS Fund</b>				
Use of money and property	-	5	10	5
Charges for services	-	280	239	(41)
Miscellaneous revenue	-	13	14	1
Total	-	298	263	(35)
Total revenues and other financing sources	\$ 81,719	101,243	88,858	(12,385)

**CITY OF GLENDALE**

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

## Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2011 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Community Development Fund:				
Housing, health and community development:				
Salaries and benefits	\$ 1,134	1,315	1,178	137
Maintenance and operations	1,042	3,527	1,951	1,576
Capital projects	1,368	4,515	3,007	1,508
Debt Service	248	248	248	-
Total	3,792	9,605	6,384	3,221
Housing Assistance Fund:				
Housing, health and community development:				
Salaries and benefits	2,189	2,189	1,979	210
Maintenance and operations	24,660	26,660	26,680	(20)
Total	26,849	28,849	28,659	190
Home Grant Fund:				
Housing, health and community development:				
Salaries and benefits	180	185	171	14
Maintenance and operations	2,140	4,770	39	4,731
Total	2,320	4,955	210	4,745
Supportive Housing Grant Fund:				
Housing, health and community development:				
Salaries and benefits	87	160	96	64
Maintenance and operations	2,108	3,499	1,985	1,514
Total	\$ 2,195	3,659	2,081	1,578

(Continued)

**CITY OF GLENDALE**

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

## Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2011 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Emergency Shelter Grant Fund:				
Housing, health and community development:				
Salaries and benefits	\$ -	190	210	(20)
Maintenance and operations	144	972	465	507
Total	144	1,162	675	487
Workforce Investment Act Fund:				
Employment and job training services:				
Salaries and benefits	2,904	4,124	3,244	880
Maintenance and operations	1,058	2,933	2,550	383
Total	3,962	7,057	5,794	1,263
Low & Moderate Housing Fund:				
Housing, health and community development:				
Salaries and benefits	2,212	2,220	2,077	143
Maintenance and operations	2,392	14,974	7,747	7,227
Capital projects	-	2	2	-
Total	4,604	17,196	9,826	7,370
Local Transit Assistance Fund:				
Public works:				
Salaries and benefits	1,011	1,011	900	111
Maintenance and operations	9,475	9,838	8,161	1,677
Capital projects	37	12,221	-	12,221
Total	10,523	23,070	9,061	14,009
Air Quality Improvement Fund:				
Public works:				
Salaries and benefits	201	201	162	39
Maintenance and operations	118	152	87	65
Total	\$ 319	353	249	104

(Continued)

**CITY OF GLENDALE**

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

## Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2011 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Public Works Special Grant Fund:				
Public works:				
Capital	\$ -	1,214	1,161	53
Transfer to other funds	-	-	-	-
Total	-	1,214	1,161	53
San Fernando Landscape District				
Public works:				
Maintenance and operations	40	40	39	1
Total	40	40	39	1
Narcotic Forfeiture Fund:				
Public safety:				
Salaries and benefits	424	424	434	(10)
Maintenance and operations	775	775	264	511
Capital	180	330	129	201
Total	1,379	1,529	827	702
Special Grant Fund:				
Public safety:				
Salaries and benefits	697	1,409	549	860
Maintenance and operations	104	1,501	189	1,312
Capital	-	1,175	283	892
Total	801	4,085	1,021	3,064
Supplemental Law Enforcement Fund:				
Public safety:				
Salaries and benefits	263	263	308	(45)
Maintenance and operations	8	8	10	(2)
Total	\$ 271	271	318	(47)

(Continued)

**CITY OF GLENDALE**

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

## Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2011 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Police Staff Augmentation Fund				
Public safety:				
Transfer to other funds	\$ 3,240	3,240	3,424	(184)
Total	3,240	3,240	3,424	(184)
Fire Grant Fund				
Public safety:				
Salaries and benefits	380	1,036	365	671
Maintenance and operations	111	1,446	193	1,253
Capital	2,924	11,382	1,632	9,750
Total	3,415	13,864	2,190	11,674
Fire Mutual Aid Fund				
Public safety:				
Salaries and benefits	384	384	(86)	470
Maintenance and operations	8	8	(1)	9
Total	392	392	(87)	479
Special Events Fund:				
Public safety:				
Salaries and benefits	760	760	755	5
Maintenance and operations	17	17	14	3
Total	777	777	769	8
Nutritional Meals Grant Fund:				
Parks, recreation and community services:				
Salaries and benefits	326	326	268	58
Maintenance and operations	191	308	261	47
Total	\$ 517	634	529	105

(Continued)

**CITY OF GLENDALE**

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

## Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2011 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Library Grant Fund:				
Library:				
Salaries and benefits	\$ 48	311	114	197
Maintenance and operations	162	773	330	443
Total	210	1,084	444	640
Cable Access Fund:				
General government:				
Maintenance and operations	450	515	515	-
Total	450	515	515	-
Electric Public Benefit Fund:				
Public service:				
Salaries and benefits	294	455	315	140
Maintenance and operations	7,967	7,967	7,655	312
Total	8,261	8,422	7,970	452
Fire Paramedic Fund				
Public safety:				
Salaries and benefits	5,047	5,047	5,024	23
Maintenance and operations	7,991	7,991	9,514	(1,523)
Capital	120	120	101	19
Total	13,158	13,158	14,639	(1,481)
ICIS Fund				
General government:				
Maintenance and operations	-	181	897	(716)
Total	-	181	897	(716)
Total expenditures and other financing uses	\$ 87,619	145,312	97,595	47,717



## **DEBT SERVICE FUNDS**

- 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 Building Project Fund – To accumulate monies for the payment of interest principal of the 2000 Police Building Project Variable Rate Demands Certificates of Participation. Debt Service is currently financed via the capitalized interest set aside for the project. After the completion of the Police building construction, debt service will be financed via lease payments.
- 2002 GRA Tax Allocation Bonds Fund – To accumulate monies for the payment of interest and principal of the 2002 Tax Allocation bonds. Debt Service is financed via the incremental property tax from the Glendale Redevelopment Agency.
- Capital Leases Fund – To accumulate monies for the payment of interest and principal for the Capital Lease of the Municipal Building Services (MSB) Seismic Upgrade Project. Debt Service is financed via lease payments.
- Low and Mod Loan Fund – To accumulate monies for the payment of interest and principal for the \$14 million loan from the Union Bank of California. Debt Service is financed via the 20% of incremental property taxes received by the Housing Authority from Glendale Redevelopment Project areas.
- 2010 GRA Tax Allocation Bonds Fund – To accumulate monies for the payment of interest and principal of the 2010 Tax Allocation bonds. Debt Service is financed via the incremental property tax from the Glendale Redevelopment Agency.
- 2011 GRA Tax Allocation Bonds Fund – To accumulate monies for the payment of interest and principal of the 2011 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, 2011 (in thousands)

		2003 GRA Tax Allocation Bonds Fund	Police Building Project Fund	2002 GRA Tax Allocation Bonds Fund	Low and Mod Loans Payable
<hr/>					
Assets:					
Cash and invested cash	\$	653	30,790	426	9
Cash with fiscal agent		4,841	5,006	3,849	-
Interest receivable		-	132	-	-
<hr/>					
Total assets		5,494	35,928	4,275	9
<hr/> <hr/>					
Liabilities and Fund Balances					
Liabilities:					
Interest payable		-	6	-	-
<hr/>					
Total liabilities		-	6	-	-
<hr/>					
Fund Balances:					
Restricted For:					
Debt Service		5,494	35,922	4,275	9
<hr/>					
Total fund balances		5,494	35,922	4,275	9
<hr/>					
Total liabilities and fund balances	\$	5,494	35,928	4,275	9
<hr/> <hr/>					

(Continued)

Exhibit H-1  
**CITY OF GLENDALE**  
Combining Balance Sheet  
Nonmajor Governmental Funds - Debt Service  
June 30, 2011 (in thousands)

	2010 GRA Tax Allocation Bonds Fund	2011 GRA Tax Allocation Bonds Fund	Total Nonmajor Debt Service Funds
<hr/>			
Assets:			
Cash and invested cash	\$ 3	-	31,881
Cash with fiscal agent	1,625	5,002	20,323
Interest receivable	-	-	132
<hr/>			
Total assets	1,628	5,002	52,336
<hr/> <hr/>			
Liabilities and Fund Balances			
Liabilities:			
Interest payable	-	-	6
<hr/>			
Total liabilities	-	-	6
<hr/>			
Fund Balances:			
Restricted For:			
Debt Service	1,628	5,002	52,330
<hr/>			
Total fund balances	1,628	5,002	52,330
<hr/>			
Total liabilities and fund balances	\$ 1,628	5,002	52,336
<hr/> <hr/>			

## 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, 2011 (in thousands)

	2003 GRA Tax Allocation Bonds Fund	Police Building Project Fund	2002 GRA Tax Allocation Bonds Fund	Capital Leases Fund
Revenues:				
Property taxes	\$ 4,673	-	3,737	-
Use of money and property	112	307	78	-
Total Revenues	4,785	307	3,815	-
Expenditures:				
Operating expenditures				
Police	-	553	-	-
Housing, health and community development	5	-	5	-
Debt service				
Accrued interest 2010 TABs	-	-	-	-
Interest on bonds	-	136	-	-
Accrued interest 2003 TABs	1,812	-	-	-
Accrued interest 2002 TABs	-	-	1,566	-
Interest on loan - Low and Mod	-	-	-	-
Accr int cap lease -MSB retrofit	-	-	-	225
Principal 2003 TABs	2,955	-	-	-
Principal 2002 TABs	-	-	2,240	-
Principal cap lease-MSB retrofit	-	-	-	1,167
Principal on loan - Low and Mod	-	-	-	-
Principal police bond	-	1,600	-	-
Total expenditures	4,772	2,289	3,811	1,392
Excess of revenues over (under) expenditures	13	(1,982)	4	(1,392)
Other financing sources :				
Issuance of debt	-	-	-	-
Transfer from:				
Transfer-Capital Funds	-	-	-	1,392
Total financing sources (uses)	-	-	-	1,392
Net change in fund balances	13	(1,982)	4	-
Fund balance, July 1	5,481	37,904	4,271	-
Fund Balance, June 30	\$ 5,494	35,922	4,275	-

(Continued)

## 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, 2011 (in thousands)

	Low and Mod Loans Payable	2010 GRA Tax Allocation Bonds Fund	2011 GRA Tax Allocation Bonds Fund	Total Nonmajor Debt Service Funds
Revenues:				
Property taxes	3,056	1,824	-	13,290
Use of money and property	3	6	-	506
Total Revenues	3,059	1,830	-	13,796
Expenditures:				
Operating expenditures				
Police	-	-	-	553
Housing, health and community development	-	3	-	13
Debt service				
Accrued interest 2010 TABs	-	1,823	-	1,823
Interest on bonds	-	-	-	136
Accrued interest 2003 TABs	-	-	-	1,812
Accrued interest 2002 TABs	-	-	-	1,566
Interest on loan - Low and Mod	330	-	-	330
Accr int cap lease -MSB retrofit	-	-	-	225
Principal 2003 TABs	-	-	-	2,955
Principal 2002 TABs	-	-	-	2,240
Principal cap lease-MSB retrofit	-	-	-	1,167
Principal on loan - Low and Mod	2,726	-	-	2,726
Principal police bond	-	-	-	1,600
Total expenditures	3,056	1,826	-	17,146
Excess of revenues over (under) expenditures	3	4	-	(3,350)
Other financing sources :				
Issuance of debt	-	-	5,002	5,002
Transfer from:				
Transfer-Capital Funds	-	-	-	1,392
Total financing sources (uses)	-	-	5,002	6,394
Net change in fund balances	3	4	5,002	3,044
Fund balance, July 1	6	1,624	-	49,286
Fund Balance, June 30	9	1,628	5,002	52,330

## Exhibit H-3

**CITY OF GLENDALE**

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

## Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2011 (in thousands)

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
2003 GRA Tax Allocation Bonds Fund:				
Property taxes	\$ 4,613	4,613	4,673	(60)
Interest and invest. revenue	<u>160</u>	<u>160</u>	<u>112</u>	<u>48</u>
Total	<u>4,773</u>	<u>4,773</u>	<u>4,785</u>	<u>(12)</u>
Police Building Project Fund:				
Interest and invest. revenue	<u>1,000</u>	<u>1,000</u>	<u>307</u>	<u>693</u>
Total	<u>1,000</u>	<u>1,000</u>	<u>307</u>	<u>693</u>
2002 GRA Tax Allocation Bonds Fund:				
Property taxes	3,682	3,682	3,737	(55)
Interest and invest. revenue	<u>130</u>	<u>130</u>	<u>78</u>	<u>52</u>
Total	<u>3,812</u>	<u>3,812</u>	<u>3,815</u>	<u>(3)</u>
Capital Leases Fund:				
Transfers	<u>1,392</u>	<u>1,392</u>	<u>1,392</u>	
Total	<u>1,392</u>	<u>1,392</u>	<u>1,392</u>	<u>-</u>
Low & Mod Loans Payable:				
Property taxes	3,056	3,056	3,056	-
Interest and invest. revenue	<u>-</u>	<u>-</u>	<u>3</u>	<u>(3)</u>
Total	<u>3,056</u>	<u>3,056</u>	<u>3,059</u>	<u>(3)</u>
2010 GRA Tax Allocation Bonds Fund:				
Property taxes	1,823	1,823	1,824	(1)
Interest and invest. revenue	<u>-</u>	<u>-</u>	<u>6</u>	<u>(6)</u>
Total	<u>1,823</u>	<u>1,823</u>	<u>1,830</u>	<u>(7)</u>
2011 GRA Tax Allocation Bonds Fund:				
Issuance of debt	<u>-</u>	<u>-</u>	<u>5,002</u>	<u>(5,002)</u>
Total	<u>-</u>	<u>-</u>	<u>5,002</u>	<u>(5,002)</u>
Total revenues and other financing sources	\$ <u>15,856</u>	<u>15,856</u>	<u>20,190</u>	<u>(4,334)</u>

## Exhibit H-4

**CITY OF GLENDALE**

## Schedule of Expenditures and Other Financing Uses

## Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2011 (in thousands)

	Original	Final	Actual	Variance (Over)/Under
2003 GRA Tax Allocation Bonds Fund				
Administration	\$ 6	6	5	1
Debt service	4,767	4,767	4,767	-
Total	4,773	4,773	4,772	1
Police Building Project Fund				
Administration	500	500	553	(53)
Debt service	1,750	1,750	1,736	14
Transfer out	-	-	-	-
Total	2,250	2,250	2,289	(39)
2002 GRA Tax Allocation Bonds Fund				
Administration	6	6	5	1
Debt service	3,806	3,806	3,806	-
Total	3,812	3,812	3,811	1
Capital Leases Fund				
Debt service	1,392	1,392	1,392	-
Total	1,392	1,392	1,392	-
Low & Mod Loans Payable				
Debt service	3,056	3,056	3,056	-
Total	3,056	3,056	3,056	-
2010 GRA Tax Allocation Bonds Fund				
Administration	-	-	3	(3)
Debt service	1,823	1,823	1,823	-
Total	1,823	1,823	1,826	(3)
Total expenditures and other financing uses	\$ 17,106	17,106	17,146	(40)



### **CAPITAL PROJECT FUNDS**

- State Gas Tax Fund - To account for monies received and expended from state gas tax allocations for street improvement purposes.
- Landfill Postclosure Fund - To account for monies reserved for the post-closure maintenance cost of Scholl Canyon landfill.
- Impact Fee Fund – City Council adopted Ordinance No. 5575 on September 11, 2007, in accordance with California AB1600 later on codified under State Government Code section 66006, allowing the City to impose development impact fees on new residential, commercial and industrial developments to mitigate the cost of developing new or rehabilitating existing parks and recreational facilities, developing new libraries and/or adding to existing collections in order to maintain adequate parks and library services for those new residents. This fund was created to account for revenue collection for these impact fees and restricted usage of these funds for allowed projects. In addition, fund will also be used to guarantee adequate interest accumulation and disbursements of unused funds.
- San Fernando Road Corridor Tax Share Fund – To account for monies received from LA County for tax sharing and used for capital projects in San Fernando Road Corridor.

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## Exhibit I-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds - Capital Projects

June 30, 2011 (in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Development Impact Fees Fund	San Fernando Road Corridor Tax Share Fund	Total Nonmajor Capital Projects
<b>Assets:</b>					
Cash and invested cash	\$ 11,152	-	2,355	10,457	23,964
Designated & invested cash	-	22,100	-	-	22,100
Interest receivable	56	-	-	45	101
Accounts receivable, net	3,860	-	-	2,354	6,214
Prepaid Items	-	-	-	222	222
Total assets	15,068	22,100	2,355	13,078	52,601
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	452	-	146	-	598
Unearned revenues	181	-	-	-	181
Total liabilities	633	-	146	-	779
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid items	-	-	-	222	222
<b>Restricted For:</b>					
State gas tax mandates	14,435	-	-	-	14,435
Landfill Postclosure	-	22,100	-	-	22,100
San Fernando Road Projects	-	-	-	12,856	12,856
<b>Committed:</b>					
Impact fee funded projects	-	-	2,209	-	2,209
Total fund balances	14,435	22,100	2,209	13,078	51,822
Total liabilities and fund balances	\$ 15,068	22,100	2,355	13,078	52,601

## Exhibit I-2

**CITY OF GLENDALE**

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

## Nonmajor Governmental Funds - Capital Projects

Year Ended June 30, 2011 (in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Development Impact Fees Fund	San Fernando Road Corridor Tax Share Fund	Total Nonmajor Capital Projects
Revenues:					
Revenue from other agencies	\$ 8,332	-	-	2,962	11,294
Licenses and permits	-	-	2,665	-	2,665
Use of money and property	152	-	-	136	288
Total Revenues	8,484	-	2,665	3,098	14,247
Expenditures:					
Operating expenditures					
Public works	1,858	-	-	-	1,858
Housing, health and community development	-	-	-	15	15
Parks, recreation and community services	-	-	118	-	118
Capital	7,432	-	338	110	7,880
Total expenditures	9,290	-	456	125	9,871
Excess of revenues over (under) expenditures	(806)	-	2,209	2,973	4,376
Other financing sources (uses):					
Transfer from:					
Transfer GRA	-	-	-	10,105	10,105
Transfer to:					
Total financing sources (uses)	-	-	-	10,105	10,105
Net change in fund balances	(806)	-	2,209	13,078	14,481
Fund balance, July 1	15,241	22,100	-	-	37,341
Fund Balance, June 30	\$ 14,435	22,100	2,209	13,078	51,822

# NONMAJOR ENTERPRISE FUNDS

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





### **NONMAJOR ENTERPRISE FUNDS**

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

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**CITY OF GLENDALE**

Combining Statement of Net Assets

Proprietary Fund Type - Nonmajor Enterprise Funds

June 30, 2011 (in thousands)

		Recreation Fund	Hazardous Disposal Fund	Parking Fund
<b>Assets:</b>				
Current assets:				
Cash and invested cash	\$	3,509	910	4,717
Interest receivable		14	4	20
Accounts receivable, net		28	177	263
Total current assets		3,551	1,091	5,000
Capital assets:				
Land		-	-	5,651
Buildings and improvements		-	598	41,562
Machinery and equipment		65	287	2,713
Bldg & impro accm depreciation		(61)	(844)	(21,341)
Total capital assets		4	41	28,585
Total noncurrent assets		4	41	28,585
Total assets		3,555	1,132	33,585
<b>Liabilities:</b>				
Accounts payable		59	75	268
Deposits		93	40	-
Total liabilities		152	115	268
<b>Net assets:</b>				
Investment in capital assets, net of related debt		4	41	28,585
Unrestricted		3,399	976	4,732
Total net assets	\$	3,403	1,017	33,317

(Continued)

**CITY OF GLENDALE**

Combining Statement of Net Assets

Proprietary Fund Type - Nonmajor Enterprise Funds

June 30, 2011 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Fund
<b>Assets:</b>			
Current assets:			
Cash and invested cash	\$ 19,799	3,113	32,048
Interest receivable	85	14	137
Accounts receivable, net	2,373	25	2,866
Total current assets	22,257	3,152	35,051
Capital assets:			
Land	1,639	-	7,290
Buildings and improvements	6,792	-	48,952
Machinery and equipment	15,838	5,315	24,218
Bldg & impro accm depreciation	(12,239)	(4,037)	(38,522)
Total capital assets	12,030	1,278	41,938
Total noncurrent assets	12,030	1,278	41,938
Total assets	34,287	4,430	76,989
<b>Liabilities:</b>			
Accounts payable	1,037	2	1,441
Deposits	271	-	404
Total liabilities	1,308	2	1,845
<b>Net assets:</b>			
Investment in capital assets, net of related debt	12,030	1,278	41,938
Unrestricted	20,949	3,150	33,206
Total net assets	\$ 32,979	4,428	75,144

## Exhibit J-2

**CITY OF GLENDALE**Combining Statement of Revenues,  
Expenses and Changes in Net Assets

Proprietary Fund Type - Nonmajor Enterprise Funds

Year ended June 30, 2011 (in thousands)

		Hazardous		
		Recreation Fund	Disposal Fund	Parking Fund
Operating revenues:				
Charges for services	\$	2,640	1,531	7,853
Miscellaneous revenues		311	68	41
<hr/>				
Total operating revenues		2,951	1,599	7,894
<hr/>				
Operating expenses:				
Salaries and benefits		1,468	902	2,390
Maintenance and operations		1,094	735	4,013
Depreciation		3	46	1,190
<hr/>				
Total operating expenses		2,565	1,683	7,593
<hr/>				
Operating income (loss)		386	(84)	301
<hr/>				
Non operating revenues (expenses):				
Interest revenue		37	8	56
Grant revenue		175	95	-
Contribution in aid		25	-	-
<hr/>				
Total non operating revenues, net		237	103	56
<hr/>				
Income before transfers		623	19	357
<hr/>				
Transfer out:				
Transfer-General Fund		-	-	(1,900)
<hr/>				
Total transfer		-	-	(1,900)
<hr/>				
Change in net assets		623	19	(1,543)
Total Net asset, July 1		2,780	998	34,860
<hr/>				
Total net assets, June 30	\$	3,403	1,017	33,317

(Continued)

## Exhibit J-2

**CITY OF GLENDALE**Combining Statement of Revenues,  
Expenses and Changes in Net Assets

Proprietary Fund Type - Nonmajor Enterprise Funds

Year ended June 30, 2011 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 20,777	3,336	36,137
Miscellaneous revenues	1,160	622	2,202
Total operating revenues	21,937	3,958	38,339
Operating expenses:			
Salaries and benefits	6,664	2,079	13,503
Maintenance and operations	10,190	919	16,951
Depreciation	1,584	185	3,008
Total operating expenses	18,438	3,183	33,462
Operating income (loss)	3,499	775	4,877
Non operating revenues (expenses):			
Interest revenue	304	35	440
Grant revenue	23	-	293
Contribution in aid	-	-	25
Total non operating revenues, net	327	35	758
Income before transfers	3,826	810	5,635
Transfer out:			
Transfer-General Fund	(1,000)	-	(2,900)
Total transfer	(1,000)	-	(2,900)
Change in net assets	2,826	810	2,735
Total Net asset, July 1	30,153	3,618	72,409
Total net assets, June 30	\$ 32,979	4,428	75,144

**CITY OF GLENDALE**

## Combining Statement of Cash Flows

Proprietary Fund Type - Nonmajor Enterprise Funds

Year Ended June 30, 2011 (in thousands)

	Recreation Fund	Hazardous Disposal Fund	Parking Fund
Cash flows from operating activities:			
Cash from customers	\$ 2,988	1,611	8,448
Cash paid to employees	(1,468)	(902)	(2,390)
Cash paid to suppliers	(1,119)	(726)	(4,025)
Net Cash provided by (used in) operating activities	401	(17)	2,033
Cash flows from noncapital financing activities:			
Operating transfers out			
Transfer-General Fund			
Operating transf to othr funds	-	-	(1,900)
Operating grant received	176	95	-
Net Cash provided by (used in) noncapital financing activities	176	95	(1,900)
Cash flows from capital and related financing activities:			
Contribution in aid	25	-	-
Acquisition of property, plant, and equipment	-	-	54
Net cash provided by (used in) capital and related financing activities	25	-	54
Cash provided by investing activities - interest received	35	8	56
Net increase (decrease) in cash and cash equivalents	637	86	243
Cash and cash equivalents at July 1	2,872	824	4,474
Cash and cash equivalents at June 30	3,509	910	4,717
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	386	(84)	301
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	3	46	1,190
(Increase)Decrease Accounts receivable net	-	(9)	710
(Increase)Decrease Unbilled receivable	-	(9)	-
(Increase)Decrease Due from other agencies	37	30	(155)
Increase(Decrease) Accounts payable	1	3	(17)
Increase(Decrease) Due to other agencies	-	-	4
Increase(Decrease) Deposits	(26)	6	-
Total adjustments	15	67	1,732
Net cash provided (used) by operating activities	\$ 401	(17)	2,033
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	10	3	16

(Continued)

**CITY OF GLENDALE**

## Combining Statement of Cash Flows

Proprietary Fund Type - Nonmajor Enterprise Funds

Year Ended June 30, 2011 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash from customers	\$ 21,708	3,977	38,732
Cash paid to employees	(6,664)	(2,080)	(13,504)
Cash paid to suppliers	(10,402)	(916)	(17,188)
Net Cash provided by (used in) operating activities	4,642	981	8,040
Cash flows from noncapital financing activities:			
Operating transfers out			
Transfer-General Fund			
Operating transf to othr funds	(1,000)	-	(2,900)
Operating grant received	23	-	294
Net Cash provided by (used in) noncapital financing activities	(977)	-	(2,606)
Cash flows from capital and related financing activities:			
Contribution in aid	-	-	25
Acquisition of property, plant, and equipment	(691)	(7)	(644)
Net cash provided by (used in) capital and related financing activities	(691)	(7)	(619)
Cash provided by investing activities - interest received	294	30	423
Net increase (decrease) in cash and cash equivalents	3,268	1,004	5,238
Cash and cash equivalents at July 1	16,531	2,109	26,810
Cash and cash equivalents at June 30	19,799	3,113	32,048
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	3,499	775	4,877
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,584	185	3,008
(Increase)Decrease Accounts receivable net	134	-	835
(Increase)Decrease Unbilled receivable	(310)	-	(319)
(Increase)Decrease Due from other agencies	(53)	18	(123)
Increase(Decrease) Accounts payable	(181)	3	(191)
Increase(Decrease) Due to other agencies	-	-	4
Increase(Decrease) Deposits	(31)	-	(51)
Total adjustments	1,143	206	3,163
Net cash provided (used) by operating activities	\$ 4,642	981	8,040
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	65	11	105

Exhibit J-4  
CITY OF GLENDALE  
Schedule of Investment in Capital Assets  
Proprietary Fund Type - Nonmajor Enterprise Funds  
Year Ended June 30, 2011

		Land	Construction in Progress	Infrastructure	Buildings and Improvements	Machinery and Equipment	Total
Recreation Fund	\$	-	-	-	-	65	65
Hazardous Disposal Fund		-	-	-	598	287	885
Fire Communications Fund		-	-	-	-	5,315	5,315
Parking Fund		5,651	-	-	41,562	2,713	49,926
Refuse Disposal Fund		1,639	-	-	6,792	15,838	24,269
Total capital assets	\$	7,290	-	-	48,952	24,218	80,460

## Exhibit J-5

**CITY OF GLENDALE**

## Schedule of Changes in Capital Assets

## Proprietary Fund Type - Nonmajor Enterprise Funds

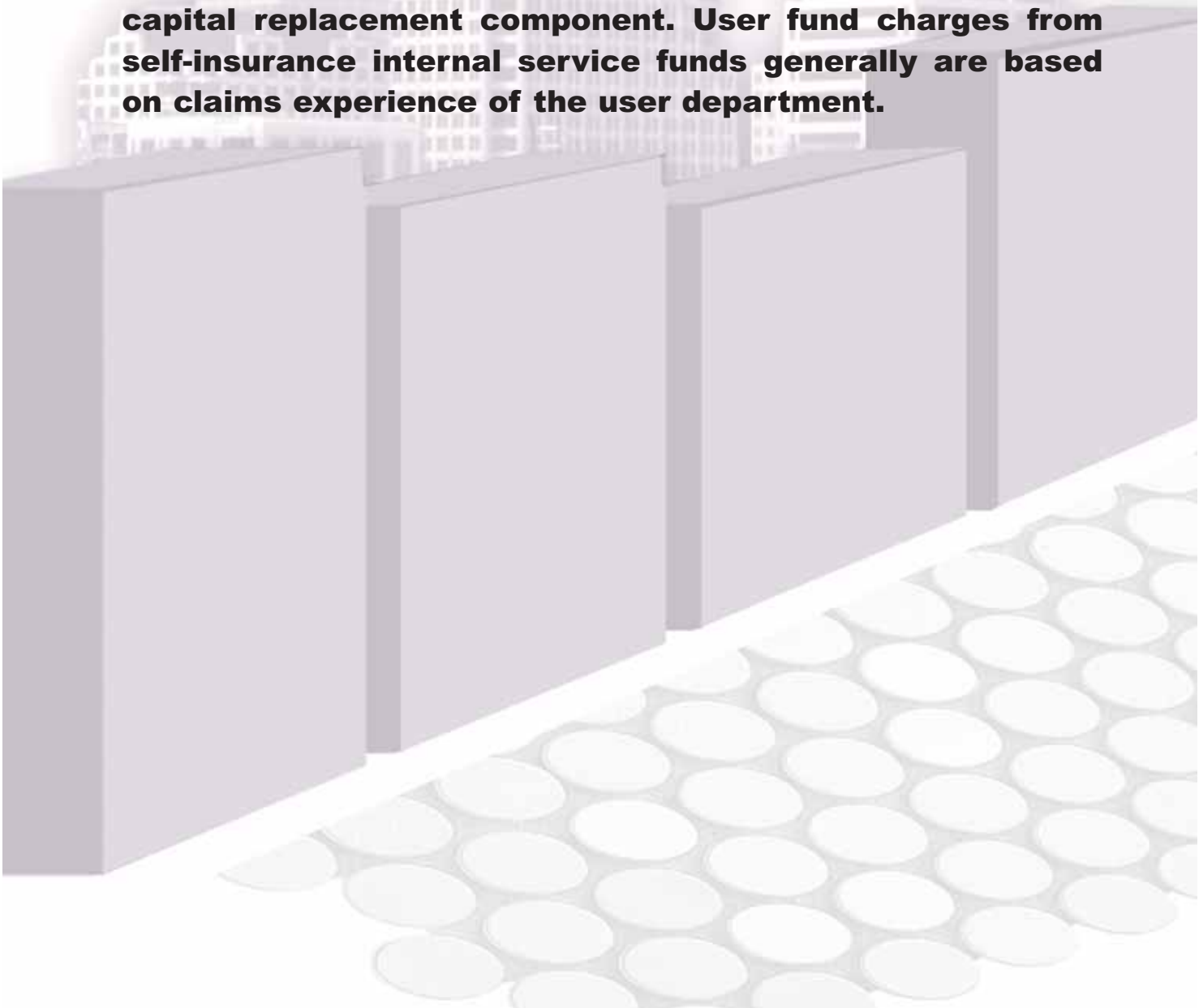
Year Ended June 30, 2011 (in thousands)

	<u>Balance at July1</u>	<u>Additions/Reclass</u>	<u>Retirements/ Reclass</u>	<u>Total</u>
Recreation Fund	\$ 65	-	-	65
Hazardous Disposal Fund	885	-	-	885
Fire Communication Fund	5,384	6	(75)	5,315
Parking Fund	49,979	-	(53)	49,926
Refuse Disposal Fund	25,001	690	(1,422)	24,269
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total capital assets	\$ <u>81,314</u>	<u>696</u>	<u>(1,550)</u>	<u>80,460</u>



# INTERNAL SERVICE FUNDS

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





## INTERNAL SERVICE FUNDS

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

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Exhibit K-1  
**CITY OF GLENDALE**  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2011 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	Tech Equipment Replacement Fund	Application Software Replacement Fund
<b>Assets</b>				
<b>Current assets:</b>				
Cash and invested cash	\$ 15,040	3,077	1,181	4,505
Interest receivable	64	12	5	19
Accounts receivable, net	-	236	-	-
Prepaid items	-	-	-	-
Total current assets	15,104	3,325	1,186	4,524
<b>Capital assets:</b>				
Machinery and equipment	31,145	2,074	-	-
Accumulated depreciation building & improvements	(17,570)	(1,348)	-	-
Total capital assets	13,575	726	-	-
Total assets	28,679	4,051	1,186	4,524
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Accounts payable	305	108	118	267
Interest payable	49	-	-	-
Capital leases	600	-	-	-
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Total current liabilities	954	108	118	267
<b>Noncurrent liabilities:</b>				
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Post employment benefits	-	-	-	-
Long term debt	2,695	-	-	-
Total noncurrent liabilities	2,695	-	-	-
Total liabilities	3,649	108	118	267
<b>Net assets:</b>				
Investment in capital assets net of related debt	10,279	726	-	-
Unrestricted	14,751	3,217	1,068	4,257
Total net assets	\$ 25,030	3,943	1,068	4,257

(Continued)

Exhibit K-1  
**CITY OF GLENDALE**  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2011 (in thousands)

	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
<b>Assets</b>				
<b>Current assets:</b>				
Cash and invested cash	\$ 559	11,137	13,271	453
Interest receivable	2	304	56	2
Accounts receivable, net	-	-	14	-
Prepaid items	-	-	-	-
Total current assets	561	11,441	13,341	455
<b>Capital assets:</b>				
Machinery and equipment	-	-	94	-
Accumulated depreciation building & improvements	-	-	(77)	-
Total capital assets	-	-	17	-
Total assets	561	11,441	13,358	455
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Accounts payable	-	-	10	116
Interest payable	-	-	-	-
Capital leases	-	-	-	-
Claims payable	-	6,291	6,870	-
Compensated absences	-	-	-	-
Total current liabilities	-	6,291	6,880	116
<b>Noncurrent liabilities:</b>				
Claims payable	-	7,504	25,700	-
Compensated absences	-	-	-	-
Post employment benefits	-	-	-	-
Long term debt	-	-	-	-
Total noncurrent liabilities	-	7,504	25,700	-
Total liabilities	-	13,795	32,580	116
<b>Net assets:</b>				
Investment in capital assets net of related debt	-	-	17	-
Unrestricted	561	(2,354)	(19,239)	339
Total net assets	\$ 561	(2,354)	(19,222)	339

(Continued)

Exhibit K-1  
**CITY OF GLENDALE**  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2011 (in thousands)

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fnd
<b>Assets</b>				
<b>Current assets:</b>				
Cash and invested cash	\$ 1,426	299	6,267	5,092
Interest receivable	7	1	28	23
Accounts receivable, net	51	-	-	-
Prepaid items	593	-	-	-
Total current assets	2,077	300	6,295	5,115
<b>Capital assets:</b>				
Machinery and equipment	-	-	-	-
Accumulated depreciation building & improvements	-	-	-	-
Total capital assets	-	-	-	-
Total assets	2,077	300	6,295	5,115
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Accounts payable	441	21	-	-
Interest payable	-	-	-	-
Capital leases	-	-	-	-
Claims payable	529	-	-	-
Compensated absences	-	-	1,515	1,600
Total current liabilities	970	21	1,515	1,600
<b>Noncurrent liabilities:</b>				
Claims payable	-	-	-	-
Compensated absences	-	-	13,165	10,593
Post employment benefits	-	-	-	-
Long term debt	-	-	-	-
Total noncurrent liabilities	-	-	13,165	10,593
Total liabilities	970	21	14,680	12,193
<b>Net assets:</b>				
Investment in capital assets net of related debt	-	-	-	-
Unrestricted	1,107	279	(8,385)	(7,078)
Total net assets	\$ 1,107	279	(8,385)	(7,078)

(Continued)

Exhibit K-1  
**CITY OF GLENDALE**  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2011 (in thousands)

	Post Employment Benefits Fund	Wireless Communication s Fund	Total
<b>Assets</b>			
<b>Current assets:</b>			
Cash and invested cash	\$ 336	656	63,299
Interest receivable	2	3	528
Accounts receivable, net	-	-	301
Prepaid items	-	-	593
Total current assets	338	659	64,721
<b>Capital assets:</b>			
Machinery and equipment	-	647	33,960
Accumulated depreciation building & improvements	-	(188)	(19,183)
Total capital assets	-	459	14,777
Total assets	338	1,118	79,498
<b>Liabilities and Net Assets</b>			
<b>Current liabilities:</b>			
Accounts payable	-	21	1,407
Interest payable	-	-	49
Capital leases	-	-	600
Claims payable	-	-	13,690
Compensated absences	-	-	3,115
Total current liabilities	-	21	18,861
<b>Noncurrent liabilities:</b>			
Claims payable	-	-	33,204
Compensated absences	-	-	23,758
Post employment benefits	-	-	-
Long term debt	-	-	2,695
Total noncurrent liabilities	-	-	59,657
Total liabilities	-	21	78,518
<b>Net assets:</b>			
Investment in capital assets net of related debt	-	459	11,481
Unrestricted	338	638	(10,501)
Total net assets	\$ 338	1,097	980



## Exhibit K-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenses  
and Changes in Net Assets

## Internal Service Funds

Year ended June 30, 2011 (in thousands)

		Fleet/Equipment Management Fund	Joint Helicopter Replacement Fund	Tech Equipment Replacement Fund	Application Software Replacement Fund
Operating revenues					
Charges for services	\$	11,732	471	4,712	6,061
Miscellaneous revenues		-	-	-	-
Total operating revenues		11,732	471	4,712	6,061
Operating Expenses					
Salaries and benefits		3,386	6	2,206	3,074
Maintenance and operations		6,825	824	1,921	2,159
Claims and settlements		-	-	-	-
Depreciation		2,056	113	-	-
Total operating expenses		12,267	943	4,127	5,233
Operating income (loss)		(535)	(472)	585	828
Non operating revenues (expenses)					
Interest revenue		275	35	15	51
Interest expense		(141)	-	-	-
Contribution in aid		-	528	-	-
Total non operating revenues, net		134	563	15	51
Income before transfers		(401)	91	600	879
Transfer out					
Transfer-General Fund		(500)	-	-	(575)
Total transfer		(500)	-	-	(575)
Change in net assets		(901)	91	600	304
Total net asset (deficit), July 1		25,931	3,852	468	3,953
Total net assets (deficit), June 30	\$	25,030	3,943	1,068	4,257

(Continued)

## Exhibit K-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenses  
and Changes in Net Assets

## Internal Service Funds

Year ended June 30, 2011 (in thousands)

		Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
Operating revenues					
Charges for services	\$	168	6,275	10,530	1,522
Miscellaneous revenues		-	206	18	-
Total operating revenues		168	6,481	10,548	1,522
Operating Expenses					
Salaries and benefits		-	455	1,142	-
Maintenance and operations		5	937	842	36
Claims and settlements		147	7,526	11,170	1,502
Depreciation		-	-	6	-
Total operating expenses		152	8,918	13,160	1,538
Operating income (loss)		16	(2,437)	(2,612)	(16)
Non operating revenues (expenses)					
Interest revenue		6	642	154	6
Interest expense		-	-	-	-
Contribution in aid		-	-	-	-
Total non operating revenues, net		6	642	154	6
Income before transfers		22	(1,795)	(2,458)	(10)
Transfer out					
Transfer-General Fund		-	-	-	-
Total transfer		-	-	-	-
Change in net assets		22	(1,795)	(2,458)	(10)
Total net asset (deficit), July 1		539	(559)	(16,764)	349
Total net assets (deficit), June 30	\$	561	(2,354)	(19,222)	339

(Continued)

## Exhibit K-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenses  
and Changes in Net Assets

## Internal Service Funds

Year ended June 30, 2011 (in thousands)

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fund
Operating revenues				
Charges for services	\$ 22,223	322	3,072	2,085
Miscellaneous revenues	322	-	-	-
Total operating revenues	22,545	322	3,072	2,085
Operating Expenses				
Salaries and benefits	-	-	3,853	1,492
Maintenance and operations	382	9	25	34
Claims and settlements	22,130	270	-	-
Depreciation	-	-	-	-
Total operating expenses	22,512	279	3,878	1,526
Operating income (loss)	33	43	(806)	559
Non operating revenues (expenses)				
Interest revenue	25	4	76	66
Interest expense	-	-	-	-
Contribution in aid	-	-	-	-
Total non operating revenues, net	25	4	76	66
Income before transfers	58	47	(730)	625
Transfer out				
Transfer-General Fund	-	-	-	-
Total transfer	-	-	-	-
Change in net assets	58	47	(730)	625
Total net asset (deficit), July 1	1,049	232	(7,655)	(7,703)
Total net assets (deficit), June 30	\$ 1,107	279	(8,385)	(7,078)

(Continued)

## Exhibit K-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenses  
and Changes in Net Assets

## Internal Service Funds

Year ended June 30, 2011 (in thousands)

	Post Employment Benefits Fund	Wireless Communications System Fund	Total
Operating revenues			
Charges for services	\$ 45	3,302	72,520
Miscellaneous revenues	-	7	553
Total operating revenues	45	3,309	73,073
Operating Expenses			
Salaries and benefits	236	1,076	16,926
Maintenance and operations	-	2,148	16,147
Claims and settlements	-	-	42,745
Depreciation	-	41	2,216
Total operating expenses	236	3,265	78,034
Operating income (loss)	(191)	44	(4,961)
Non operating revenues (expenses)			
Interest revenue	4	4	1,363
Interest expense	-	-	(141)
Contribution in aid	-	-	528
Total non operating revenues, net	4	4	1,750
Income before transfers	(187)	48	(3,211)
Transfer out			
Transfer-General Fund	-	-	(1,075)
Total transfer	-	-	(1,075)
Change in net assets	(187)	48	(4,286)
Total net asset (deficit), July 1	525	1,049	5,266
Total net assets (deficit), June 30	\$ 338	1,097	980

**CITY OF GLENDALE**

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2011 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	Tech Equipment Replacement Fund
Cash flows from operating activities:			
Cash from customers	\$ 11,735	387	4,712
Cash paid to employees	(3,386)	(5)	(2,206)
Cash paid to suppliers	(7,094)	(879)	(1,815)
Net Cash provided by (used in) operating activities	1,255	(497)	691
Cash flows from noncapital financing activities:			
Operating transfers out			
Transfer-General Fund	(500)	-	-
Net Cash provided by (used in) noncapital financing activities	(500)	-	-
Cash flows from capital and related financing activities:			
Interest on long term debt	(141)	-	-
Bond, premium and interest accrued	(585)	-	-
Contribution in aid	-	528	-
Acquisition of property, plant, and equipment	(2,482)	(1)	-
Net cash provided by (used in) capital and related financing activities	(3,208)	527	-
Cash provided by investing activities - interest received	287	34	13
Net increase (decrease) in cash and cash equivalents	(2,166)	64	704
Cash and cash equivalents at July 1	17,206	3,013	477
Cash and cash equivalents at June 30	15,040	3,077	1,181
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	(535)	(472)	585
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	2,056	113	-
(Increase)Decrease Accounts receivable net	-	43	-
(Increase)Decrease Due from other agencies	-	(127)	-
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	(266)	(54)	106
Increase(Decrease) Claims payable	-	-	-
Total adjustments	1,790	(25)	106
Net cash provided by (used in) operating activities	\$ 1,255	(497)	691
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	49	10	4

(Continued)

**CITY OF GLENDALE**

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2011 (in thousands)

	Application Software Replacement Fund	Unemployment Insurance Fund	Liability Insurance Fund
Cash flows from operating activities:			
Cash from customers	\$ 6,061	168	6,480
Cash paid to employees	(3,074)	-	(455)
Cash paid to suppliers	(1,922)	(152)	(4,262)
Net Cash provided by (used in) operating activities	1,065	16	1,763
Cash flows from noncapital financing activities:			
Operating transfers out			
Transfer-General Fund	(575)	-	-
Net Cash provided by (used in) noncapital financing activities	(575)	-	-
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	-
Bond, premium and interest accrued	-	-	-
Contribution in aid	-	-	-
Acquisition of property, plant, and equipment	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-
Cash provided by investing activities - interest received	51	6	609
Net increase (decrease) in cash and cash equivalents	541	22	2,372
Cash and cash equivalents at July 1	3,964	537	8,765
Cash and cash equivalents at June 30	4,505	559	11,137
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	828	16	(2,437)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-
(Increase)Decrease Due from other agencies	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	237	-	-
Increase(Decrease) Claims payable	-	-	4,200
Total adjustments	237	-	4,200
Net cash provided by (used in) operating activities	\$ 1,065	16	1,763
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	15	2	36

(Continued)

**CITY OF GLENDALE**

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2011 (in thousands)

	Compensation Insurance Fund	Dental Insurance Fund	Medical Insurance Fund
Cash flows from operating activities:			
Cash from customers	\$ 10,537	1,523	22,505
Cash paid to employees	(1,142)	-	-
Cash paid to suppliers	(10,035)	(1,519)	(23,244)
Net Cash provided by (used in) operating activities	(640)	4	(739)
Cash flows from noncapital financing activities:			
Operating transfers out			
Transfer-General Fund	-	-	-
Net Cash provided by (used in) noncapital financing activities	-	-	-
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	-
Bond, premium and interest accrued	-	-	-
Contribution in aid	-	-	-
Acquisition of property, plant, and equipment	(16)	-	-
Net cash provided by (used in) capital and related financing activities	(16)	-	-
Cash provided by investing activities - interest received	156	6	22
Net increase (decrease) in cash and cash equivalents	(500)	10	(717)
Cash and cash equivalents at July 1	13,771	443	2,143
Cash and cash equivalents at June 30	13,271	453	1,426
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	(2,612)	(16)	33
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	6	-	-
(Increase)Decrease Accounts receivable net	(11)	-	(51)
(Increase)Decrease Due from other agencies	-	-	12
(Increase)Decrease Prepaid expenses	-	-	(80)
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	8	20	(602)
Increase(Decrease) Claims payable	1,969	-	(51)
Total adjustments	1,972	20	(772)
Net cash provided by (used in) operating activities	\$ (640)	4	(739)
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	43	1	5

(Continued)

**CITY OF GLENDALE**

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2011 (in thousands)

	Vision Insurance Fund	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fund
Cash flows from operating activities:			
Cash from customers	\$ 321	3,072	2,085
Cash paid to employees	-	(3,881)	(2,036)
Cash paid to suppliers	(280)	(25)	(34)
Net Cash provided by (used in) operating activities	41	(834)	15
Cash flows from noncapital financing activities:			
Operating transfers out			
Transfer-General Fund	-	-	-
Net Cash provided by (used in) noncapital financing activities	-	-	-
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	-
Bond, premium and interest accrued	-	-	-
Contribution in aid	-	-	-
Acquisition of property, plant, and equipment	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-
Cash provided by investing activities - interest received	5	76	63
Net increase (decrease) in cash and cash equivalents	46	(758)	78
Cash and cash equivalents at July 1	253	7,025	5,014
Cash and cash equivalents at June 30	299	6,267	5,092
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	43	(806)	559
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-
(Increase)Decrease Due from other agencies	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Compensated absences	-	(28)	(544)
Increase(Decrease) Accounts payable	(2)	-	-
Increase(Decrease) Claims payable	-	-	-
Total adjustments	(2)	(28)	(544)
Net cash provided by (used in) operating activities	\$ 41	(834)	15
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	1	21	18

(Continued)



**CITY OF GLENDALE**

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2011 (in thousands)

	Post Employment Benefits Fund	Wireless Communications System Fund	Total
Cash flows from operating activities:			
Cash from customers	\$ 45	3,308	72,939
Cash paid to employees	(236)	(1,076)	(17,497)
Cash paid to suppliers	-	(2,143)	(53,404)
Net Cash provided by (used in) operating activities	(191)	89	2,038
Cash flows from noncapital financing activities:			
Operating transfers out			
Transfer-General Fund	-	-	(1,075)
Net Cash provided by (used in) noncapital financing activities	-	-	(1,075)
Cash flows from capital and related financing activities:			
Interest on long term debt	-	-	(141)
Bond, premium and interest accrued	-	-	(585)
Contribution in aid	-	-	528
Acquisition of property, plant, and equipment	-	(151)	(2,650)
Net cash provided by (used in) capital and related financing activities	-	(151)	(2,848)
Cash provided by investing activities - interest received	5	5	1,338
Net increase (decrease) in cash and cash equivalents	(186)	(57)	(547)
Cash and cash equivalents at July 1	522	713	63,846
Cash and cash equivalents at June 30	336	656	63,299
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	(191)	44	(4,961)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	41	2,216
(Increase)Decrease Accounts receivable net	-	-	(19)
(Increase)Decrease Due from other agencies	-	-	(115)
(Increase)Decrease Prepaid expenses	-	-	(80)
Increase(Decrease) Compensated absences	-	-	(572)
Increase(Decrease) Accounts payable	-	4	(549)
Increase(Decrease) Claims payable	-	-	6,118
Total adjustments	-	45	6,999
Net cash provided by (used in) operating activities	\$ (191)	89	2,038
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	1	2	208

## Exhibit L-1

**CITY OF GLENDALE**

## Capital Assets Used in the Operation of Governmental Funds

## Schedule by Function and Activity

June 30, 2011 (in thousands)

	Land	Construction in Progress	Infrastructure	Buildings and Improvements	Machinery and Equipment	Total
<b>General government</b>						
City Council	\$ -	66	-	-	2,240	2,306
City Clerk	-	(50)	-	5	55	10
City Treasurer	-	-	-	-	6	6
City Manager	-	42	-	148	434	624
Legal	-	-	-	10	41	51
Finance	-	-	-	-	6,130	6,130
Purchasing	-	-	-	-	-	-
Graphics	-	-	-	-	351	351
Information services	-	1,144	12,221	430	16,007	29,802
Planning	-	-	-	-	39	39
Personnel	-	-	-	-	246	246
Total	-	1,202	12,221	593	25,549	39,565
<b>Public safety</b>						
Police	5,227	3,735	-	68,762	5,929	83,653
Fire	5,925	174	-	18,202	7,450	31,751
Fire Communications	-	-	-	-	-	-
Fire Paramedics	-	-	-	-	667	667
Emergency Services	-	-	-	-	150	150
Total	11,152	3,909	-	86,964	14,196	116,221
<b>Public works</b>						
Public works	25,238	14,704	5,289	1,563	1,357	48,151
Engineering	-	-	-	-	47	47
Permit Services	-	-	-	-	788	788
Corporation yard	307	-	-	1,844	34	2,185
Building services	14,553	378	57	59,153	68	74,209
Streets	269,582	4,592	230,840	6,730	167	511,911
Mechanical maintenance	-	-	-	-	154	154
Traffic engineering	-	-	-	-	24	24
Traffic safety control	-	1,325	14,067	762	218	16,372
Transit administration	15,441	162	-	2,405	11,808	29,816
Air quality improvement	-	581	-	-	-	581
Total	\$ 325,121	21,742	250,253	72,457	14,665	684,238

(Continued)

## Exhibit L-1

**CITY OF GLENDALE**

## Capital Assets Used in the Operation of Governmental Funds

## Schedule by Function and Activity

June 30, 2011 (in thousands)

	Land	Construction in Progress	Infrastructure	Buildings and Improvements	Machinery and Equipment	Total
Community development and housing						
Housing administration	\$ 15,706	-	-	-	270	15,976
Community dev admin	2,080	4,196	326	5,513	44	12,159
WIA	-	-	-	-	-	-
GRA	28,990	19,248	-	14,982	946	64,166
Total	46,776	23,444	326	20,495	1,260	92,301
Parks, recreation and community services	51,423	17,064	-	78,017	987	147,491
Library	448	1,115	-	9,761	1,872	13,196
Total capital assets	434,920	68,476	262,800	268,287	58,529	1,093,012
Accumulated depreciation			(88,764)	(86,993)	(45,495)	(221,252)
Net capital assets	\$ 434,920	68,476	174,036	181,294	13,034	871,760

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.

**CITY OF GLENDALE**

Capital Assets used in the Operation of Governmental Funds

Schedule of changes by Function and Activity

Year Ended June 30, 2011 (in thousands)

	Balance at July 1	Additions	Retirements	Reclass	Total
General government:					
City council	\$ 2,306	-	-	-	2,306
City clerk	10	-	-	-	10
City treasurer	6	-	-	-	6
City manager	965	10	-	-	975
Legal	51	-	-	-	51
Finance	6,130	-	-	-	6,130
Purchasing	-	-	-	-	-
Information services	29,802	-	-	-	29,802
Planning	39	-	-	-	39
Personnel	246	-	-	-	246
Total	39,555	10	-	-	39,565
Public safety:					
Police	83,421	348	(116)	-	83,653
Fire	30,718	1,033	-	-	31,751
Fire communications	-	-	-	-	-
Fire paramedics	566	101	-	-	667
Emergency services	150	-	-	-	150
Total	114,855	1,482	(116)	-	116,221
Public works:					
Public works	45,984	2,006	-	161	48,151
Engineering	47	-	-	-	47
Permit services	788	-	-	-	788
Corporation yard	2,185	-	-	-	2,185
Building services	75,239	297	(1,327)	-	74,209
Street	505,611	10,851	(35,652)	31,101	511,911
Mechanical maintenance	154	-	-	-	154
Traffic engineering	24	-	-	-	24
Traffic safety controls	16,371	1	-	-	16,372
Transit Administration	30,729	-	(913)	-	29,816
Air quality improvement	581	-	-	-	581
Total	\$ 677,713	13,155	(37,892)	31,262	684,238

(Continued)

## Exhibit L-2

**CITY OF GLENDALE**

## Capital Assets used in the Operation of Governmental Funds

## Schedule of changes by Function and Activity

Year Ended June 30, 2011 (in thousands)

		Balance at July 1	Additions	Retirements	Reclass	Total
Housing, health and community development:						
Housing administration	\$	17,556	-	(1,580)	-	15,976
Community dev admin		9,173	2,986	-	-	12,159
Electric benefit		-	-	-	-	-
GRA		61,685	2,481	-	-	64,166
Total		88,414	5,467	(1,580)	-	92,301
Parks, recreation and community services:						
Parks administration		141,167	6,335	(11)	-	147,491
Total		141,167	6,335	(11)	-	147,491
Library		13,196	-	-	-	13,196
Total capital assets		1,074,900	26,449	(39,599)	31,262	1,093,012
Accumulated Depreciation		(209,011)	(17,818)	5,577	-	(221,252)
Net Capital Assets	\$	865,889	8,631	(34,022)	31,262	871,760

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

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

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

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## STATISTICAL SECTION (UNAUDITED)

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

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





## Schedule 1

**CITY OF GLENDALE**

Net Assets by Component,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2011	2010	2009	2008	2007
Governmental Activities					
Invested in capital assets, net of related debt	\$ 814,946	806,721	782,170	766,314	608,369
Restricted	53,953	56,854	56,506	48,392	59,782
Unrestricted	85,930	91,582	113,761	109,313	236,117
Total governmental activities net assets	954,829	955,157	952,437	924,019	904,268
Business-type Activities					
Invested in capital assets, net of related debt	526,011	476,440	448,099	392,039	472,893
Restricted	15,474	13,864	14,047	14,058	8,392
Unrestricted	159,353	208,562	238,443	278,763	190,462
Total business-type activities net assets	700,838	698,866	700,589	684,860	671,747
Primary Government					
Invested in capital assets, net of related debt	1,340,957	1,283,161	1,230,269	1,158,353	1,081,262
Restricted	69,427	70,718	70,553	62,450	68,174
Unrestricted	245,283	300,144	352,204	388,076	426,579
Total primary government net assets	\$ 1,655,667	1,654,023	1,653,026	1,608,879	1,576,015

	Fiscal Year				
	2006	2005	2004	2003	2002
Governmental Activities					
Invested in capital assets, net of related debt	\$ 684,725	658,445	635,754	607,260	507,881
Restricted	58,668	60,899	51,900	95,245	152,983
Unrestricted	151,966	151,155	150,127	131,816	70,120
Total governmental activities net assets	895,359	870,499	837,781	834,321	730,984
Business-type Activities					
Invested in capital assets, net of related debt	435,757	393,342	371,934	347,099	387,743
Restricted	8,653	12,461	11,947	4,814	56,758
Unrestricted	217,431	261,248	282,328	302,302	146,757
Total business-type activities net assets	661,841	667,051	666,209	654,215	591,258
Primary Government					
Invested in capital assets, net of related debt	1,120,482	1,051,787	1,007,688	954,359	895,624
Restricted	67,321	73,360	63,847	100,059	209,741
Unrestricted	369,397	412,403	432,455	434,118	216,877
Total primary government net assets	\$ 1,557,200	1,537,550	1,503,990	1,488,536	1,322,242

Source: City Finance Department

Not covered by independent auditor's report

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Assets,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2011	2010	2009	2008	2007
Expenses					
Governmental activities:					
General government	\$ 25,700	24,157	23,508	15,165	25,842
Public safety	- (3)	- (3)	- (3)	118,200	107,660
Police	69,926 (3)	66,923 (3)	64,113 (3)	-	-
Fire	57,138 (3)	55,743 (3)	50,793 (3)	-	-
Public works	41,598	38,529	35,903	40,252	35,442
Housing, health, and comm dev	69,965	70,813	49,563	51,601	63,526
Employment programs	5,925	7,397	5,432	5,962	6,808
Public service	8,029	8,249	6,729	4,682	6,932
Parks, recreation and community services	16,449	15,578	16,229	15,699	14,955
Library	9,127	9,241	9,162	9,916	8,463
Interest and fiscal charges on bonds	12,696	17,232	7,311	9,610	10,097
Total governmental activities expenses	<u>316,553</u>	<u>313,862</u>	<u>268,743</u>	<u>271,087</u>	<u>279,725</u>
Business-type activities:					
Recreation	2,622	2,645	2,552	2,457	2,072
Hazardous disposal	1,745	1,848	1,680	1,801	1,539
Fire communications	3,289	3,306	2,790	-	-
Parking	7,763	7,609	6,520	6,416	6,618
Sewer	15,756	17,874	12,195	17,784	11,993
Refuse disposal	18,893	18,101	16,450	16,283	15,074
Electric	188,569	170,423	192,326	195,590	178,220
Water	35,790	34,953	33,886	31,263	29,927
Total business-type activities expenses	<u>274,427</u>	<u>256,759</u>	<u>268,399</u>	<u>271,594</u>	<u>245,443</u>
Total primary government expenses	<u>\$ 590,980</u>	<u>570,621</u>	<u>537,142</u>	<u>542,681</u>	<u>525,168</u>

## Notes:

- (1) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.
- (2) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.
- (3) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Assets,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2011	2010	2009	2008	2007
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 17,276	13,922	9,890	9,173	9,533
Public safety	(3)	- (3)	- (3)	14,391	13,739
Police	779 (3)	1,136 (3)	1,164 (3)	-	-
Fire	13,774 (3)	12,070 (3)	11,221 (3)	-	-
Public works	11,685	10,170	10,990	12,498	15,014
Housing, health, and comm dev	51	37	45	55	86
Employment programs	1,631	1,427	980	1,131	1,423
Parks, recreation and community services	13	9	15	29	47
Library	226	239	221	236	211
Operating grants and contributions	63,166	69,905	55,942	38,170	43,199
Capital grants and contributions	9,040	6,905	6,912	7,271	12,228
Total governmental activities program revenues	117,641	115,820	97,380	82,954	95,480
Business-type activities:					
Charges for services:					
Recreation	2,640	2,353	2,394	2,092	1,842
Hazardous disposal	1,530	1,533	1,550	1,560	1,586
Fire communications	3,337	3,199	2,890	-	-
Parking	7,853	8,944	7,111	7,780	7,329
Sewer	14,977	14,709	15,440	16,857	17,447
Refuse disposal	20,776	19,941	19,911	18,952	18,205
Electric	187,801	176,903	207,177	204,497	178,979
Water	36,637	35,716	36,068	34,817	33,277
Operating grants and contributions	161	421	738	632	1,415
Capital grants and contributions	16,238	7,440	3,292	4,016	5,222
Total business-type activities program revenues	291,950	271,159	296,571	291,203	265,302
Total primary government program revenues	409,591	386,979	393,951	374,157	360,782
Net (Expense) / Revenue					
Governmental activities	(198,912)	(198,042)	(171,363)	(188,133)	(184,245)
Business-type activities	17,523	14,400	28,172	19,609	19,859
Total primary government net expense	\$ (181,389)	(183,642)	(143,191)	(168,524)	(164,386)

Notes:

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

(2) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.

(3) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Assets,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 79,714	80,422	77,060	72,690	67,394
Sales taxes	30,030	27,594	22,755	24,731	23,944
Utility users tax	26,802	27,827	28,798	27,781	26,202
Other taxes	13,857	13,891	22,268	21,508	21,262
Investment income	4,066	5,806	8,143	14,255	15,826
Other	17,948	18,077	16,368	21,611	13,715
Transfers	26,167	25,167	26,100	25,310	24,811
Gain on exchange of land	-	1,978	-	-	-
Contributions	-	-	(1,712)	-	-
Total governmental activities	<u>198,584</u>	<u>200,762</u>	<u>199,780</u>	<u>207,886</u>	<u>193,154</u>
Business-type activities:					
Investment income	2,089	4,770	8,331	10,425	11,569
Other	8,527	4,274	3,614	8,387	3,289
Transfers	(26,167)	(25,167)	(26,100)	(25,310)	(24,811)
Contributions	-	-	1,712	-	-
Total business-type activities	<u>(15,551)</u>	<u>(16,123)</u>	<u>(12,443)</u>	<u>(6,498)</u>	<u>(9,953)</u>
Total primary government	<u>183,033</u>	<u>184,639</u>	<u>187,337</u>	<u>201,388</u>	<u>183,201</u>
Change in Net Assets					
Governmental activities	(328)	2,720	28,417	19,753	8,909
Business-type activities	<u>1,972</u>	<u>(1,723)</u>	<u>15,729</u>	<u>13,111</u>	<u>9,906</u>
Total primary government	<u>\$ 1,644</u>	<u>997</u>	<u>44,146</u>	<u>32,864</u>	<u>18,815</u>

## Notes:

- (1) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.
- (2) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.
- (3) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Assets,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Expenses					
Governmental activities:					
General government	\$ 20,301	17,536	11,121	20,471	17,312
Public safety	94,711	83,074	50,085	67,710	73,554
Public works	37,075	39,261	46,435	37,846	33,003
Housing, health, and comm dev	53,214	39,683	49,923	29,671	29,566
Employment programs	6,106	5,136	4,824	5,472	5,479
Public service	3,900	5,024	5,693	5,216	3,357
Parks, recreation and community services	15,561	10,066	25,219	24,429	9,516
Library	7,918	7,003	1,544	6,960	6,968
Interest and fiscal charges on bonds	8,404	7,284	6,729	1,754	4,753
Total governmental activities expenses	<u>247,190</u>	<u>214,067</u>	<u>201,573</u>	<u>199,529</u>	<u>183,508</u>
Business-type activities:					
Recreation	1,853	2,078	2,268	2,013	1,946
Hazardous disposal	1,420	1,350	1,715	1,706	1,430
Fire paramedic	-	8,150	7,456	6,577	3,719
Parking	5,593	5,913	5,704	7,236	5,502
Sewer	6,874	8,112	9,790	3,588	6,480
Refuse disposal	14,388	14,636	14,639	13,024	11,976
Electric	184,913	147,377	141,989	141,799	168,389
Water	26,151	25,608	25,606	23,623	23,816
Total business-type activities expenses	<u>241,192</u>	<u>213,224</u>	<u>209,167</u>	<u>199,566</u>	<u>223,258</u>
Total primary government expenses	<u>\$ 488,382</u>	<u>427,291</u>	<u>410,740</u>	<u>399,095</u>	<u>406,766</u>

## Notes:

- (1) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.
- (2) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.
- (3) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Assets,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 8,762	8,600	9,167	8,271	7,847
Public safety	12,169	3,757	3,949	5,685	5,402
Public works	12,674	11,256	10,834	8,786	6,960
Housing, health, and comm dev	110	99	104	130	781
Employment programs	1,154	937	806	346	-
Parks, recreation and community services	28	31	95	36	35
Library	202	150	193	148	137
Operating grants and contributions	40,617	33,855	36,001	44,369	32,812
Capital grants and contributions	17,532	6,860	9,504	13,767	23,653
Total governmental activities program revenues	93,248	65,545	70,653	81,538	77,627
Business-type activities:					
Charges for services:					
Recreation	1,943	1,736	1,617	1,552	1,629
Hazardous disposal	1,404	1,403	1,438	1,508	1,304
Fire paramedic	-	6,887	6,390	6,068	4,201
Parking	7,024	7,139	6,159	6,058	5,465
Sewer	16,611	16,323	16,036	19,041	18,252
Refuse disposal	16,115	15,404	13,759	13,132	11,432
Electric	170,208	148,799	151,718	178,632	188,298
Water	31,189	29,753	31,377	31,634	28,468
Operating grants and contributions	511	659	715	1,542	1,113
Capital grants and contributions	2,712	1,376	3,344	1,472	5,974
Total business-type activities program revenues	247,717	229,479	232,553	260,639	266,136
Total primary government program revenues	340,965	295,024	303,206	342,177	343,763
Net (Expense) / Revenue					
Governmental activities	(153,942)	(148,522)	(130,920)	(117,991)	(105,882)
Business-type activities	6,525	16,255	23,386	61,073	42,878
Total primary government net expense	\$ (147,417)	(132,267)	(107,534)	(56,918)	(63,004)

## Notes:

- (1) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.
- (2) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.
- (3) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Assets,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 60,961	55,716	39,491	39,181	32,515
Sales taxes	23,985	22,351	28,328	30,317	27,547
Utility users tax	24,386	23,772	22,666	19,488	18,700
Other taxes	19,216	18,562	11,920	10,915	9,958
Investment income	6,805	9,057	2,696	13,354	18,415
Other	21,411	15,461	14,194	19,485	23,092
Transfers	24,357	27,127	21,987	19,170	14,643
Contributions	-	-	-	-	(7,747)
Total governmental activities	<u>181,121</u>	<u>172,046</u>	<u>141,282</u>	<u>151,910</u>	<u>137,123</u>
Business-type activities:					
Investment income	6,421	8,251	2,697	10,589	13,196
Other	3,883	3,463	5,949	10,465	6,886
Transfers	(24,358)	(27,127)	(21,987)	(19,171)	(14,642)
Contributions	-	-	-	-	7,747
Total business-type activities	<u>(14,054)</u>	<u>(15,413)</u>	<u>(13,341)</u>	<u>1,883</u>	<u>13,187</u>
Total primary government	<u>167,067</u>	<u>156,633</u>	<u>127,941</u>	<u>153,793</u>	<u>150,310</u>
Change in Net Assets					
Governmental activities	27,179	23,525	10,363	33,919	31,241
Business-type activities	<u>(7,529)</u>	<u>841</u>	<u>10,044</u>	<u>62,956</u>	<u>56,065</u>
Total primary government	<u>\$ 19,650</u>	<u>24,366</u>	<u>20,407</u>	<u>96,875</u>	<u>87,306</u>

## Notes:

- (1) Fire paramedic is reclassified as special revenue fund from enterprise fund in fiscal year 2006.
- (2) Fire communication is reclassified as enterprise fund from special revenue fund in fiscal year 2009.
- (3) Beginning in fiscal year 2009 and going forward, public safety is split between fire and police.

Source: City Finance Department

Not covered by independent auditor's report

## Schedule 3

**CITY OF GLENDALE**

Fund Balances, Governmental Funds,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2011	2010	2009	2008	2007
General Fund					
Nonspendable:	\$ 49,425	71,521	68,840	68,867	67,347
Restricted for:					
City Charter- stabilization	21,105	20,619	19,320	19,320	17,805
Assigned to:					
Economic Development	117	-	-	-	-
Unassigned:	63,408	28,331	37,503	33,310	42,559
Total general fund	<u>134,055</u>	<u>120,471</u>	<u>125,663</u>	<u>121,497</u>	<u>127,711</u>
All Other Governmental Funds					
Nonspendable:	14,459	22,311	21,485	15,043	13,844
Restricted for:					
Federal and state grants	4,735	4,915	4,437	4,959	3,725
Public safety	1,759	6,101	6,397	7,530	8,569
Transportation	10,606	9,854	12,197	13,610	12,976
Landscaping district	53	55	24		
Low and Mod Housing	9,419	13,964	14,737	11,896	17,060
Air quality improvement	286	280	659	658	538
Cable access	792	650	573	486	690
Electric public benefit AB1890	862	1,641	3,282	3,016	2,716
Redevelopment activities	24,071	-	2,211	4,679	4,663
Debt service funds	52,330	49,286	54,486	55,269	56,323
Capital projects funds	49,391	37,341	19,534	19,186	12,851
Committed to:					
Impact fee funded projects	2,209	-	-	-	-
Special events fund	170	-	-	-	-
Urban art	18	-	-	-	-
Unassigned:	(7,393)	(16,833)	(13,752)	(9,474)	5,851
Total all other governmental funds	<u>\$ 163,767</u>	<u>129,565</u>	<u>126,270</u>	<u>126,858</u>	<u>139,806</u>

Note: This schedule has been modified pursuant to GASB Statement 54, which establishes the following classifications (effective for fiscal year ending June 30, 2011): nonspendable, restricted, committed, assigned, and unassigned.

Not covered by independent auditor's report

(Continued)



## Schedule 3

**CITY OF GLENDALE**

Fund Balances, Governmental Funds,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
<b>General Fund</b>					
Nonspendable:	\$ 67,147	66,786	66,288	64,979	63,629
Restricted for:					
City Charter- stabilization	16,495	15,521	13,727	13,072	12,269
Assigned to:					
Economic Development	-	-	-	-	-
Unassigned:	<u>32,541</u>	<u>35,544</u>	<u>43,268</u>	<u>48,365</u>	<u>45,498</u>
Total general fund	<u><u>116,183</u></u>	<u><u>117,851</u></u>	<u><u>123,283</u></u>	<u><u>126,416</u></u>	<u><u>121,396</u></u>
<b>All Other Governmental Funds</b>					
Nonspendable:	71,314	74,324	66,891	36,337	28,237
Restricted for:					
Federal and state grants	1,783	1,075	1,327	2,156	2,180
Public safety	9,671	11,324	7,831	4,593	4,377
Transportation	11,826	4,823	4,261	4,222	9,065
Landscaping district	-	-	-	-	-
Low and Mod Housing	13,976	6,287	3,110	8,212	12,431
Air quality improvement	482	457	431	467	441
Cable access	938	1,027	980	2,627	2,269
Electric public benefit AB1890	5,219	5,598	6,925	9,047	10,721
Redevelopment activities	4,639	-	2,958	46,276	910
Debt service funds	60,928	62,724	60,616	66,299	63,244
Capital projects funds	27,516	47,893	91,638	45,568	37,371
Committed to:					
Impact fee funded projects	-	-	-	-	-
Special events fund	-	-	-	-	-
Urban art	-	-	-	-	-
Unassigned:	<u>(31,110)</u>	<u>(12,883)</u>	<u>(46,912)</u>	<u>(19,512)</u>	<u>(16,820)</u>
Total all other governmental funds	\$ <u><u>177,182</u></u>	<u><u>202,649</u></u>	<u><u>200,056</u></u>	<u><u>206,292</u></u>	<u><u>154,426</u></u>

Note: This schedule has been modified pursuant to GASB Statement 54, which establishes the following classifications (effective for fiscal year ending June 30, 2011): nonspendable, restricted, committed, assigned, and unassigned.

Not covered by independent auditor's report

## Schedule 4

**CITY OF GLENDALE**

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

	Fiscal Year				
	2011	2010	2009	2008	2007
Revenues:					
Property taxes	\$ 79,714	80,422	77,060	72,690	67,394
Sales tax	30,030 (2)	27,594 (2)	73,820	74,020	71,408
Utility users tax	26,802 (2)	27,827 (2)	-	-	-
Other taxes	13,857 (2)	13,891 (2)	-	-	-
Revenue from other agencies	84,204	80,322	56,558	48,552	64,206
Licenses and permits	8,836	5,601	4,911	6,354	8,589
Fines and forfeitures	2,032	3,026	2,667	2,041	1,503
Charges for services	23,174	22,445	21,992	23,348	23,202
Use of money and property	11,084 (1)	9,651 (1)	9,483	14,676	16,389
Intergovernmental revenue	- (1)	- (1)	2,040	2,000	2,000
Interfund revenue	14,943	12,012	7,699	7,853	8,262
Sales of property	28	10	144	5,985	-
Miscellaneous revenue	1,623	3,347	5,621	5,913	5,168
Total revenues	<u>296,327</u>	<u>286,148</u>	<u>261,995</u>	<u>263,432</u>	<u>268,121</u>
Expenditures:					
General government	21,327	20,215	20,465	20,940	20,285
Community promotion	106	55	105	151	115
Police	65,000	61,677	60,726	57,734	51,482
Fire	52,750	51,468	50,190	52,311	49,481
Public works	33,935	34,033	30,520	30,581	29,714
Housing, health and community development	67,044	74,402	45,868	38,012	32,612
Employment programs	5,794	5,060	3,118	3,545	6,649
Public service	7,970	8,053	6,674	4,492	6,770
Parks, recreation and community services	12,856	12,852	13,460	13,217	12,384
Library	8,322	8,343	8,643	8,930	8,097
Capital outlay	31,236	41,043	42,445	59,489	91,919
Debt service					
Interest	5,920	4,516	4,651	6,025	6,655
Principal	10,908	10,398	8,306	7,624	6,300
Cost of issuance	-	-	80	-	-
Total expenditures	<u>323,168</u>	<u>332,115</u>	<u>295,251</u>	<u>303,051</u>	<u>322,463</u>
Excess of revenues over (under) expenditures	<u>(26,841)</u>	<u>(45,967)</u>	<u>(33,256)</u>	<u>(39,619)</u>	<u>(54,342)</u>
Other Financing Sources (Uses):					
Proceeds from borrowing	50,000	31,081	14,000	-	8,200
Original/Issue discount	(2,032)	-	-	-	-
Cost of issuance	(583)	-	-	-	-
Transfers in	54,771	67,019	37,479	42,052	31,312
Transfers out	(27,529)	(54,030)	(14,646)	(21,595)	(11,019)
Total other financing sources (uses)	<u>74,627</u>	<u>44,070</u>	<u>36,833</u>	<u>20,457</u>	<u>28,493</u>
Net change in fund balances	<u>\$ 47,786</u>	<u>(1,897)</u>	<u>3,577</u>	<u>(19,162)</u>	<u>(25,849)</u>
Debt service as a percentage of noncapital expenditures	5.6%	5.1%	5.1%	5.6%	5.0%

## Notes:

(1) Intergovernmental revenue became part of use of money and property in fiscal year 2010.

(2) Beginning in fiscal year 2010 and going forward, other taxes are split among sales, property, and other.

Source: City Finance Department

Not covered by independent auditor's report

(Continued)

## Schedule 4

**CITY OF GLENDALE**

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

	Fiscal Year				
	2006	2005	2004	2003	2002
Revenues:					
Property taxes	\$ 60,961	55,716	39,492	39,180	32,515
Other taxes	69,172	66,178	64,277	62,096	57,389
Revenue from other agencies	49,247	45,579	54,001	60,289	65,308
Licenses and permits	6,247	5,303	4,698	3,925	3,046
Fines and forfeitures	1,671	1,822	1,032	2,257	1,571
Charges for services	21,079	12,036	12,005	11,522	10,956
Use of money and property	8,914	10,821	5,259	16,363	19,792
Intergovernmental revenue	1,500	1,250	1,000	-	-
Interfund revenue	7,774	7,491	8,446	7,641	5,917
Miscellaneous revenue	12,499	4,689	4,728	3,324	8,671
Total revenues	<u>239,064</u>	<u>210,885</u>	<u>194,938</u>	<u>206,597</u>	<u>205,165</u>
Expenditures:					
General government	17,984	16,730	16,431	14,942	13,865
Community promotion	245	116	56	63	62
Police	52,808	48,140	39,971	37,171	35,585
Fire	44,658	34,184	28,482	25,557	23,243
Public works	29,767	25,968	22,829	22,293	21,231
Housing, health and community development	37,747	35,588	45,044	33,827	24,310
Employment programs	6,129	4,968	4,870	5,373	5,424
Public service	3,931	4,860	5,474	5,119	3,357
Parks, recreation and community services	11,966	10,287	9,329	9,004	8,090
Library	7,668	6,815	6,409	6,392	6,535
Capital outlay	59,299	41,255	34,383	65,873	62,020
Debt service					
Interest	6,379	5,707	6,968	6,314	4,648
Principal	5,575	6,482	2,910	3,400	3,215
Fiscal agent fees	-	-	2,120	1,275	18
Total expenditures	<u>284,156</u>	<u>241,100</u>	<u>225,276</u>	<u>236,603</u>	<u>211,603</u>
Excess of revenues over (under) expenditures	<u>(45,092)</u>	<u>(30,215)</u>	<u>(30,338)</u>	<u>(30,006)</u>	<u>(6,438)</u>
Other Financing Sources (Uses):					
Proceeds from borrowing	-	-	61,495	52,522	-
Original/Issue discount	-	-	-	-	-
Cost of issuance	-	-	-	-	-
Payments to escrow agent	-	-	(62,110)	-	-
Transfers in	33,684	31,424	55,860	46,815	19,772
Transfers out	(13,407)	(13,242)	(40,404)	(25,644)	(4,814)
Total other financing sources (uses)	<u>20,277</u>	<u>18,182</u>	<u>14,841</u>	<u>73,693</u>	<u>14,958</u>
Net change in fund balances	<u>\$ (24,815)</u>	<u>(12,033)</u>	<u>(15,497)</u>	<u>43,687</u>	<u>8,520</u>
Debt service as a percentage of noncapital expenditures	4.9%	6.2%	4.8%	5.1%	4.5%

## Notes:

(1) Intergovernmental revenue became part of use of money and property in fiscal year 2010.

(2) Beginning in fiscal year 2010 and going forward, other taxes are split among sales, property, and other.

Source: City Finance Department

Not covered by independent auditor's report

## Schedule 5

**CITY OF GLENDALE**

## Electric Revenue by Type of Customers

## Last Ten Fiscal Years

	Fiscal Year				
	2011	2010	2009	2008	2007
Number of Customers:					
Residential	72,030	71,866	71,643	71,310	70,921
Commercial	12,698	12,690	12,664	12,626	12,481
Industrial	216	226	229	213	224
Other (Government)	18	18	18	18	18
Total	<u>84,962</u>	<u>84,800</u>	<u>84,554</u>	<u>84,167</u>	<u>83,644</u>
Megawatt-Hour Sales:					
Residential	357,604	378,460	389,872	399,644	395,260
Commercial	305,908	322,377	341,639	351,990	345,407
Industrial	377,698	392,273	410,663	399,689	396,997
Public street and highway lighting	<u>9,240</u>	<u>9,200</u>	<u>9,216</u>	<u>9,243</u>	<u>9,164</u>
Total Retail Energy Sales	<u>1,050,450</u>	<u>1,102,310</u>	<u>1,151,390</u>	<u>1,160,566</u>	<u>1,146,828</u>
Sales to other utilities	487,753	108,731	76,272	55,968	114,465
Wholesale	<u>396,933</u>	<u>76,934</u>	<u>128,556</u>	<u>194,423</u>	<u>126,627</u>
Total Energy Sales	<u>1,935,136</u>	<u>1,287,975</u>	<u>1,356,218</u>	<u>1,410,957</u>	<u>1,387,920</u>
Revenue from Sale Energy					
Residential	\$ 53,557,580	59,515,595	66,450,032	63,778,774	58,251,508
Commercial	47,557,202	52,574,031	60,278,592	58,121,923	53,302,463
Industrial	49,084,732	54,368,173	61,862,315	56,307,557	51,908,777
Public street and highway lighting	4,288	3,022	2,054	1,983	1,810
Sales to other utilities	17,437,568	6,942,319	7,695,258	7,461,421	5,969,693
Wholesale	<u>20,159,819</u>	<u>3,500,143</u>	<u>10,888,493</u>	<u>18,825,241</u>	<u>9,545,014</u>
Total Energy Sales	<u>\$ 187,801,189</u>	<u>176,903,283</u>	<u>207,176,744</u>	<u>204,496,899</u>	<u>178,979,265</u>

## Notes:

- (1) Sales to other utilities were classified as wholesale prior to fiscal year 2005.
- (2) Fluctuations in wholesale sales volume and revenue were due to changing market demand and price volatility.
- (3) Starting in fiscal year 2004, Glendale Water and Power department assumed ownership of the City's Street light system and no longer collects street light sales revenue from the City.
- (4) Reflects an over-collection of the fuel adjustment charge.

Source: Glendale Water &amp; Power Department

Not covered by independent auditor's report

(Continued)

## Schedule 5

**CITY OF GLENDALE**

## Electric Revenue by Type of Customers

## Last Ten Fiscal Years

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

## Notes:

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

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

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

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

Source: Glendale Water & Power Department

Not covered by independent auditor's report

## Schedule 6

**CITY OF GLENDALE**

Electric Rates (Dollars per Kilowatt Hour)

Last Ten Fiscal Years

		Fiscal Year				
		2011	2010	2009	2008	2007
Customer Class						
Residential	\$	0.1498	0.1573	0.1704	0.1596	0.1474
Commercial		0.1555	0.1631	0.1764	0.1651	0.1543
Industrial		0.1300	0.1386	0.1506	0.1409	0.1308
Lighting		0.0005	0.0003	0.0002	0.0002	0.0002

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

Note:

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

Source: Glendale Water &amp; Power Department

Not covered by independent auditor's report

## Schedule 7

**CITY OF GLENDALE**

Principal Electric Payer Groups  
Current Year and Five Years Ago

Electric Payer Groups	Fiscal Year 2011			Fiscal Year 2006		
	Electric Charges	Rank	Percentage of Total City Electric Charges	Electric Charges	Rank	Percentage of Total City Electric Charges
Hospitals/Medical Facilities	\$ 9,435,683	1	5.02%	\$ 5,409,579	4	3.18%
Entertainment Industry	8,863,178	2	4.72%	7,312,437	1	4.30%
Retail Stores/Malls	8,307,301	3	4.42%	5,894,901	2	3.46%
Government Agencies	7,322,147	4	3.90%	5,766,049	3	3.39%
High-Rise Buildings	4,337,477	5	2.31%	5,349,323	5	3.14%
Schools/Colleges	4,175,168	6	2.22%	3,672,134	6	2.16%
Grocery Stores	3,709,789	7	1.98%	3,636,487	7	2.14%
Manufacturing	3,057,781	8	1.63%	1,904,525	9	1.12%
Utilities	1,295,980	9	0.69%	2,181,564	8	1.28%
Hotels/Motels	1,269,811	10	0.68%	1,172,868	10	0.69%
Total	\$ <u>51,774,315</u>		<u>27.57%</u>	\$ <u>36,890,288</u>		<u>24.86%</u>

## Notes:

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

(2) Data prior fiscal year 2006 are not available.

Source: Glendale Water & Power Department

Not covered by independent auditor's report

## Schedule 8

**CITY OF GLENDALE**

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years (in thousands)

Fiscal Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Other Property
2002	\$ 9,331,024	2,540,255	585,096	1,407,193
2003	9,930,375	2,644,889	613,642	1,305,607
2004	10,798,578	2,951,689	635,831	1,258,783
2005	11,756,804	3,078,836	645,596	1,589,154
2006	12,775,595	3,551,225	631,048	1,152,535
2007	13,984,201	3,942,464	681,900	1,405,426
2008	14,990,159	4,295,767	715,557	1,311,529
2009	15,729,376	4,505,552	769,835	1,695,090
2010	15,532,198	4,610,316	772,420	1,790,188
2011	15,775,282	4,528,804	773,763	1,935,866

Fiscal Fiscal Year Ended June 30,	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (2)
2002	\$ 124,525	13,739,043	0.25169% (3)
2003	95,409	14,399,104	0.24921% (3)
2004	101,791	15,543,090	0.25012% (3)
2005	496,524	16,573,866	0.24192% (3)
2006	105,209	18,005,194	0.25043% (3)
2007	112,667	19,901,324	0.25543% (3)
2008	102,693	21,210,319	0.25637% (3)
2009	111,403	22,588,450	0.26764% (3)
2010	115,323	22,589,799	0.26915% (3)
2011	120,897	22,892,818	0.27303%

## Notes:

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

Source: HdL Coren &amp; Cone

Not covered by independent auditor's report



## Schedule 9

**CITY OF GLENDALE**

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

Fiscal Year	City's Share of 1% Levy Per Prop 13	Redevelopment Rate	Total Direct Tax Rate
2002	0.13573	1.00990	0.25169
2003	0.13573	1.00861	0.24921
2004	0.13573	1.00755	0.25012
2005	0.13573	1.00697	0.24192
2006	0.13573	1.00604	0.25043
2007	0.13573	1.00541	0.25543
2008	0.13573	1.00450	0.25637
2009	0.13573	1.00430	0.26764
2010	0.13573	1.00430	0.26915
2011	0.13573	1.00370	0.27303

Direct & Overlapping Rates					
Fiscal Year	Basic Levy	County Detention Facilities 1987 Debt	Glendale Community College	Glendale Unified School District	La Canada Unified School District
2002	1.00000	0.00113	0.00000	0.05618	0.04007
2003	1.00000	0.00103	0.00138	0.06004	0.04021
2004	1.00000	0.00099	0.02039	0.06057	0.04158
2005	1.00000	0.00092	0.02132	0.06161	0.07132
2006	1.00000	0.00080	0.01857	0.05221	0.06708
2007	1.00000	0.00066	0.02213	0.05205	0.05923
2008	1.00000	0.00000	0.02408	0.04742	0.05630
2009	1.00000	0.00000	0.02119	0.04560	0.06475
2010	1.00000	0.00000	0.02366	0.04603	0.07043
2011	1.00000	0.00000	0.02344	0.03541	0.07329

## Notes:

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

Source: HdL Coren &amp; Cone

Not covered by independent auditor's report

(Continued)

## Schedule 9

**CITY OF GLENDALE**

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

Last Ten Fiscal Years

Fiscal Year	Direct & Overlapping Rates					Total Direct & Overlapping Tax Rates
	La Community College District	L.A. County Flood Control	Los Angeles Unified School District	Metropolitan Water District	Pasadena Community College District	
2002	0.01600	0.00107	0.04813	0.00770	0.00000	1.17028
2003	0.01460	0.00088	0.03697	0.00670	0.00000	1.17181
2004	0.01986	0.00046	0.07715	0.00610	0.00681	1.23391
2005	0.01810	0.00025	0.08884	0.00580	0.00879	1.27694
2006	0.01429	0.00005	0.08435	0.00520	0.00410	1.24665
2007	0.02146	0.00005	0.10681	0.00470	0.02080	1.28791
2008	0.00879	0.00000	0.12334	0.00450	0.01972	1.28416
2009	0.02212	0.00000	0.12478	0.00430	0.01742	1.30015
2010	0.02311	0.00000	0.15181	0.00430	0.02300	1.34234
2011	0.04031	0.00000	0.18696	0.00370	0.01986	1.38297

## Notes:

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

Source: HdL Coren &amp; Cone

Not covered by independent auditor's report

## Schedule 10

**CITY OF GLENDALE**

Principal Property Tax Payers

Current Year and Five Years Ago (in thousands)

Taxpayer	Fiscal Year 2011			Fiscal Year 2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
GGP Homart II	\$ 444,946	1	1.94%	392,313	1	2.11%
Americana at Brand LLC	391,105	2	1.71%	\$ 247,489	2	1.33%
Walt Disney World Company	389,250	3	1.70%	178,654	3	0.96%
Glendale Adventist Medical Center	214,726	4	0.94%			
PR Glendale Plaza Office California LLC	174,734	5	0.76%			
Wells Reit Glendale California LLC	162,694	6	0.71%	163,130	4	0.88%
Dreamworks Animation LLC	133,134	7	0.58%			
SPUSV5 500 Brand LP	110,737	8	0.48%			
Metropolitan Life Insurance Company	110,320	9	0.48%	119,340	6	0.64%
Legacy Partners II Glendale N Br and LLC	103,800	10	0.45%			
Glendale Plaza Realty Holding Company				139,127	5	0.75%
CLPF -500 Brand				108,000	7	0.58%
Maguire Properties 611 N Brand LLC				92,106	8	0.50%
Glendale Memorial Hospital & Health Center				89,151	9	0.48%
DW Statuory Trust 2002				84,786	10	0.46%
Total	\$ 2,235,446		9.76%	\$ 1,614,096		8.69%

Note: Data prior to fiscal year 2005 are not available.

Source: HdL Coren &amp; Cone

Not covered by independent auditor's report

## Schedule 11

**CITY OF GLENDALE**

## Property Tax Levies and Collections

## Last Ten Fiscal Years (in thousands)

City

Fiscal Year Ended June 30,	City						
	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date (1)		
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2002	\$	15,106	13,649	90%	367	14,016	93%
2003		15,847	15,755	99%	429 (3)	16,184	102%
2004		17,032	16,114	95%	443	16,557	97%
2005		17,640	17,072	97%	393	17,465	99%
2006		19,996	19,208	96%	492	19,700	99%
2007		22,247	21,228	95%	589	21,817	98%
2008		23,853	22,460	94%	827	23,287	98%
2009		24,731	23,552	95%	1,209	24,761	100%
2010		23,814	22,698	95%	1,201	23,899	100%
2011		24,737	23,811	96%	902	24,713	100%

Redevelopment Agency

Fiscal Year Ended June 30,	Redevelopment Agency						
	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date (1)		
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2002	\$	20,012	17,533	88%	367	17,900	89%
2003		21,931	21,704	99%	76	21,780	99%
2004		23,474	21,406	91%	139	21,545	92%
2005		28,489	26,662	94%	819	27,481	96%
2006		26,505	25,798	97%	528	26,326	99%
2007		29,118	27,415	94%	341	27,756	95%
2008		31,205	30,505	98%	472	30,977	99%
2009		36,408	34,667	95%	(19) (2)	34,648	95%
2010		41,442	39,884	96%	283	40,167	97%
2011		39,048	37,801	97%	383	38,184	98%

## Notes:

- (1) Education Revenue Augmentation Fund (ERAF) III payment to State, ERAF in lieu of Vehicle License Fee, SB211 Proposition Share for Central Project, supplemental property tax, and property tax penalty are excluded from property tax collections when compared to property tax levied in this schedule. All prior fiscal year data are updated in fiscal year 2010 CAFR.
- (2) The negative collection is due to refunds to property owners for overpayment in prior years, which mainly resulted from lower property values.
- (3) Fiscal year 2003 "Collections in Subsequent Year" amount has been restated to exclude the Delinquent Supplemental Amount. In addition, this fiscal year's collection from prior year's levy increased therefore, the Total Collections To-Date Percentage of Levy is over by 2% from the Taxes Levied for the fiscal year.

## Sources:

- County of Los Angeles Department of Auditor-Controller
- City Finance Department

Not covered by independent auditor's report

**CITY OF GLENDALE**

Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years (in thousands)

Governmental Activities							
Fiscal Year	Police Building Project (COPs)	Parking Lease Revenue Bonds Series A	Refunding Parking Lease Revenue Bonds Series 1976	1993 GRA Tax Allocation Bond	2002 GRA Tax Allocation Bond	2003 GRA Tax Allocation Bond	2010 GRA Tax Allocation Bond
2002	\$ 64,200	440	1,025	61,250	-	-	-
2003	63,100	-	-	59,315	49,969	-	-
2004	62,000	-	-	-	48,053	58,129	-
2005	60,800	-	-	-	46,083	56,184	-
2006	59,600	-	-	-	44,057	53,924	-
2007	58,300	-	-	-	41,971	51,544	-
2008	56,900	-	-	-	39,832	49,043	-
2009	55,500	-	-	-	37,626	46,418	-
2010	54,000	-	-	-	35,355	43,658	26,621
2011	52,400	-	-	-	33,008	40,758	26,644

Governmental Activities							
Fiscal Year	2011 GRA Tax Allocation Bond	Capital Leases	Section 108	Notes Payable	Low & Mod Loans Payable	Residential Development Loan Program (RDLP)	Subtotal
2002	\$ -	-	-	-	-	-	126,915
2003	-	2,000	1,800	-	-	-	176,184
2004	-	1,631	1,700	4,615	-	-	176,128
2005	-	4,989	1,590	3,692	-	-	173,337
2006	-	4,273	1,450	2,769	-	-	166,073
2007	-	11,729	1,280	1,846	-	-	166,671
2008	-	9,935	1,100	923	-	-	157,733
2009	-	10,540	690	-	13,352	-	164,126
2010	-	8,866	690	-	10,716	4,643	184,549
2011	50,000	7,121	470	-	7,991	4,643	223,035

(Continued)

## Schedule 12

**CITY OF GLENDALE**

Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years (in thousands)

Fiscal Year	Business-Type Activities					Subtotal
	2000 Electric Revenue Bond	2003 Electric Revenue Bond	2006 Electric Revenue Bond	2008 Electric Revenue Bond	2008 Water Revenue Bond	
2002	\$ 37,155	-	-	-	-	37,155
2003	37,146	32,248	-	-	-	69,395
2004	37,138	31,431	-	-	-	68,569
2005	37,130	30,615	-	-	-	67,745
2006	-	29,798	36,780	-	-	66,577
2007	-	28,983	36,212	-	-	65,195
2008	-	28,166	35,381	61,687	51,916	177,150
2009	-	27,350	34,482	61,630	51,851	175,313
2010	-	26,533	33,515	61,573	51,787	173,408
2011	-	25,718	32,481	61,516	51,722	171,437

Fiscal Year	Business-Type Activities					per Capita
	Total Primary Government (I)	Total Personal Income (II)	Percentage of Personal Income	Population		
2002	\$ 164,070	6,305,299	2.60%	200 (IV)		0.820
2003	245,579	6,496,217	3.78%	203 (IV)		1.210
2004	244,697	6,768,245	3.62%	205 (IV)		1.194
2005	241,082	7,137,808	3.38%	207 (IV)		1.165
2006	232,650	7,516,626	3.10%	206 (IV)		1.129
2007	231,866	8,186,637	2.83%	207 (IV)		1.120
2008	334,883	8,557,034	3.91%	207 (IV)		1.618
2009	339,439	8,761,661	3.87%	207 (IV)		1.640
2010	357,957	8,786,978	4.07%	192 (III)		1.864
2011	394,472	7,865,794	5.02%	192 (III)		2.055

Sources:

(I) City Finance Department

(II) Personal income is calculated as follows: Population multiplied by Per Capita Personal Income.  
Prior year per capita income amounts were revised (see FY2011 Statistical Section, Schedule 16).  
Accordingly, prior year personal income has also changed.

(III) 2011 and revised 2010 population data were obtained from the California State Department of Finance  
Demographic Research Unit, Population Estimates for California Cities, January 2010 and 2011 (E-1). (Note: 2010  
population data differs from the previous year estimate as it incorporates 2010 Census counts as the benchmark.)

(IV) Prior year population data was obtained from California State Department of Finance, January 1 of every year.

Not covered by independent auditor's report

## Schedule 13

**CITY OF GLENDALE**

## Direct &amp; Overlapping Governmental Activities Debt

As of June 30, 2011 (in thousands)

	<u>Gross Bonded Debt Balance</u>	<u>Percentage Applicable to Glendale</u>	<u>Amount Applicable to Glendale</u>
<b>Direct Debt</b>			
Glendale Police Facility Certificate of Participation	\$ 52,400	100%	\$ 52,400
Electric Revenue Bonds, 2003 Series	25,280	100%	25,280
Electric Revenue Bonds, 2006 Series	33,965	100%	33,965
Electric Revenue Bonds, 2008 Series	60,000	100%	60,000
Water Revenue Bonds, 2008 Series	50,000	100%	50,000
<b>Total Direct Debt</b>			<u>221,645</u>
<b>Overlapping Debt</b>			
Metropolitan Water District	107,260	2.256%	2,420
Glendale CCD DS 2002 Ser-A	1,500	89.300%	1,340
Glendale CCD DS 2002 Ser-B	10,731	89.300%	9,582
Glendale CCD DS 2002 Ser-C	32,575	89.300%	29,089
Glendale CCD DS RF BD 02, 05 S-A	11,226	89.300%	10,025
Glendale CCD DS 2002 Ser 2011	5,001	89.300%	4,466
Pasadena Area CCD DS 2002 S-A	1,925	0.098%	2
Pasadena CCD DS 2006 Series B	48,955	0.098%	48
Pasadena CCD DS 2006 REF BD Series C	12,302	0.098%	12
Pasadena CCD DS 2002, 2006 Ser D	26,705	0.098%	26
Pasadena CCD DS 2002, 2009 Series E (BABS)	25,295	0.098%	25
Glendale USD DS 1997 Ser D	1,295	89.300%	1,156
Glendale USD DS 1997 Ser E	15,220	89.300%	13,592
Glendale USD DS 1997 Ser F	16,190	89.300%	14,458
Glendale USD DS 1997 Ser G	19,525	89.300%	17,436
Glendale USD DS 2009 Ref Bonds	43,150	89.300%	38,533
Glendale USD DS 2010 Ref Bonds	27,845	89.300%	24,866
La Canada Unified SD 1995 SD	5,140	1.132%	58
La Canada Unif SD DS 1999 Ser A	2,635	1.132%	30
La Canada USD DS 1999 Ser B	2,010	1.132%	23
La Canada USD DS 2004 Ser A	12,560	1.132%	142
La Canada Unif Sch DS 2004 Ser B	5,240	1.132%	59
La Canada Unif Sch DS 2004 Ser C	4,200	1.132%	48
<b>Total Overlapping Debt</b>			<u>167,436</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 389,081</u>

## Notes:

- (1) The Direct Debt does not include bond premiums and/or net original bond discounts.
- (2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

## Sources:

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

Not covered by independent auditor's report

**CITY OF GLENDALE**

## Legal Debt Margin Information

Last Ten Fiscal Years (in thousands)

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value		\$ 22,892,818
Debt limit (15% of assessed value)		3,433,923
Amount of debt applicable to debt limit:		
Redevelopment debt - tax allocation bonds	\$ 148,127	
Low/Moderate Housing Loan Payable	7,990	
Subtotal Debt applicable to Debt Limit	156,117	
Less Reserves of Debt Service Funds available for principal payment	\$ 8,245	
Less debt applicable to limit		147,872
Legal debt margin		\$ 3,286,051

		Fiscal Year				
		2011	2010	2009	2008	2007
Debt limit	\$	3,433,923	3,388,470	3,388,268	3,181,548	2,985,199
Total net debt applicable to limit		147,872	107,985	88,936	87,980	92,570
Legal debt margin	\$	3,286,051	3,280,485	3,299,332	3,093,568	2,892,629
Total net debt applicable to the limit as a percentage of debt limit		4.31%	3.19%	2.62%	2.77%	3.10%

		Fiscal Year				
		2006	2005	2004	2003	2002
Debt limit	\$	2,700,779	2,486,080	2,331,463	2,159,866	2,060,857
Total net debt applicable to limit		96,985	101,220	97,469	48,015	-
Legal debt margin	\$	2,603,794	2,384,860	2,233,994	2,111,851	2,060,857
Total net debt applicable to the limit as a percentage of debt limit		3.59%	4.07%	4.18%	2.22%	0.00%

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.

## Sources:

(I) City Finance Department

(II) HdL Coren &amp; Cone

Not covered by independent auditor's report



## Schedule 15

**CITY OF GLENDALE**

## Pledged-Revenue Coverage

Last Ten Fiscal Years (in thousands)

Fiscal Year	Tax Allocation Bonds					
	Property	Less:	Net	Debt Service		Coverage
	Tax	Operating	Available	Principal	Interest	
	Increment	Expenses	Revenue			
2002	\$ 12,564	6,400	6,164	1,845	3,442	1.17
2003	14,045	4,433	9,612	1,935	4,366	1.53
2004	14,201	3,588	10,613	1,810	3,626	1.95
2005	17,921	6,324	11,597	3,865	4,511	1.38
2006	18,233	5,063	13,170	4,235	4,366	1.53
2007	19,872	4,301	15,571	4,415	4,189	1.81
2008	19,301	4,174	15,127	4,590	4,004	1.76
2009	21,561	5,900 (2)	15,661	4,780	3,808	1.82
2010	25,254	17,166 (2)	8,088	4,980	3,599	0.94
2011	20,870	8,283	12,587	4,995	5,201	1.23

Fiscal Year	Electric Revenue Bonds					
	Utility	Less:	Net	Debt Service		Coverage
	Service	Operating	Available	Principal	Interest	
	Charges	Expenses	Revenue			
2002	\$ 188,298	166,193	22,105	-	2,171	10.18
2003	178,632	136,673	41,959	-	2,171	19.33
2004	151,718	134,973	16,745	795	3,801	3.64
2005	148,799	140,060	8,739	795	3,628	1.98
2006	170,207	183,172	(12,965)	1,485	3,580	(2.56)
2007	178,979	170,967	8,012	1,520	2,833	1.84
2008	204,497	184,378	20,119	1,755	3,044	4.19
2009	207,177	185,615	21,562	1,805	5,591	2.92
2010	176,903	160,917	15,986	1,855	5,658	2.13
2011	187,801	179,768	8,033	1,905	5,576	1.07

Fiscal Year	Water Revenue Bonds					
	Utility	Less:	Net	Debt Service		Coverage
	Service	Operating	Available	Principal	Interest	
	Charges	Expenses	Revenue			
2002	\$ -	-	-	-	-	-
2003	-	-	-	-	-	-
2004	-	-	-	-	-	-
2005	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	34,817	29,900	4,917	-	-	N/A
2009	36,068	32,027	4,041	-	2,188	1.85
2010	35,716	32,354	3,362	-	2,310	1.46
2011	36,637	32,623	4,014	-	2,310	1.74

## Notes:

- (1) The Tax Allocation Bonds pertain to GRA Central Project, so only the Central Project's property tax increment and operating expenses are used to calculate the debt service coverage.
- (2) The Operating Expenses increase between fiscal year 2009 & fiscal year 2010 was due to the GRA's transfer to "SERAF" in the amount of \$11.2 million in fiscal year 2010.

Source: City Finance Department

Not covered by independent auditor's report

**CITY OF GLENDALE**

## Demographic and Economic Statistics

## Last Ten Fiscal Years

Year	Population		Per Capita Personal Income	(III)	Total Personal Income	Median Age	(IV)
2002	200,200	(II)	31,495		6,305,299,000	37.5	
2003	202,747	(II)	32,041		6,496,216,627	37.5	
2004	205,341	(II)	32,961		6,768,244,701	37.5	
2005	207,007	(II)	34,481		7,137,808,367	37.5	
2006	206,308	(II)	36,434		7,516,625,672	37.5	
2007	207,157	(II)	39,519		8,186,637,483	39.0	
2008	207,157	(II)	41,307		8,557,034,199	41.2	
2009	207,303	(II)	42,265		8,761,661,295	40.6	
2010	191,823	(I)	40,867	*	7,839,230,541	40.9	
2011	192,473	(I)	40,867	*	7,865,794,091	40.0	

Year	Percent High School Graduate or Higher	(IV)	Percent Bachelor's Degree or Higher	(IV)	School Enrollment	(V)	Unemployment Rate	(VI)
2002	79%		32%		47,000		6.10%	
2003	79%		32%		46,000		5.80%	
2004	79%		32%		44,000		5.70%	
2005	79%		32%		43,000		4.90%	
2006	79%		32%		42,144		4.00%	
2007	81%		33%		42,223		4.70%	
2008	83%		35%		45,116		6.10%	
2009	83%		36%		50,606		9.90%	
2010	84%		38%		51,139		11.30%	
2011	84%		37%		48,582		11.10%	

## Sources:

- (I) 2011 and revised 2010 population data were obtained from the California State Department of Finance Demographic Research Unit, Population Estimates for California Cities, January 2010 and 2011 (E-1). (Note: 2010 population data differs from the previous year estimate as it incorporates 2010 Census counts as the benchmark.)
- (II) Prior to FY2010, population data was obtained from California State Department of Finance, January 1 of every year.
- (III) Bureau of Economic Analysis, Regional Economic Accounts, CA1-3- Metropolitan Divisions, Per capita personal income 2/. (Note: Prior year data was revised in order to be consistent with the source used beginning as of FY2010)  
 \*FY2011 per capita income was unavailable at the time of publishing. As such, revised FY2010 per capita income was also used for FY2011; however, it will be revised in next year's CAFR.
- (IV) 2011 data was obtained from the U.S. Census, 2005-2009 American Community Survey 5-Year Estimates. Prior to 2011, data was also obtained from the U.S. Census.
- (V) Glendale Unified School District and Glendale Community College District school attendance reports.
- (VI) California Employment Development Department

Not covered by independent auditor's report

## Schedule 17

**CITY OF GLENDALE**

## Principal Employers

## Current Year and Five Years Ago

Employer	2011			2006		
	Employees (1) (II)	Rank	Percentage of Total City Employment	(3) Employees (1) (I)	Rank	Percentage of Total City Employment (3)
Glendale Adventist Med Center #262	2,234	1	3.1%	1,999	3	2.62%
City of Glendale	2,122	2	3.0%	2,706	1	3.55%
Glendale Unified School District	1,886	3	2.6%	2,681	2	3.51%
Glendale Memorial Medical Center	1,463	4	2.0%	1,248	5	1.64%
Glendale Community College	1,406	5	2.0%	1,141	6	1.50%
Nestle Company	1,269	6	1.8%	1,735	(2) 4	2.27%
Walt Disney Imagineering	1,025	7	1.4%	765	9	1.00%
Diagnostic Laboratories	931	8	1.3%	n/a	n/a	n/a
Carney Education Services	720	9	1.0%	n/a	n/a	n/a
Verdugo Hills Hospital	707	10	1.0%	n/a	n/a	n/a
Disney Consumer & Interactive				n/a	n/a	n/a
Acco Engineered Systems				711	10	0.93%
Public Storage Inc				967	7	1.27%
Bank America North America				834	8	1.09%

## Notes:

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

(2) It includes the three subsidiaries of Nestle in Glendale.

(3) In 2011, % of total employment is calculated using a baseline of 71,837 workers. In 2006, the % of total employment was calculated using a baseline of 76,276 workers employed in Glendale.

(4) Data prior fiscal year 2006 are not available.

## Sources:

(I) 2006 data is from the Labor Market Information Division, California Employment Development Department.

(II) 2011 data, with the exception of the City of Glendale data, is from the Verdugo Workforce Investment Board.  
2011 City of Glendale data is from the City Finance Department.

Not covered by independent auditor's report

## Schedule 18

**CITY OF GLENDALE**

## Salaried Authorized Positions by Function/Program

## Last Five Fiscal Years

<u>Department</u>	<u>Fiscal Year</u>				
	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Administrative Services	35.05	31.90	43.40	73.90	72.90
City Attorney	20.16	12.30	10.80	14.30	12.50
City Clerk	10.00	10.00	10.00	11.00	11.00
City Treasurer	5.00	5.00	5.00	5.00	5.00
Community Development & Housing	-	102.47	103.63	107.63	115.11
Community Planning	85.01	-	-	-	-
Community Redevelopment & Housing	50.48	-	-	-	-
Community Services & Parks	165.05	-	-	-	-
Development Services	-	18.23	18.23	18.23	17.25
Fire					
Sworn	179.00	185.00	187.00	192.00	192.00
Civilians	46.00	45.00	49.00	51.00	52.00
Glendale Water & Power	408.00	416.15	426.15	426.15	425.50
Human Resources	28.00	31.00	31.00	-	-
Information Services	50.00	42.00	45.00	47.00	50.00
Library	61.00	64.00	65.00	65.00	66.00
Management Services	30.00	31.00	26.00	26.00	26.00
Parks, Recreation and Community Services	-	128.00	134.00	140.00	130.00
Planning	-	26.95	27.95	28.95	28.00
Police					
Sworn	255.10	255.10	258.10	269.70	267.70
Civilians	107.00	108.00	120.00	120.00	125.00
Public Works	354.15	391.90	381.74	390.14	378.04
Total	<u>1,889.00</u>	<u>1,904.00</u>	<u>1,942.00</u>	<u>1,986.00</u>	<u>1,974.00</u>

## Notes:

- (1) Administrative Services Department includes data for Purchasing.
- (2) Prior to FY 2008-09, Human Resources was part of Administrative Services.
- (3) Prior to FY 2009-10, Graphics was part of the Administrative Services Department. As of July 1, 2009 Graphics is part of Management Services.
- (4) As of FY 2010-11, central support staff (e.g. Administrative Services, City Attorney, Human Resources) that were charted to other funds, were shifted back to their home departments and included in the citywide cost allocation plan.
- (5) The data in FY 2010-11 reflects realignment and renaming of Planning, Development Services, Parks, Recreation & Community Services, and Community Development & Housing.
- (6) This schedule has been modified to reflect the data by Department rather than Program/Function.
- (7) The data in FY 2006-07 and FY 2007-08 will not match the data provided in this schedule in previous CAFRs since the numbers were updated to reflect the adopted budget counts rather than the revised budget counts for these fiscal years. This was done to match the data provided within the Budget Book for these fiscal years.

Source: City's Budget book

Not covered by independent auditor's report

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

<u>Function/Program</u>	Fiscal Year					
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police						
Physical arrests	5,652	5,857	6,405	6,254	6,717	7,087
Parking violations	81,843	87,621	83,706	89,700	87,971	80,374
Traffic violations	25,667	23,990	26,149	22,059	20,199	22,253
Fire						
Emergency responses	15,447	15,424	14,923	15,253	14,906	14,759
Fires extinguished	349	333	420	442	456	465
Refuse collection						
Refuse collected (tons per day)	195	197	279	283	289	299
Recyclables collected (tons per day)	31	32	48	51	140	135
Inert waste recycling - Brand Park landfill (tons per year)	2,500 (2)	3,000 (2)	3,000 (2)	3,000 (2)	6,500	10,500
Other public works						
Street resurfacing (miles)	5.56 (3)	5.30 (3)	1.62	0.42	1.36	3.47
Street reconstructing (miles)	0.70	0.50	0.13	0.91	0.82	2.97
Potholes repaired (square feet per year)	21,012 (4)	16,449 (4)	11,800	16,683	9,886	10,057
Parks and recreation						
Athletic field permits issued	917	930	1,054	873	648 (1)	7,114
Community center admissions	2,360	1,114	1,229	1,192	1,797	1,236
Library						
Volumes in collections	688,818	701,928	718,879	722,790	761,314	770,784
Total volumes borrowed	1,290,945	1,312,743	1,236,950	1,185,385	1,088,286	1,075,073
Electric						
New connections	162	246	387	523	211	133
Average daily consumption (MWH)	2,878	3,020	3,154	3,180	3,142	3,130
Electricity generated (MWH)	928,682	960,061	940,051	1,007,011	1,025,235	887,263
Electricity purchased (MWH)	1,195,972 (6)	451,545	533,258	583,906	490,592	626,304
Electricity sold - Retail (MWH)	1,050,450	1,102,310	1,151,391	1,160,566	1,146,828	1,142,582
Electricity sold - Wholesale (MWH)	884,686 (6)	185,665	204,828	250,391	241,092	261,454
Peak demand (MW)	336	300	299	333	336	313
Water						
New connections	(135) (5)	102	234	53	125	72
Average daily consumption (millions of gallons)	21	22	25	26	28	27
Water mains breaks	10	8	12	18	12	11
Water purchased (AF)	16,959	16,535	20,873	21,705	23,643	22,239
Water sold (AF)	24,796	25,489	29,465	30,691	31,889	29,907

(Continued)

## Schedule 19

**CITY OF GLENDALE**

## Operations Indicators by Function/Program

## Last Six Fiscal Years

<u>Function/Program</u>	Fiscal Year					
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Wastewater						
Average daily sewage treatment (millions of gallons)	20	20	17	17	17	17
Transit						
Total route miles	880,655	866,901	889,819	880,991	871,430	816,240
Passengers	2,724,121	2,574,396	2,260,263	2,152,200	2,271,548	2,273,843

## Notes:

- (1) Beginning January 2007, Parks department started using Safari system to issue permits, which issues one permit for one participant for multiple events. The old system issues one permit for one participant for one event, so the number of permits issued is more in fiscal year 2006.
- (2) Some inert wastes were diverted to an outside recycling company rather than using Brand Landfill.
- (3) More street resurfacing was done in FY2011 and FY2010 than in prior years in an effort to take advantage of the low street resurfacing costs resulting from the economic downturn.
- (4) As a result of the Public Works Departments' increased community outreach efforts (on GTV6, department newsletter, and Pothole Patrol 818-548-3950), which encourage the reporting of potholes for immediate repair, more potholes were repaired in FY2011 and in FY2010 compared to prior years.
- (5) FY 2011 "New Connections" is a negative number as this year's active meter count of 33,374 is less than last year's active meter count of 33,509.
- (6) The increases in the purchases and sales of MWHs correlates to the increase in wholesale revenue and sales to other utility revenue of approximately \$27.5 million.
- (7) The data prior to fiscal year 2006 are not available.

Sources: Various city departments

Not covered by independent auditor's report

## Schedule 20

**CITY OF GLENDALE**

## Capital Asset Statistics by Function/Program

## Last Six Fiscal Years

	Fiscal Year					
	2011	2010	2009	2008	2007	2006
<u>Function/Program</u>						
Police						
Stations	2 (1)	2 (1)	2 (1)	2 (1)	2 (1)	2 (1)
Patrol units	70	70	64	68	69	71
Helicopters	1.5 (2)	1.5 (2)	1.5 (2)	1.5 (2)	2	2
Motorcycles	25	25	26	24	26	24
Fire						
Stations	9	9	9	9	9	9
Refuse collection						
Collection trucks	50 (3)	50 (3)	46 (3)	46 (3)	45 (3)	44 (3)
Other public works						
Streets (miles)	350	350	350	350	350	350
Traffic signals	233	233	226	232	229	225
Parks and recreation						
Open space acres	5,034	5,029	5,020	5,020	5,020	5,020
Developed parkland acres	281	281	280	275	274	274
Parks and other facilities	39	39	39	39	37	37
Community centers	8	8	8	8	8	8
Baseball/softball diamonds	16	16	16	16	16	16
Soccer/football fields	3	3	3	3	3	3
Golf course	1	1	1	1	1	1
Library						
Branches	8 (6)	8 (6)	8 (6)	8 (6)	7	7
Electric						
Number of electric meters	84,962	84,800	84,554	84,167	83,644	83,433
Number of streetlights	10,725	10,714	10,692	10,622	11,117	10,210
Grayson power plant capacity (MW)	260	260	260	249	249	249
Water						
Number of water meters	33,374	33,509	33,407	33,173	33,120	32,995
Water mains (miles)	397	397	397	397	397	397
Fire hydrants	3,134	3,133	3,072	2,970	2,950	2,950
Storage capacity (millions of gallons)	184	185	185	185	185	185

(Continued)

## Schedule 20

**CITY OF GLENDALE**

## Capital Asset Statistics by Function/Program

## Last Six Fiscal Years

	Fiscal Year					
	2011	2010	2009	2008	2007	2006
<u>Function/Program</u>						
Wastewater						
Storm catch basin	3,686	3,679	3,679	3,679	3,679	3,679
Sanitary sewers (miles)	360	360	360	360	360	360
LAGWRP Treatment capacity (millions of gallons)	20	20	20	20	20	20
Transit						
Buses	34	34	34	34	34	34

## Notes:

- (1) One main facility and one substation at the Galleria.
- (2) Three helicopters are shared with the City of Burbank as of May 14, 2007.
- (3) This number does not include the small bin trucks or light duty vehicles.
- (4) The data prior to fiscal year 2006 are not available.
- (5) Does not include .48 acres of Maryland.
- (6) The number of branches in FY2008 - FY2010 was modified to include the Library Connection at Adams Square, which was opened in 2008.

Sources: Various city departments

Not covered by independent auditor's report



Schedule 21  
**CITY OF GLENDALE**  
Schedule of Credits

Robert Elliot, CPA  
Director of Finance

General Overview  
Letter of Transmittal

Lily Fang, Accounting Services Administrator

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

Artak Khachatryan, Senior Accountant  
Theresa Clark, Accountant II  
Alwin De Leon, Accountant II  
Alyssa Poblador, Administrative Associate

PeopleSoft Nvision Report Writing  
Cash Reporting  
Glendale Water & Power  
Fixed Asset Accounting

Shu-Jun Li, Senior Accountant  
Vanik Darabedian, Accountant II  
Liza Jue, Accountant I  
Judy Wu, Accountant I

Grant Reporting  
Internal Service Funds  
Statistical Section  
Single Audit

Zinda Jimenez, Senior Accountant  
Rima Dagbashyan, Accountant I  
Nan Chao, Accountant I

Glendale Redevelopment Agency  
Glendale Redevelopment Agency  
Debt Reporting

Graphics Section

Reprographic Services

Douglas Alvarez, Graphics Illustrator  
Vicki Gardner, Assistant Public Information Officer

Cover Design

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