

Financial Section

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

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





Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Glendale, California (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison statements for the General Fund and the Housing Assistance Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
November 26, 2019

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CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2019

(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, 2019. 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 – x of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY 2018-19 by \$1,654,226 (net position), which was comprised of net investment in capital assets of \$1,319,231, restricted net position of \$181,423 and unrestricted net position of \$153,572. The unrestricted net position consisted of a negative \$166,779 for governmental activities and \$320,351 for business-type activities. The negative unrestricted net position for governmental activities was primarily due to the recognition of net pension liability.
- The City's total net position increased by \$59,147. Most of this increase was attributable to an increase in charges for services, investment income and one-time transfer of 2011 Tax Allocation Bond proceeds from Glendale Successor Agency to fund the City's low and moderate income housing projects and capital improvement projects.
- As of the close of FY 2018-19, the City's governmental funds reported combined ending fund balances of \$394,711, an increase of \$62,863 in comparison with the prior year. About 13.0% of this total amount, \$51,185 was unassigned and available for spending at the government's discretion.
- At the end of FY 2018-19, City Charter Article XI Section 15 general reserve of \$30,769, and unassigned fund balance of \$57,534 for the General Fund totaled \$88,303, representing about 38.8% of the original FY 2018-19 budget of \$227,784. The minimum General Fund reserve level is 25.0% of the annual operating budget, and the targeted General Fund reserve level is at 35.0% of the annual operating budget.

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 basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2019

(in thousands)

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

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

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate housing authority, financing authority, and municipal financing authority for which the City is financially accountable. The housing authority, the financing authority and the municipal 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 23-25 of this report.

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

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

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

The City maintains 49 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for General Fund, Housing Assistance Fund and Capital Improvement Fund, all of which are reported as major funds. Data from the other 46 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2019

(in thousands)

Effective June 30, 2019, Recreation Fund, Special Events Fund and Filming Fund were closed, and the fund balances were transferred to the General Fund. The operations of these three funds will be recorded in the General Fund starting FY 2019-20.

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

The basic governmental fund financial statements can be found on pages 26-32 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 refuse disposal, fire communications, sewer, and electric and water utility operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, information services and infrastructure, joint helicopter operation, building maintenance, 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 33-37 of this report.

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

Since the resources of fiduciary fund are not available to support the City's own programs, it is not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on pages 38-39 of this report.

Notes to the basic 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 41-99 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and enterprise funds and internal service funds are presented immediately following the required supplementary information, which can be found on pages 100-104 of this report. Combining and individual fund statements can be found on pages 105-178 of this report.

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2019

(in thousands)

Government-wide Financial Analysis

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,654,226 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (79.7%) reflected its net investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that was still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 605,136	532,548	449,505	413,756	1,054,641	946,304
Capital assets	962,440	958,831	619,941	641,740	1,582,381	1,600,571
Total assets	1,567,576	1,491,379	1,069,446	1,055,496	2,637,022	2,546,875
Deferred outflows of resources	84,238	114,414	22,788	32,598	107,026	147,012
Total assets and deferred outflows of resources	1,651,814	1,605,793	1,092,234	1,088,094	2,744,048	2,693,887
Current liabilities	63,405	55,156	44,607	40,060	108,012	95,216
Noncurrent liabilities	629,078	628,775	331,704	348,370	960,782	977,145
Total liabilities	692,483	683,931	376,311	388,430	1,068,794	1,072,361
Deferred inflows of resources	18,168	21,956	2,860	4,491	21,028	26,447
Total liabilities and deferred inflows of resources	710,651	705,887	379,171	392,921	1,089,822	1,098,808
Net investment in capital assets	932,188	926,357	387,043	401,010	1,319,231	1,327,367
Restricted	175,754	168,556	5,669	5,669	181,423	174,225
Unrestricted	(166,779)	(195,007)	320,351	288,494	153,572	93,487
Total net position	\$ 941,163	899,906	713,063	695,173	1,654,226	1,595,079

As noted earlier, 11.0% of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$153,572 may be used to meet the government's ongoing obligations to citizens and creditors. Of this total, \$320,351 is in business-type activities such as electric, water, and sewer utilities.

CITY OF GLENDALE

Management's Discussion and Analysis

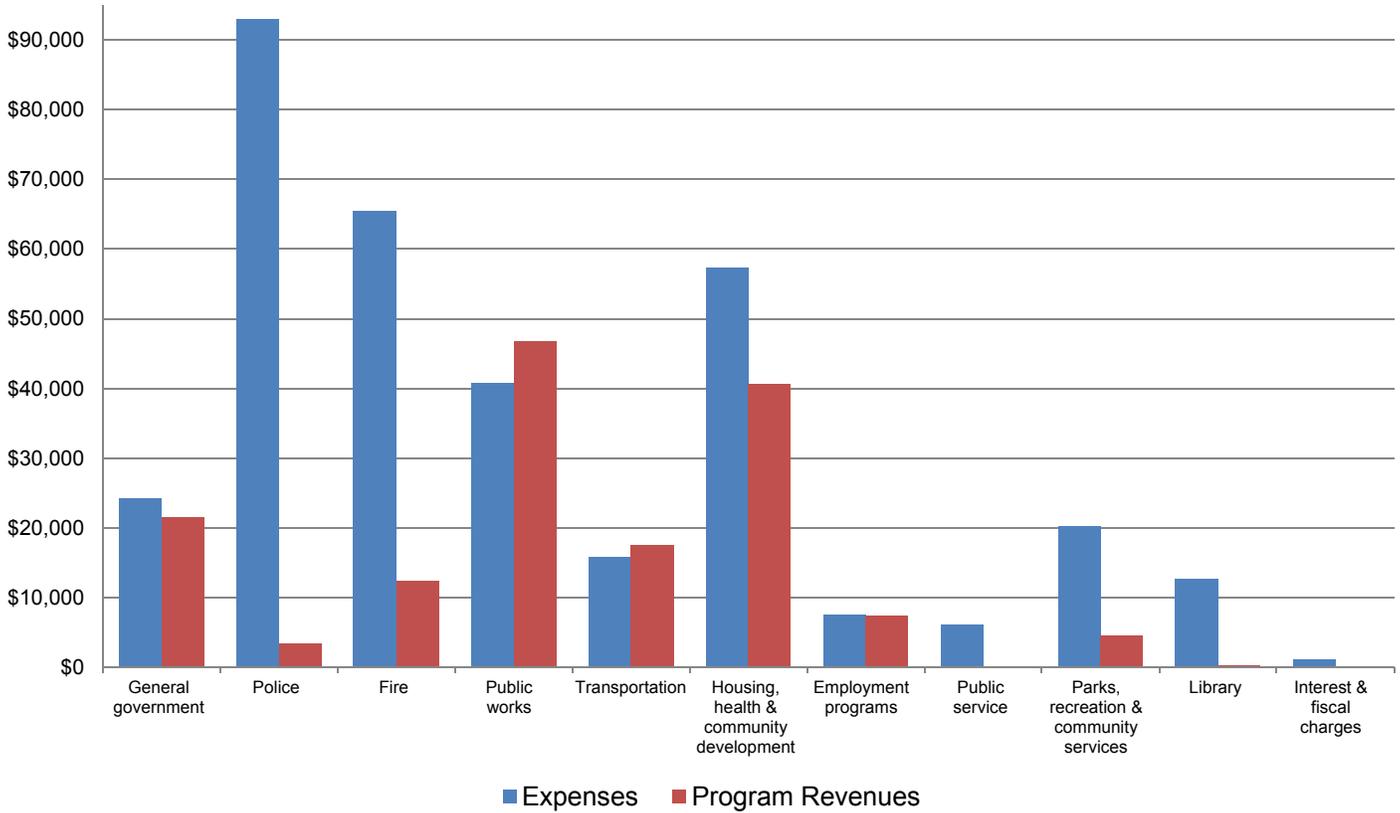
June 30, 2019

(in thousands)

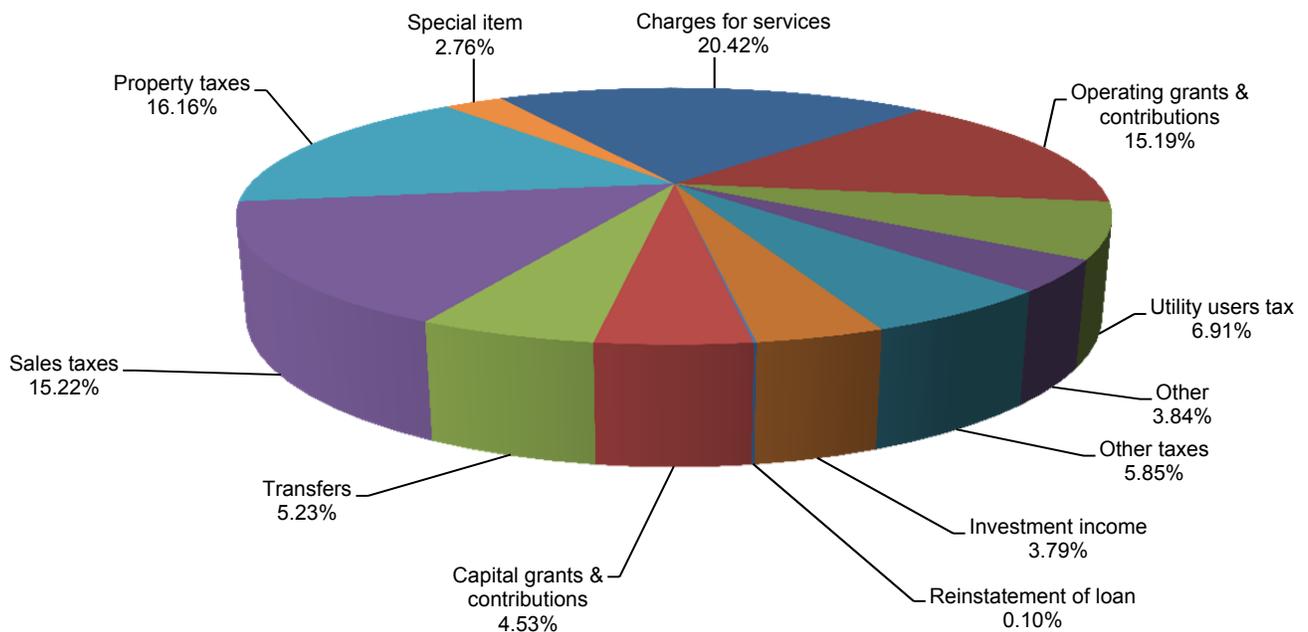
Governmental activities. Governmental activities increased the City's net position by \$41,257. Key elements of this increase are as follows:

- Compared to prior fiscal year, property tax revenue increased by \$3,878 (6.6%), primarily due to the growth in home values and the strong real estate market in the City.
- Sales tax revenue decreased by \$3,466 (5.6%) compared to prior fiscal year. The decrease is mainly driven by a \$9,000 one-time adjustment in FY 2017-18 from California Department of Tax and Fee Administration (CDTFA). CDTFA conducted a sales tax audit; as a result, the City closed a liability account and recognized the revenues in the General Fund in FY 2017-18. On the other hand, the City received the 1st quarter (April to June 2019) Measure S sales tax revenue in the amount of \$5,184, when Glendale's total sales tax rate increased from 9.5% to 10.25%, effective April 1, 2019.
- Investment income increased by \$12,811 (705.8%) compared to prior fiscal year. The increase is mainly driven by the increase in the fair market value of investments.
- Transfer increased by \$9,527 (44.7%) during the current fiscal year. The City received one-time transfer of 2011 Tax Allocation Bond proceeds from Glendale Successor Agency to fund the City's low and moderate income housing projects and capital improvement projects.
- Governmental activities expense increased by \$17,582 (5.4%) during the current fiscal year. The increase is mainly due to the following items: \$3,309 for salaries from cost of living adjustments and vacancies being filled; \$1,533 for compensation insurance from higher rates for police and fire sworn employees; \$5,243 for PERS from higher required employer contribution; \$1,409 for additional Scholl Canyon landfill post closure liability; \$1,094 for Parking Fund from parking enforcement services contractual contract. In FY 2018-19, various sections of Housing, Health and Community Development were reclassified from General Government to Housing, Health and Community Development to better align with the appropriate function.

Expenses and Program Revenues – Governmental Activities



Revenues, Transfers, Special items, and Other increases by Source – Governmental Activities



CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2019

(in thousands)

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

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 78,735	73,492	312,318	309,820	391,053	383,312
Operating grants and contributions	58,580	55,448	200	72	58,780	55,520
Capital grants and contributions	17,458	9,447	8	12	17,466	9,459
General revenues:						
Taxes:						
Property taxes	62,323	58,445	-	-	62,323	58,445
Sales taxes	58,692	62,158	-	-	58,692	62,158
Utility users tax	26,655	27,805	-	-	26,655	27,805
Other taxes	22,563	21,784	-	-	22,563	21,784
Investment income	14,626	1,815	16,040	1,315	30,666	3,130
Other	14,831	15,748	8,778	9,693	23,609	25,441
Reinstatement of loans	323	328	-	-	323	328
Total revenues	354,786	326,470	337,344	320,912	692,130	647,382
Expenses:						
General government	24,272	33,037	-	-	24,272	33,037
Police	92,931	92,679	-	-	92,931	92,679
Fire	65,484	67,285	-	-	65,484	67,285
Public works	40,720	30,072	-	-	40,720	30,072
Transportation	15,863	13,196	-	-	15,863	13,196
Housing, health and community development	57,379	44,349	-	-	57,379	44,349
Employment program	7,550	5,848	-	-	7,550	5,848
Public service	6,190	5,999	-	-	6,190	5,999
Parks, recreation and community services	20,204	19,697	-	-	20,204	19,697
Library	12,650	12,485	-	-	12,650	12,485
Interest and fiscal charges	1,125	2,139	-	-	1,125	2,139
Fire communications	-	-	4,286	4,126	4,286	4,126
Sewer	-	-	21,448	20,383	21,448	20,383
Refuse disposal	-	-	21,566	20,844	21,566	20,844
Electric	-	-	202,232	188,573	202,232	188,573
Water	-	-	49,750	48,458	49,750	48,458
Total expenses	344,368	326,786	299,282	282,384	643,650	609,170
Excess before transfers and special item	10,418	(316)	38,062	38,528	48,480	38,212
Transfers	20,172	21,312	(20,172)	(21,312)	-	-
Special items from Successor Agency:						
Transfer of bond proceeds	10,667	-	-	-	10,667	-
Transfer of capital assets	-	2,744	-	-	-	2,744
Change in net position	41,257	23,740	17,890	17,216	59,147	40,956
Net position – Beginning of the year	899,906	876,166	695,173	677,957	1,595,079	1,554,123
Net position – End of the year	\$ 941,163	899,906	713,063	695,173	1,654,226	1,595,079

CITY OF GLENDALE

Management's Discussion and Analysis

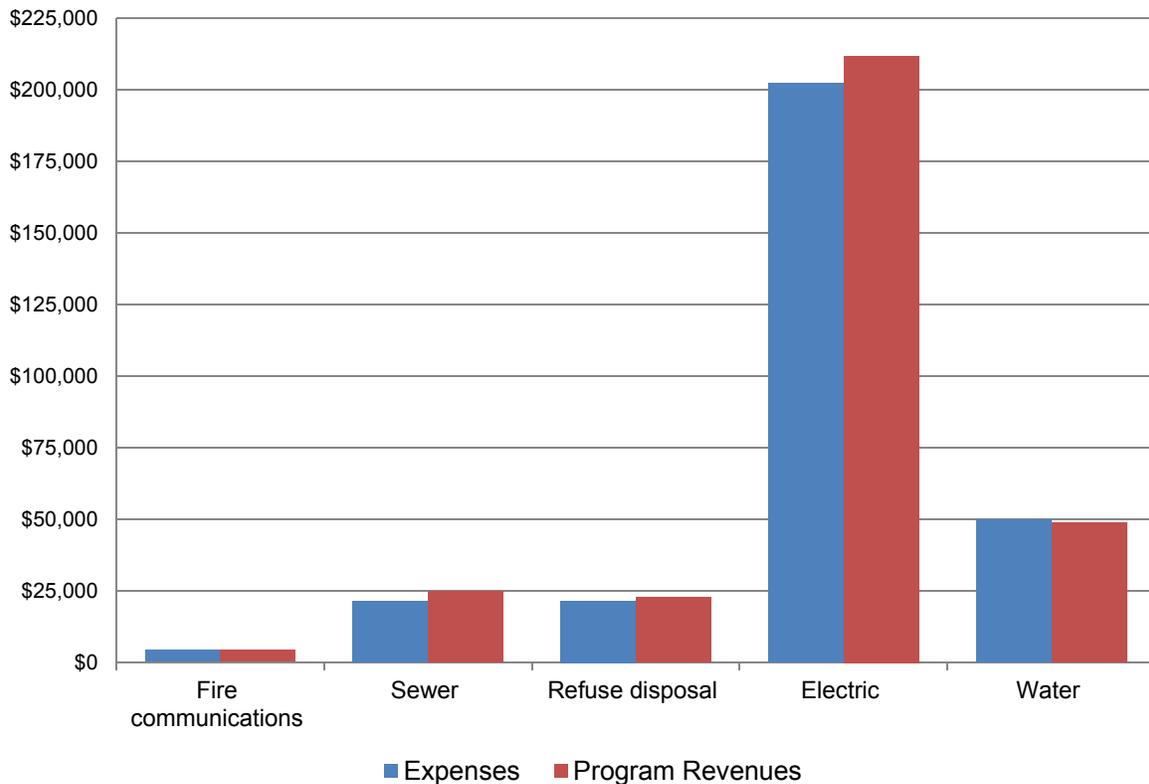
June 30, 2019

(in thousands)

Business-type activities. Business-type activities net position increased by \$17,890. Key elements of this increase are as follows:

- Charges for services increased by \$2,498 (0.8%) during the current fiscal year. The increase is mainly attributable to higher Sewer rates. Cost of Service Analysis (COSA) for Sewer rates was approved in April 2018 and the new rates took effect in July 2018.
- Investment income increased by \$14,725 (1,119.8%) during the current fiscal year as a result of an increase in the fair market value of investments.
- Business-type activities expense increased by \$16,898 (6.0%). The increase is mainly due to the following items: \$10,431 due to higher purchased power expenses as a result of higher cost of energy and natural gas; \$1,405 for PERS from higher required employer contribution.

Expenses and Program Revenues – Business-type Activities



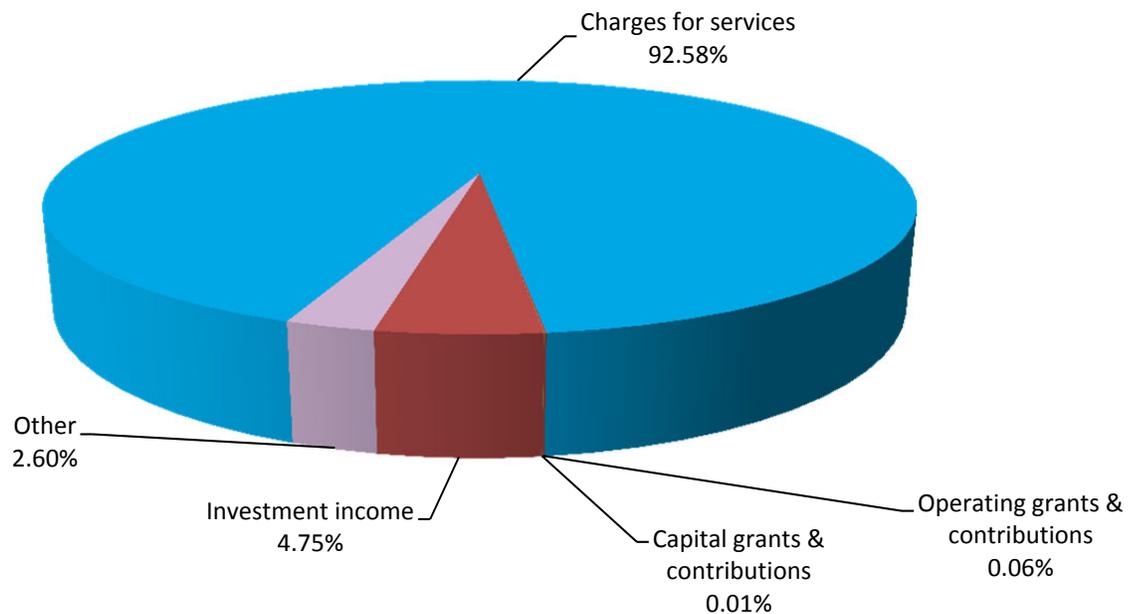
CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2019

(in thousands)

Revenues by Source – Business-type Activities



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 \$394,711, an increase of \$62,863 in comparison with the prior year. About 13% of this total amount, \$51,185, constituted unassigned fund balance, which was available for spending at the government's discretion. The remainder of fund balance in the amount of \$343,526 was not available for new spending because it was either nonspendable, restricted, committed or assigned. Nonspendable fund balance was \$3,049. Restricted fund balance was \$235,364, which was constrained by external creditors, grantors, laws or regulations of other governments and enabling legislation. Committed fund balance was \$97,861, and the assigned fund balance was \$7,252.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance and the City Charter Article XI Section 15 general reserve of the General Fund were \$57,534 and \$30,769 respectively, while total fund balance was \$125,274. As a measure of the General Fund's liquidity, it may be useful to compare the total of City Charter Section Article XI 15 general reserve and unassigned fund balance to total fund expenditures. City Charter Article XI Section 15 general reserve and unassigned fund balance, totaling \$88,303, represented about 38.7% of FY 2018-19 General Fund expenditures plus transfers, \$228,436.

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2019

(in thousands)

The fund balance of the City's General Fund had a net increase of \$18,204 during the current fiscal year. This net increase is primarily due to the following reasons:

- Compared to the prior fiscal year, property tax revenue increased by \$3,878, primarily due to the growth in home values and strong real estate market in the City.
- Compared to the prior fiscal year, interfund revenue increased by \$2,038, due to higher cost allocation rates for receiving departments.
- Compared to the prior fiscal year, sales tax revenue decreased by \$4,401. The decrease is mainly driven by a \$9,000 one-time adjustment in FY 2017-18 from California Department of Tax and Fee Administration (CDTFA). CDTFA conducted a sales tax audit; as a result, the City closed a liability account and recognized the revenues in the General Fund in FY 2017-18. On the other hand, the City received the 1st quarter (April to June 2019) Measure S sales tax revenue in the amount of \$5,184, when Glendale's total sales tax rate increased from 9.5% to 10.25%, effective April 1, 2019.
- Compared to the prior fiscal year, other taxes revenue increased by \$1,189, primarily due to higher transient occupancy tax (\$545) and property transfer tax (\$207), both of which are driven in part by economic factors.

It's worthwhile to mention the City's General Fund expenses had a net increase of \$9,644 as well, which is mainly driven by increases in workers' compensation rates and the required PERS employer contribution.

The Housing Assistance Fund (Section 8 grant) had a fund balance of \$6,213, an increase of \$659 during the current fiscal year. The main reason was that the City spent less administrative expenditures than the earned administrative revenue due to efficient and effective administrative operations.

The Capital Improvement Fund had a fund balance of \$27,896. During the current fiscal year, the fund balance increased by \$3,979, primarily due to a one-time transfer from the General Fund to the Capital Improvement Fund. The transfer was to fund for new and existing projects that would be carried over from the Recreation Fund and the Filming Fund into the Capital Improvement Fund, because the Recreation Fund and the Filming Fund are closed to the General Fund as of June 30, 2019.

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, net position was composed of \$209,001 for the Sewer Fund, \$336,158 for the Electric Fund, \$126,969 for the Water Fund, and \$41,176 for the nonmajor enterprise funds.

The net position of the Sewer Fund increased by \$4,328 during the current fiscal year. The increase was mainly attributable to new higher wastewater rates effective in July 2018, which were approved after conducting a Cost of Service Analysis (COSA) and rate study. The operating expenses are generally on par with the prior fiscal year level.

The net position of the Electric Fund increased by \$4,371 during the current fiscal year. The increase in net position was mainly attributable to the net increase in the electric sales and fair market value of investments. On the other hand, there was an increase in the production expense due to higher cost of energy and natural gas.

CITY OF GLENDALE

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June 30, 2019

(in thousands)

The net position of the Water Fund increased by \$1,694 during the current fiscal year. The increase in net position was due to relatively stable water retail sales which were mainly on par compared to prior fiscal year. The operating expenses slightly increased compared to the prior fiscal year level due to increase in transmission, distribution and customer services activities.

The net position of nonmajor enterprise funds increased by \$2,088 during the current fiscal year. The increase was mainly attributable to the recognition of the unclaimed Refuse Disposal Fund deposits and the increase in the fair market value of investments. The operating expenses were on par with the prior year level as a result of stable operations of Refuse Disposal Fund in providing residents refuse collection and disposal services, as well as Fire Communication Fund in providing residents of its member cities an emergency coordinated assistance services.

General Fund Budgetary Highlights

In comparison to the FY 2018-19 final General Fund revenue budget, the actual revenue and transfers in has a net increase of \$20,122. The increase is mostly coming from several one-time or special items that were not included in the FY 2018-19 final revenue budget: \$5,184 of Measure S sales tax, \$1,821 of interest received on the Section 115 trust, \$1,455 and \$3,875 of transfers for closing out the Filming Fund and the Recreation Fund to the General Fund. Excluding these items, the remaining net variance is \$7,787.

The major revenue categories that ended the fiscal year higher than the budgeted estimate were sales tax (excluding Measure S: \$3,433), use of money and property (excluding Section 115 Trust interest: \$3,107), charges for services (\$1,857), licenses and permits (\$1,043), and property tax (\$785). The additional sales tax receipts are partly due to higher than anticipated sales in the last two quarters of the fiscal year, while the higher use of money and property category is primarily due to an unanticipated GASB 31 interest gain (\$2,663).

In contrast to these increases, two revenue categories ended the fiscal year lower than the budgeted estimate: utility users tax (\$1,800) and interfund revenue (\$134). The decrease in utility users tax is primarily due to the following factors: (1) telecommunication customers continue to shift from conventional contracts to prepaid wireless services; (2) electric consumption is lower due to cooler weather and conservation; and (3) water consumption is lower as a result of local precipitation exceeding the average precipitation by nearly 100%.

In FY 2018-19, the final expense and transfers out budget increased by \$11,814 in comparison to the original expense budget. The increase is largely driven by the following items: \$4,878 for budget carryovers, \$4,307 of the General Fund transfer to the Capital Improvement Fund to provide funding for current and future Recreation Fund and Filming Fund projects, \$804 for firefighter recruit academy, \$485 for special elections, \$359 for the Glendale Fire Fighter Association memorandum of understanding adjustments, \$163 for Fire department's purchase of defibrillators, \$175 for Renter's Rights Program, and \$150 for Urgency Rent Control outreach.

Compared to the FY 2018-19 final General Fund expense budget, the actual expenditures and transfers out were underspent by \$11,162. The variance is mainly due to salaries and benefits savings in the amount of \$7,311 as a result of vacancies. Although many vacant positions have been eliminated in the General Fund in previous years, vacancies still exist across almost every department as a result of employee turnover. In addition to this, there were savings in contractual services throughout various departments in the amount of \$4,253, and in the capital outlay category in the amount of \$412 due to purchases that were not completed by the end of the fiscal year. In the transfers category however, the

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actual General Fund transfer to the Capital Improvement Fund was \$1,113 higher than anticipated largely for the transfer of the Recreation Fund and Filming Fund balances that were shifted into the General Fund at the end of the fiscal year.

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, 2019, is \$1,582,381 (net of \$935,184 accumulated depreciation, \$12,039 accumulated gas depletion and \$52,678 accumulated amortization). This investment in capital assets includes land, natural gas reserve, buildings and improvements, machinery and equipment, infrastructure, intangible assets, and construction in progress. The total decrease in the City's investment in capital assets for the current fiscal year was 0.6%, and this represents a 0.6% increase for governmental activities and a 3.5% decrease for business-type activities.

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

- In FY 2018-19, the Fleet/Equipment Management Fund added \$4,962 of mobile equipment to its inventory: \$788 for fire equipment, \$542 for motorcycles, \$1,097 for SUVs and \$1,294 for trucks.
- The ISD Wireless Fund purchased \$1,756 of equipment that would enhance City's regional interoperable communication system. This equipment was funded by Homeland Security grants.
- City purchased Glendale Successor Agency's land and building property, which is located at 117-131 Artsakh Avenue, in the amount of \$1,530.
- The following capital improvement projects contributing to the capital assets increased in government wide: \$2,215 for Pennsylvania Avenue and Kenneth Road Rehabilitation, \$1,129 for Street Reconstruction and Resurfacing Program, \$800 for Jail Security System Upgrade and Fire Department Building Upgrade.
- The following projects contributed to the increase in the intangible assets in the Sewer Fund: \$1,360 for Los Angeles-Glendale Water Reclamation Plant and \$3,769 for Hyperion Wastewater System. The City is upgrading the Los Angeles –Glendale Water Reclamation Plant and Hyperion Wastewater Treatment Plant and Conveyance System Facilities to meet federal and state mandates.
- The increase in the Electric Fund capital assets is mostly driven by capital improvement projects, such as \$337 Perkins Building Renovation, \$664 Grayson Power Plant, \$578 Feeder Tropic and \$826 Electric Vault and Cable Replacements.

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City of Glendale's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 422,904	421,820	9,557	9,557	432,461	431,377
Natural gas reserve	-	-	22,161	22,150	22,161	22,150
Buildings and improvements	419,110	413,513	278,290	276,064	697,400	689,577
Machinery and equipment	132,839	127,426	586,228	583,019	719,067	710,445
Infrastructure	327,433	325,498	158,445	156,433	485,878	481,931
Construction in progress	44,342	36,617	64,258	60,827	108,600	97,444
Intangible assets	6,979	1,001	109,736	105,661	116,715	106,662
Total capital assets	1,353,607	1,325,875	1,228,675	1,213,711	2,582,282	2,539,586
Less: Accumulated depreciation	(390,759)	(367,014)	(544,425)	(511,450)	(935,184)	(878,464)
Less: Accumulated gas depletion	-	-	(12,039)	(11,025)	(12,039)	(11,025)
Less: Accumulated amortization	(408)	(30)	(52,270)	(49,496)	(52,678)	(49,526)
Net of depreciation, depletion and amortization	\$ 962,440	958,831	619,941	641,740	1,582,381	1,600,571

Additional information on the City's capital assets can be found in Note 6 on pages 62-63.

Long-term debt. The City's total debt decreased by \$10,502 (3.8%) in FY 2018-19. The decrease was mainly due to the regular annual debt retirements.

City of Glendale's Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Certificates of Participation (COPs)	\$ -	31,880	-	-	-	31,880
Other debt:						
2011 HUD Section 108 Loan	696	908	-	-	696	908
Loans payable	-	594	-	-	-	594
Total other debt	696	1,502	-	-	696	1,502
Bonds payable:						
GMFA lease revenue bonds, 2019 refunding	30,252	-	-	-	30,252	-
Electric revenue bonds, 2013 refunding	-	-	20,227	21,403	20,227	21,403
Electric revenue bonds, 2013 series	-	-	58,688	60,020	58,688	60,020
Electric revenue bonds, 2016 refunding	-	-	81,509	85,127	81,509	85,127
Water revenue bonds, 2008 series	-	-	42,170	43,655	42,170	43,655
Water revenue bonds, 2012 series	-	-	34,639	35,096	34,639	35,096
Total bonds payable	30,252	-	237,233	245,301	267,485	245,301
Total debt	\$ 30,948	33,382	237,233	245,301	268,181	278,683

The COPs were refunded on June 25, 2019 with Glendale Municipal Financing Authority 2019 Lease Revenue Refunding Bonds. See Note 7 for more information.

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(in thousands)

Credit ratings

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

The City's bond ratings as of June 30, 2019 are as follows:

<u>Debt Issue</u>	<u>Moody's</u>	<u>Standard & Poor's (S & P)</u>	<u>Fitch Ratings'</u>
Issuer credit rating (Implied General Obligation)	Aa2	AA+	AA+
2019 Lease revenue refunding bonds	-	AA	AA
Electric revenue bonds, 2013 refunding series	Aa3	AA-	A+
Electric revenue bonds, 2013 series	Aa3	AA-	A+
Electric revenue bonds, 2016 refunding series	-	AA-	A+
Water revenue bonds, 2008 series	A1	AA-	A+
Water revenue bonds, 2012 series	A1	AA-	A+

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 and regulations;
- Provide continuing disclosure and other reports to the municipal bond market;
- Manage liquidity and credit enhancement contracts.

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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:

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

As of June 30, 2019, the City had 6 series of bonds subject to Continuing Disclosure requirements. The City prepares the Continuing Disclosure (financial and operating information) for its 5 Electric and Water series bonds, and engaged a financial advisor, Harrell & Company Advisors, LLC to prepare the Continuing Disclosure for the GMFA bonds. The City also engaged Harrell & Company Advisors, LLC as dissemination agent to post all 6 series of bonds' Continuing Disclosure Annual Reports and the City financial statements on the MSRB's Electronic Municipal Market Access ("EMMA") website. The dissemination agent will also prepare any notices of material events and post such notices on EMMA. 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 7 on pages 64-69 of this report.

Economic Factors and Next Year's Budget and Rates

Even with the economy being more cautious this year than previous years, the outlook for the upcoming years is promising. Within this past year, the City experienced the longest Federal government shutdown in U.S. history. The result of the shutdown created a significant loss, upwards of approximately \$11,000,000 nationwide. However, even with these events, the U.S. economy is expected to remain on a fairly steady growth with continued job advancement and low unemployment rates. Consumer spending is expected to stay on an upward trail for FY 2019-20.

Even with the challenges that are raised by the uncertainty of federal policy, the proliferation of debt, and political gridlock, economists project that personal consumption will increase to 2.7% and that the Gross Domestic Product (GDP) will grow by 2.2% this year, which is considerably lower than the 2.8% increase in GDP in 2018. With this, economists predict an increase of almost 3,000 additional jobs by the next couple of years, thus decreasing the unemployment rate from 3.9% in 2018 to 3.5% in 2019.

California remains the largest economy when compared to any other state in the U.S. and it is forecasted to grow an additional 3.0% during 2019, which is faster than the nation's projected growth of 2.2%. However, even with the stable growth in GDP, California's economy has slowed down from 2014 and 2015, when the growth rate was close to 4.0%. Over the duration of 2018, almost all major industry sectors in California have increased in number of jobs. Industries at the forefront of private sector job growth are utilities, education, healthcare, hospitality, and construction. In consideration to these assumptions, California's unemployment rate is expected to continue its gradual decline from 3.7% in 2018 to 3.4% in 2019. With continued improvements in the labor market, personal income should increase by 2.9% with persistent growth forecasted for 2020.

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(in thousands)

More locally, Los Angeles County is expected to experience further improvements to its unemployment rate, dropping from 4.6% in 2018 to 4.4% in 2019. It is forecasted that all industry sectors will be adding jobs over the upcoming two years. A likely shift will occur in the private sector from the manufacturing and logistic industries being the strongest to the healthcare, administrative, and retail trade being the forerunners. With this, total personal income across the County is expected to increase by 2.6% in 2019, a large increase from 1.4% in 2018. As for the housing market, the median home price in Los Angeles County has experienced an increase of 4.3% in 2018 and is forecasted to see an additional increase of 2.8% in 2019.

Given all that, the demand for affordable housing remains a top priority in California. There has been a large increase in the number of renters compared to homeowners, which can be attributed to the continued escalation of housing costs. This is making way for the continued demand of new construction to accommodate the need for affordable housing units. What is important to remember is that there is no simple solution to this issue and that it is more complicated than a single solution capable of satisfying everyone. In other words, there is more to consider than just rent. A variety of forces have played a role in this statewide crisis, and it will take a variety of forces to alleviate it. In Glendale, this growth can be witnessed first-hand. The state budget has allocated approximately \$1,300,000 for grants and loans to help with funding new housing developments.

The City's FY 2019-20 Budget incorporates the policy direction of the City Council for services and programs to address the needs of the community, which is structurally balanced with projected resources available to support all projected expenditures. The total budget for FY 2019-20 is \$938,340 and includes all City funds, departments and programs.

The General Fund's total budget, including Measure S funds, is \$243,300, from which the City pays for services commonly associated with local government: police and fire services, libraries, parks, public works, economic development, and administration. The FY 2019-20 adopted General Fund budget, not inclusive of Measure S funding, reflects an increase of \$9,200 when compared to FY 2018-19. When including Measure S funding, the increase is \$15,500 compared to FY 2018-19.

From the increase of \$15,500, \$6,300, is Council approved appropriations for various Measure S programs that include, \$4,200 for the Monthly Housing Rental Subsidy Program, \$750 for the First Time Home Buyer Program, \$560 for the Aquatics Program Expansion, \$458 for the Holiday Ice Rink and \$410 for the Rental Rights Program. The remaining \$9,200 increase is explained below.

The increase in the Salaries and Benefits category includes approximately \$3,000 due to the Recreation Fund moving from Special Revenue Fund to the General Fund, \$1,100 due to the Filming Funds moving from Special Revenue Fund to the General Fund, \$6,200 increase in PERS costs (net of employee cost sharing), and various cost of living adjustments, salary step progressions, and position reallocations of employees. CalPERS sustained significant investment losses during the Great Recession, the impacts of which continue to reverberate through just about every government agency in the State. Hence, Glendale is not alone in seeing higher employer costs from CalPERS due to the City's obligation to pick up the partial tab for those investment losses and CalPERS's subsequent decrease in their estimated rate of returns on their investments. Due to the recent adoption of more conservative actuarial and investment policies by the CalPERS Board, the City has been advised by its outside actuary to continue expecting increases in annual costs going forward. These risk mitigation policies will eventually rebuild the CalPERS fund and lower the burden on local governments that have committed to provide reasonable retirements for their employees.

With rising PERS costs, the City Council took a proactive step to address the matter by voting to establish a Section 115 Pension Rate Stabilization Trust at the time of the FY 2017-18 budget adoption, and

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Management's Discussion and Analysis

June 30, 2019

(in thousands)

approved a funding deposit in July 2017. Glendale joined a group of more than 80 public agencies across the State to adopt this rate-stabilization strategy. Since the establishment of the Trust, the City Council has authorized the deposit of \$26,500 of one-time surplus revenues. This decision demonstrates the City Council's commitment to keep rising PERS costs at a containable level. City staff is actively assessing other strategies to address the trend in rising PERS costs and will work to implement more solutions in the coming years.

For FY 2019-20, the adopted budget for the Special Revenue Funds reflects a decrease of \$1,800 when compared to the FY 2018-19 adopted budget. The most notable of the decreases is due to three Special Revenue Funds that were recategorized into the General Fund: Filming Fund, Recreation Fund, and Special Events Fund. The total net decrease of these three funds is approximately \$6,000. There is also a decrease of \$4,500 in the Measure R Regional Return Fund due to less project appropriations relative to last fiscal year. However, the decrease is offset by increases in various funds, such as an increase of \$4,200 in the Parking Fund due to an increase in contractual services and capital projects, a \$1,300 increase in the Housing Assistance Fund due to an increase in anticipated revenue to be received, and an appropriation of \$1,200 for the new Measure W Fund that was established to account for the storm water maintenance and management program.

As for the City's Capital Improvement Fund, there is an increase of \$11,400 compared to FY 2018-19 primarily due to the \$23,500 in appropriations for the Capital Improvement Fund in FY 2019-20 because of additional Measure S funding. The majority of the appropriation (\$20,000) was approved by Council for new Affordable Housing developments, and the remainder (\$3,500) was approved for infrastructure needs for seismic upgrades. At the same time, the increase is offset by a decrease of \$11,700 in the Capital Improvement Fund due to fewer appropriations for regular projects relative to last fiscal year. Some of the major and necessary projects that are in store for the City of Glendale include an electrical upgrade for the Montrose Parking Lot, resurfacing the Dunsmore Park parking lot, placing artificial turf at the Sports Complex Field 3, the pavement rehabilitation project for La Crescenta Avenue, and the Street Tree Maintenance Program.

For the Internal Service Funds, there is a net decrease of \$5,900 compared to FY 2018-19. This is mainly attributable to a \$2,300 decrease in the ISD Infrastructure Fund and a \$2,400 decrease in the ISD Applications Fund, due to a decrease in capital outlay, contractual services, and hourly wages. There is also a decrease of \$1,700 in the Fleet/Equipment Management Fund due to a decrease in capital outlay. The decrease is offset by an increase in the Joint Helicopter Operation Fund due to the purchase of a helicopter. The cost reflects half of the helicopter purchase, as the remaining cost will be paid for by the City of Burbank. There was also an increase of \$634 in excess insurance premium and cost allocation charges in the Compensation Insurance Fund.

Requests for Information

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

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Exhibit A-1
 CITY OF GLENDALE
 Statement of Net Position
 June 30, 2019
 (amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Pooled cash and investments	\$ 466,085	\$ 239,958	\$ 706,043
Cash and investments with fiscal agent	-	8,896	8,896
Investment-gas/electric commodity	-	1,365	1,365
Interest receivable	2,541	1,883	4,424
Accounts receivable, net	43,612	36,609	80,221
Loans receivable	-	25	25
Internal balances	241	(241)	-
Inventories	373	6,875	7,248
Prepaid items	5,099	13,066	18,165
Total current assets	517,951	308,436	826,387
Noncurrent assets:			
Capital assets, not being depreciated	467,246	73,815	541,061
Capital assets, net	495,194	546,126	1,041,320
Designated cash and investments	-	135,400	135,400
Restricted cash and investments	66,529	5,669	72,198
Loans receivable	20,656	-	20,656
Total noncurrent assets	1,049,625	761,010	1,810,635
Total assets	1,567,576	1,069,446	2,637,022
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	83,762	18,453	102,215
Loss on refunding	-	4,335	4,335
Deferred outflows related to OPEB	476	-	476
Total deferred outflows of resources	84,238	22,788	107,026
Total assets and deferred outflows of resources	1,651,814	1,092,234	2,744,048
LIABILITIES			
Current liabilities:			
Accounts payable	21,020	23,650	44,670
Accrued wages and withholding	12,240	3,693	15,933
Interest payable	7	4,227	4,234
Claims payable	16,485	-	16,485
Compensated absences	3,333	-	3,333
Bonds payable	2,314	8,368	10,682
Other debt	222	-	222
Unearned revenues	564	-	564
Deposits	7,220	4,669	11,889
Total current liabilities	\$ 63,405	\$ 44,607	\$ 108,012

(Continued)

Exhibit A-1
CITY OF GLENDALE
Statement of Net Position
June 30, 2019
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Noncurrent liabilities:			
Claims payable	\$ 41,863	\$ -	\$ 41,863
OPEB liability	15,214	-	15,214
Compensated absences	27,096	-	27,096
Landfill postclosure	51,574	-	51,574
Net pension liability	464,919	102,839	567,758
Bonds payable	27,938	228,865	256,803
Other debt	474	-	474
Total noncurrent liabilities	<u>629,078</u>	<u>331,704</u>	<u>960,782</u>
Total liabilities	<u>692,483</u>	<u>376,311</u>	<u>1,068,794</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	16,219	2,860	19,079
Deferred inflows related to OPEB	1,949	-	1,949
Total deferred inflows of resources	<u>18,168</u>	<u>2,860</u>	<u>21,028</u>
Total liabilities and deferred inflows of resources	<u>710,651</u>	<u>379,171</u>	<u>1,089,822</u>
NET POSITION			
Net investment in capital assets	932,188	387,043	1,319,231
Restricted for:			
Air quality improvement	635	-	635
Cable access	4,044	-	4,044
Capital projects	45,773	-	45,773
City Charter - Article XI Sec. 15 general reserve	30,769	-	30,769
Electric public benefit AB1890	5,903	-	5,903
Federal and state grants	8,547	-	8,547
Landscaping district	239	-	239
Low and moderate housing	30,515	-	30,515
Public safety	3,600	-	3,600
SCAQMD emission controls	-	5,669	5,669
State gas tax mandates	8,473	-	8,473
Transportation	37,223	-	37,223
Youth employment	33	-	33
Unrestricted	(166,779)	320,351	153,572
Total net position	<u>\$ 941,163</u>	<u>\$ 713,063</u>	<u>\$ 1,654,226</u>

Exhibit A-2
CITY OF GLENDALE
Statement of Activities
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 24,272	\$ 21,604	\$ 1	\$ -	\$ (2,667)	\$ -	\$ (2,667)
Police	92,931	2,185	1,221	60	(89,465)	-	(89,465)
Fire	65,484	9,313	2,032	1,033	(53,106)	-	(53,106)
Public works	40,720	31,712	824	14,244	6,060	-	6,060
Transportation	15,863	6,874	8,939	1,732	1,682	-	1,682
Housing, health and community development	57,379	1,253	39,313	105	(16,708)	-	(16,708)
Employment programs	7,550	2,330	4,880	272	(68)	-	(68)
Public service	6,190	-	-	-	(6,190)	-	(6,190)
Parks, recreation and community services	20,204	3,346	1,159	12	(15,687)	-	(15,687)
Library	12,650	118	211	-	(12,321)	-	(12,321)
Interest and fiscal charges	1,125	-	-	-	(1,125)	-	(1,125)
Total governmental activities	<u>344,368</u>	<u>78,735</u>	<u>58,580</u>	<u>17,458</u>	<u>(189,595)</u>	<u>-</u>	<u>(189,595)</u>
Business-type activities:							
Electric Fund	202,232	211,748	32	-	-	9,548	9,548
Fire Communication Fund	4,286	4,225	-	-	-	(61)	(61)
Refuse Disposal Fund	21,566	22,727	158	-	-	1,319	1,319
Sewer Fund	21,448	24,892	-	-	-	3,444	3,444
Water Fund	49,750	48,726	10	8	-	(1,006)	(1,006)
Total business-type activities	<u>299,282</u>	<u>312,318</u>	<u>200</u>	<u>8</u>	<u>-</u>	<u>13,244</u>	<u>13,244</u>
Total primary government	<u>\$ 643,650</u>	<u>\$ 391,053</u>	<u>\$ 58,780</u>	<u>\$ 17,466</u>	<u>(189,595)</u>	<u>13,244</u>	<u>(176,351)</u>
General revenues:							
Investment income					14,626	16,040	30,666
Property taxes					62,323	-	62,323
Sales taxes					58,692	-	58,692
Utility users tax					26,655	-	26,655
Other taxes					22,563	-	22,563
Other					14,831	8,778	23,609
Reinstatement of loans					323	-	323
Transfers					20,172	(20,172)	-
Special item:							
Transfer of bond proceeds from Successor Agency					10,667	-	10,667
Total general revenues, transfers and special item					<u>230,852</u>	<u>4,646</u>	<u>235,498</u>
Change in net position					41,257	17,890	59,147
Net position - beginning					<u>899,906</u>	<u>695,173</u>	<u>1,595,079</u>
Net position - ending					<u>\$ 941,163</u>	<u>\$ 713,063</u>	<u>\$ 1,654,226</u>

Exhibit B-1
 CITY OF GLENDALE
 Balance Sheet
 Governmental Funds
 June 30, 2019
 (amounts expressed in thousands)

	General Fund	Housing Assistance Fund	Capital Improvement Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Pooled cash and investments	\$ 93,569	\$ 3,813	\$ 26,727	\$ 203,581	\$ 327,690
Restricted cash and investments	29,426	-	-	37,103	66,529
Interest receivable	456	18	-	1,139	1,613
Accounts receivable, net	18,848	248	2,006	15,873	36,975
Due from other funds	4,783	-	-	-	4,783
Inventories	183	-	-	-	183
Prepaid items	110	2,709	-	47	2,866
Loans receivable	13,554	-	-	-	13,554
Total assets	<u>160,929</u>	<u>6,788</u>	<u>28,733</u>	<u>257,743</u>	<u>454,193</u>
LIABILITIES					
Accounts payable	5,358	294	804	9,028	15,484
Wages and benefits payable	9,495	128	33	920	10,576
Due to other funds	-	-	-	4,587	4,587
Unearned revenues	-	-	-	564	564
Deposits	7,145	-	-	75	7,220
Total liabilities	<u>21,998</u>	<u>422</u>	<u>837</u>	<u>15,174</u>	<u>38,431</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>13,657</u>	<u>153</u>	<u>-</u>	<u>7,241</u>	<u>21,051</u>
Total liabilities and deferred inflows of resources	<u>\$ 35,655</u>	<u>\$ 575</u>	<u>\$ 837</u>	<u>\$ 22,415</u>	<u>\$ 59,482</u>

(Continued)

Exhibit B-1
 CITY OF GLENDALE
 Balance Sheet
 Governmental Funds
 June 30, 2019
 (amounts expressed in thousands)

	General Fund	Housing Assistance Fund	Capital Improvement Fund	Total Nonmajor Funds	Total Governmental Funds
FUND BALANCES (DEFICITS)					
Nonspendable					
Inventory	\$ 183	\$ -	\$ -	\$ -	\$ 183
Prepaid	110	2,709	-	47	2,866
Restricted					
Air quality improvement	-	-	-	635	635
Cable access	-	-	-	4,044	4,044
Capital projects	-	-	-	45,773	45,773
City Charter - Article XI Sec. 15 general reserve	30,769	-	-	-	30,769
Electric public benefit AB1890	-	-	-	5,903	5,903
Federal and state grants	-	3,504	-	5,043	8,547
Landfill postclosure	-	-	-	37,286	37,286
Landscaping district	-	-	-	239	239
Low and moderate housing	-	-	-	23,413	23,413
Pension stabilization	29,426	-	-	-	29,426
Public safety	-	-	-	3,600	3,600
State gas tax mandates	-	-	-	8,473	8,473
Transportation	-	-	-	37,223	37,223
Youth employment	-	-	-	33	33
Committed					
Capital projects	-	-	27,896	1,976	29,872
Debt service	-	-	-	15,372	15,372
Hazardous materials	-	-	-	3,294	3,294
Impact fee funded projects	-	-	-	27,668	27,668
Parking	-	-	-	13,077	13,077
Public safety	-	-	-	448	448
Urban art	-	-	-	8,130	8,130
Assigned					
Economic development	2,068	-	-	-	2,068
Quality of Life - affordable housing, infrastructure improvements, and other essential services	5,184	-	-	-	5,184
Unassigned	57,534	-	-	(6,349)	51,185
Total fund balances (deficits)	<u>125,274</u>	<u>6,213</u>	<u>27,896</u>	<u>235,328</u>	<u>394,711</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)					
	<u>\$ 160,929</u>	<u>\$ 6,788</u>	<u>\$ 28,733</u>	<u>\$ 257,743</u>	<u>\$ 454,193</u>

Exhibit B-2
 CITY OF GLENDALE
 Reconciliation of Balance Sheet
 To the Statement of Net Position
 June 30, 2019
 (amounts expressed in thousands)

Fund balances of governmental funds	\$	394,711
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets are not included as financial resources in the governmental funds:		
Land	\$	422,904
Buildings and improvements		238,483
Equipment		15,132
Infrastructure		209,604
Intangible		293
Construction in progress		<u>39,485</u>
		925,901
Long-term debt not included in the governmental funds (due within one year):		
2011 HUD Section 108 loan		(222)
2019 GMFA lease revenue refunding bonds		<u>(2,314)</u>
		(2,536)
Long-term debt not included in the governmental funds (due in more than one year):		
2011 HUD Section 108 loan		(474)
2019 GMFA lease revenue refunding bonds		<u>(27,938)</u>
		(28,412)
Landfill postclosure liability not included in the governmental funds		(51,574)
Accrued interest payable is not included in the governmental funds:		
2011 HUD Section 108 loan		(7)
Unavailable revenue in the governmental funds is revenue in the statement of activities		21,051
Loans receivable housing long term - non-forgiven portion		7,102
Deferred outflows of resources related to pensions		83,762
Deferred inflows of resources related to pensions		(16,219)
Net pension liability		(464,919)
Deferred outflows of resources related to OPEB		476
Deferred inflows of resources related to OPEB		(1,949)
OPEB Liability		(15,214)
Internal service funds are used to charge the cost of certain activities to individual funds, such as self insurance, and post employment benefits. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position		<u>88,990</u>
Net position of governmental activities	<u>\$</u>	<u>941,163</u>

Exhibit C-1
CITY OF GLENDALE
Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	General Fund	Housing Assistance Fund	Capital Improvement Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 62,323	\$ -	\$ -	\$ -	\$ 62,323
Sales tax	53,302	-	-	5,390	58,692
Utility users tax	26,655	-	-	-	26,655
Other taxes	15,849	-	-	6,714	22,563
Revenue from other agencies	890	34,345	-	44,402	79,637
Licenses and permits	10,768	-	-	4,261	15,029
Fines and forfeitures	2,559	-	-	3,003	5,562
Charges for services	11,198	-	7,020	25,277	43,495
Use of money and property	16,618	105	-	9,625	26,348
Interfund revenue	19,448	-	-	-	19,448
Miscellaneous revenue	1,528	22	-	1,824	3,374
Total revenues	<u>221,138</u>	<u>34,472</u>	<u>7,020</u>	<u>100,496</u>	<u>363,126</u>
EXPENDITURES					
Current:					
General government	18,980	-	-	925	19,905
Police	86,265	-	-	1,056	87,321
Fire	58,665	-	148	3,075	61,888
Public works	14,481	-	457	10,562	25,500
Transportation	-	-	-	14,760	14,760
Housing, health and community development	16,874	33,767	213	6,716	57,570
Employment programs	-	-	-	7,449	7,449
Public service	-	-	-	6,177	6,177
Parks, recreation and community services	12,157	-	153	4,503	16,813
Library	10,587	-	30	454	11,071
Debt service:					
Principal retirement	-	-	-	2,197	2,197
Interest	-	-	-	769	769
Bond issuance costs	-	-	-	357	357
Capital outlay	808	46	4,006	14,822	19,682
Total expenditures	<u>218,817</u>	<u>33,813</u>	<u>5,007</u>	<u>73,822</u>	<u>331,459</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,321</u>	<u>659</u>	<u>2,013</u>	<u>26,674</u>	<u>31,667</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	25,502	-	6,526	23,025	55,053
Transfers out	(9,619)	-	(4,560)	(20,702)	(34,881)
Refunding bonds issued	-	-	-	24,925	24,925
Premium on refunding bonds issued	-	-	-	5,327	5,327
Payment to refunded bond escrow agent	-	-	-	(29,895)	(29,895)
Total other financing sources (uses)	<u>15,883</u>	<u>-</u>	<u>1,966</u>	<u>2,680</u>	<u>20,529</u>
SPECIAL ITEM					
Transfer of bond proceeds from Successor Agency	-	-	-	10,667	10,667
Net change in fund balances	18,204	659	3,979	40,021	62,863
Fund balances - beginning	107,070	5,554	23,917	195,307	331,848
Fund balances - ending	<u>\$ 125,274</u>	<u>\$ 6,213</u>	<u>\$ 27,896</u>	<u>\$ 235,328</u>	<u>\$ 394,711</u>

Exhibit C-2
 CITY OF GLENDALE
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances to the Statement of Activities
 For the Year Ended June 30, 2019
 (amounts expressed in thousands)

Net change in fund balances - total governmental funds	\$	62,863
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures		20,153
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation and amortization expenses		(22,118)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Certificates of participation	\$	1,985
2011 HUD Section 108		212
2019 GMFA lease revenue refunding bonds - costs of issuance		<u>(357)</u>
		1,840
Landfill postclosure care liability increased from prior year		(2,962)
Unavailable revenue in the governmental funds are recognized as revenues in the statement of activities		1,380
Governmental funds report OPEB benefits paid to retirees as expenditures. However, in the statement of activities, OPEB expense is measured as the change in total OPEB liability and the amortization of deferred outflows and inflows related to OPEB. This amount represents the net change in OPEB related amounts		137
Governmental funds report pension contributions as expenditures. However, in the statement of activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts		(16,135)
Accrued interest 2011 Section 108 loan		1
Reinstatement of loans from former Redevelopment Agency to the City		323
Payment of loans from former Redevelopment Agency to the City		(10,040)
Change in net position of internal service funds allocated to governmental activities		<u>5,815</u>
Change in net position of governmental activities	<u>\$</u>	<u>41,257</u>

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

General Fund

For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 61,538	\$ 61,538	\$ 62,323	\$ 785
Sales tax	44,685	44,685	53,302	8,617
Utility users tax	29,855	28,455	26,655	(1,800)
Other taxes	16,279	15,170	15,849	679
Revenue from other agencies	100	539	890	351
Licenses and permits	9,725	9,725	10,768	1,043
Fines and forfeitures	2,500	2,500	2,559	59
Charges for services	9,341	9,341	11,198	1,857
Use of money and property	11,690	11,690	16,618	4,928
Interfund revenue	19,582	19,582	19,448	(134)
Miscellaneous revenue	929	1,107	1,528	421
Total revenues	<u>206,224</u>	<u>204,332</u>	<u>221,138</u>	<u>16,806</u>
EXPENDITURES				
Current:				
City Clerk	1,452	2,262	1,149	1,113
City Manager	4,619	4,968	4,428	540
City Treasurer	793	832	817	15
Finance	5,787	5,808	5,198	610
Innovation, Performance and Audit	1,384	1,384	1,220	164
Legal	3,802	3,869	3,850	19
Personnel	3,187	3,187	2,318	869
Police	87,315	87,193	86,265	928
Fire	59,415	61,170	58,665	2,505
Public Works	15,248	16,151	14,481	1,670
Community Development	17,465	19,494	16,874	2,620
Community Services and Parks	12,831	12,987	12,157	830
Library, Arts and Culture	10,560	10,567	10,587	(20)
Total current	<u>223,858</u>	<u>229,872</u>	<u>218,009</u>	<u>11,863</u>
Capital outlay:				
Police	-	459	79	380
Fire	-	664	652	12
Library, Arts and Culture	-	97	77	20
Total capital outlay	<u>-</u>	<u>1,220</u>	<u>808</u>	<u>412</u>
Total expenditures	<u>223,858</u>	<u>231,092</u>	<u>218,817</u>	<u>12,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,634)</u>	<u>(26,760)</u>	<u>2,321</u>	<u>29,081</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	22,186	22,186	25,502	3,316
Transfers out	(3,926)	(8,506)	(9,619)	(1,113)
Total other financing sources (uses)	<u>\$ 18,260</u>	<u>\$ 13,680</u>	<u>\$ 15,883</u>	<u>\$ 2,203</u>
Net change in fund balances	626	(13,080)	18,204	31,284
Fund balances - beginning	107,070	107,070	107,070	-
Fund balances - ending	<u>\$ 107,696</u>	<u>\$ 93,990</u>	<u>\$ 125,274</u>	<u>\$ 31,284</u>

Exhibit D-2

CITY OF GLENDALE

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

Housing Assistance Fund

For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from other agencies	\$ 37,933	\$ 38,090	\$ 34,345	\$ (3,745)
Use of money and property	10	10	105	95
Miscellaneous revenue	13	13	22	9
Total revenues	<u>37,956</u>	<u>38,113</u>	<u>34,472</u>	<u>(3,641)</u>
EXPENDITURES				
Current:				
Housing, health and community development	37,998	38,297	33,767	4,530
Capital outlay	31	61	46	15
Total expenditures	<u>38,029</u>	<u>38,358</u>	<u>33,813</u>	<u>4,545</u>
Net change in fund balances	(73)	(245)	659	904
Fund balances - beginning	5,554	5,554	5,554	-
Fund balances - ending	<u>\$ 5,481</u>	<u>\$ 5,309</u>	<u>\$ 6,213</u>	<u>\$ 904</u>

Exhibit E-1
CITY OF GLENDALE
Statement of Net Position
Proprietary Funds
June 30, 2019
(amounts expressed in thousands)

	Business-type Activities					
	Sewer Fund	Electric Fund	Water Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Pooled cash and investments	\$ 29,866	\$ 138,827	\$ 23,868	\$ 47,397	\$ 239,958	\$ 138,395
Cash with fiscal agent	-	2,251	4,247	-	6,498	-
Investment with fiscal agent	-	2,398	-	-	2,398	-
Interest receivable	154	1,338	162	229	1,883	924
Investment-gas/electric commodity	-	1,365	-	-	1,365	-
Accounts receivable, net	3,324	23,187	7,447	2,651	36,609	6,640
Loans receivable	-	-	-	25	25	-
Inventories	-	6,875	-	-	6,875	190
Prepaid items	-	12,977	-	89	13,066	2,232
Total current assets	<u>33,344</u>	<u>189,218</u>	<u>35,724</u>	<u>50,391</u>	<u>308,677</u>	<u>148,381</u>
Noncurrent assets:						
Designated cash and investments	-	124,100	11,300	-	135,400	-
Restricted cash and investments	-	5,669	-	-	5,669	-
Capital assets, not being depreciated	25,306	33,606	12,414	2,489	73,815	4,857
Capital assets, net	<u>157,937</u>	<u>211,831</u>	<u>168,058</u>	<u>8,300</u>	<u>546,126</u>	<u>31,682</u>
Total noncurrent assets	<u>183,243</u>	<u>375,206</u>	<u>191,772</u>	<u>10,789</u>	<u>761,010</u>	<u>36,539</u>
Total assets	<u>216,587</u>	<u>564,424</u>	<u>227,496</u>	<u>61,180</u>	<u>1,069,687</u>	<u>184,920</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	1,050	10,946	3,462	2,995	18,453	-
Loss on refunding	-	4,335	-	-	4,335	-
Total deferred outflows of resources	<u>1,050</u>	<u>15,281</u>	<u>3,462</u>	<u>2,995</u>	<u>22,788</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 217,637</u>	<u>\$ 579,705</u>	<u>\$ 230,958</u>	<u>\$ 64,175</u>	<u>\$ 1,092,475</u>	<u>\$ 184,920</u>

(Continued)

Exhibit E-1
CITY OF GLENDALE
Statement of Net Position
Proprietary Funds
June 30, 2019
(amounts expressed in thousands)

	Business-type Activities					
	Sewer Fund	Electric Fund	Water Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 2,072	\$ 12,776	\$ 5,304	\$ 3,498	\$ 23,650	\$ 5,533
Wages and benefits payable	214	2,152	641	686	3,693	1,665
Due to other funds	-	-	-	-	-	196
Interest payable	-	2,904	1,323	-	4,227	-
Claims payable	-	-	-	-	-	16,485
Compensated absences	-	-	-	-	-	3,333
Bonds payable	-	6,337	2,031	-	8,368	-
Deposits	624	2,408	1,157	480	4,669	-
Total current liabilities	<u>2,910</u>	<u>26,577</u>	<u>10,456</u>	<u>4,664</u>	<u>44,607</u>	<u>27,212</u>
Noncurrent liabilities:						
Claims payable	-	-	-	-	-	41,863
Compensated absences	-	-	-	-	-	27,096
Bonds payable	-	154,087	74,778	-	228,865	-
Net pension liability	5,569	61,278	18,206	17,786	102,839	-
Total noncurrent liabilities	<u>5,569</u>	<u>215,365</u>	<u>92,984</u>	<u>17,786</u>	<u>331,704</u>	<u>68,959</u>
Total liabilities	<u>8,479</u>	<u>241,942</u>	<u>103,440</u>	<u>22,450</u>	<u>376,311</u>	<u>96,171</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	157	1,605	549	549	2,860	-
Total liabilities and deferred inflows of resources	<u>8,636</u>	<u>243,547</u>	<u>103,989</u>	<u>22,999</u>	<u>379,171</u>	<u>96,171</u>
NET POSITION						
Net investment in capital assets	183,243	89,348	103,663	10,789	387,043	36,539
Restricted for:						
SCAQMD emission controls	-	5,669	-	-	5,669	-
Unrestricted	<u>25,758</u>	<u>241,141</u>	<u>23,306</u>	<u>30,387</u>	<u>320,592</u>	<u>52,210</u>
Total net position	<u>\$ 209,001</u>	<u>\$ 336,158</u>	<u>\$ 126,969</u>	<u>\$ 41,176</u>	<u>713,304</u>	<u>\$ 88,749</u>

Some amounts reported for business-type activities in the statement of net position are different because the net adjustment pertains to items on the statement of net position of certain internal service funds reported with business-type activities.

Total net position of business-type activities	<u>(241)</u>
	<u>\$ 713,063</u>

Exhibit E-2
CITY OF GLENDALE
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Business-type Activities					
	Sewer Fund	Electric Fund	Water Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 24,892	\$ 211,748	\$ 48,726	\$ 26,952	\$ 312,318	\$ 98,296
Miscellaneous revenue	54	5,944	2,134	566	8,698	2,707
Total operating revenues	<u>24,946</u>	<u>217,692</u>	<u>50,860</u>	<u>27,518</u>	<u>321,016</u>	<u>101,003</u>
OPERATING EXPENSES						
Maintenance and operation	16,027	173,729	40,661	24,937	255,354	43,851
Claims and settlement	-	-	-	-	-	50,684
Depreciation	3,079	24,845	6,816	1,456	36,196	3,691
Gas depletion	-	1,014	-	-	1,014	-
Amortization	2,774	-	-	-	2,774	86
Total operating expenses	<u>21,880</u>	<u>199,588</u>	<u>47,477</u>	<u>26,393</u>	<u>295,338</u>	<u>98,312</u>
Operating income (loss)	<u>3,066</u>	<u>18,104</u>	<u>3,383</u>	<u>1,125</u>	<u>25,678</u>	<u>2,691</u>
NON OPERATING REVENUES (EXPENSES)						
Use of money and property	1,262	11,472	1,432	1,955	16,121	5,773
Intergovernmental grants	-	32	10	158	200	42
Interest expense	-	(6,215)	(3,139)	-	(9,354)	-
Total nonoperating revenues (expenses)	<u>1,262</u>	<u>5,289</u>	<u>(1,697)</u>	<u>2,113</u>	<u>6,967</u>	<u>5,815</u>
Income (loss) before capital grants and contributions and transfers	4,328	23,393	1,686	3,238	32,645	8,506
Capital grants and contributions	-	-	8	-	8	2,718
Transfers in	-	-	-	-	-	1,550
Transfers out	-	(19,022)	-	(1,150)	(20,172)	(1,550)
Change in net position	<u>4,328</u>	<u>4,371</u>	<u>1,694</u>	<u>2,088</u>	<u>12,481</u>	<u>11,224</u>
Total net position - beginning	<u>204,673</u>	<u>331,787</u>	<u>125,275</u>	<u>39,088</u>		<u>77,525</u>
Total net position - ending	<u>\$ 209,001</u>	<u>\$ 336,158</u>	<u>\$ 126,969</u>	<u>\$ 41,176</u>		<u>\$ 88,749</u>

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

	5,409
Changes in net position of business-type activities	<u>\$ 17,890</u>

Exhibit E-3
CITY OF GLENDALE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers	\$ 23,895	\$ 220,937	\$ 50,917	\$ 27,460	\$ 323,209	\$ 97,909
Payments to employees	(3,394)	(33,377)	(10,545)	(10,837)	(58,153)	(20,621)
Payments to suppliers	(16,397)	(133,868)	(27,287)	(10,332)	(187,884)	(66,497)
Net cash provided (used) by operating activities	<u>4,104</u>	<u>53,692</u>	<u>13,085</u>	<u>6,291</u>	<u>77,172</u>	<u>10,791</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Amounts paid to other funds	-	-	-	-	-	(20)
Transfers in (out)	-	(19,022)	-	(1,150)	(20,172)	-
Operating grants received	-	32	10	158	200	42
Loans receivable	-	-	-	(25)	(25)	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(18,990)</u>	<u>10</u>	<u>(1,017)</u>	<u>(19,997)</u>	<u>22</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of property, plant, equipment and gas reserves	(5,611)	(5,264)	(5,059)	(2,252)	(18,186)	(9,348)
Capital grants received	-	-	8	-	8	2,718
Interest on long-term debt	-	(6,079)	(3,176)	-	(9,255)	-
Principal payments and premiums	-	(6,126)	(1,941)	-	(8,067)	-
Proceed from sales of capital assets	1	14	-	66	81	98
Net cash provided (used) by capital and related financing activities	<u>(5,610)</u>	<u>(17,455)</u>	<u>(10,168)</u>	<u>(2,186)</u>	<u>(35,419)</u>	<u>(6,532)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment - gas/electric commodity	-	135	-	-	135	-
Interest received	1,227	11,152	1,387	1,833	15,599	5,536
Net cash provided (used) by investing activities	<u>1,227</u>	<u>11,287</u>	<u>1,387</u>	<u>1,833</u>	<u>15,734</u>	<u>5,536</u>
Net increase (decrease) in cash and cash equivalents	(279)	28,534	4,314	4,921	37,490	9,817
Balances - beginning of year	30,145	242,313	35,101	42,476	350,035	128,578
Balances - end of the year	<u>\$ 29,866</u>	<u>\$ 270,847</u>	<u>\$ 39,415</u>	<u>\$ 47,397</u>	<u>\$ 387,525</u>	<u>\$ 138,395</u>

(Continued)

Exhibit E-3
CITY OF GLENDALE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating Income	\$ 3,066	\$ 18,104	\$ 3,383	\$ 1,125	\$ 25,678	\$ 2,691
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	3,079	24,845	6,816	1,456	36,196	3,691
Amortization	2,774	-	-	-	2,774	86
Depletion	-	1,014	-	-	1,014	-
Changes in assets and liabilities:						
Pension expense	235	2,785	1,171	1,199	5,390	-
(Increase) Decrease Accounts receivable, net	(1,336)	3,958	37	(111)	2,548	(3,094)
Decrease Inventories	-	80	-	-	80	20
(Increase) Prepaid expenses	-	(1,507)	-	(89)	(1,596)	(404)
Increase Accrued wages payable	46	143	47	32	268	1,400
Increase Compensated absences	-	-	-	-	-	378
Increase (Decrease) Accounts payable	(4,045)	4,983	1,611	2,626	5,175	942
Increase (Decrease) Deposits	285	(713)	20	53	(355)	-
Increase Claims payable	-	-	-	-	-	5,081
Net cash provided (used) by operating activities	<u>4,104</u>	<u>53,692</u>	<u>13,085</u>	<u>6,291</u>	<u>77,172</u>	<u>10,791</u>
Reconciliation of Statement of Cash Flows to Statement of Net Position:						
Pooled cash and investments	29,866	138,827	23,868	47,397	239,958	138,395
Cash with fiscal agent	-	2,251	4,247	-	6,498	-
Designated cash and investments	-	124,100	11,300	-	135,400	-
Restricted cash and investments	-	5,669	-	-	5,669	-
Cash and cash equivalents at June 30	<u>\$ 29,866</u>	<u>\$ 270,847</u>	<u>\$ 39,415</u>	<u>\$ 47,397</u>	<u>\$ 387,525</u>	<u>\$ 138,395</u>

Exhibit F-1
 CITY OF GLENDALE
 Statement of Fiduciary Net Position
 June 30, 2019
 (amounts expressed in thousands)

	Glendale Successor Agency Private-Purpose Trust Funds
ASSETS	
Current assets:	
Cash and investments	\$ 63,126
Cash and investments with fiscal agent	11,649
Restricted cash and investments	29
Loans receivable	988
Total current assets	<u>75,792</u>
DEFERRED OUTFLOWS OF RESOURCES	
Loss on refunding	<u>1,651</u>
Total assets and deferred outflows of resources	<u>77,443</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	41
Interest payable	367
Bonds payable	10,606
Loans payable to the City	3,733
Total current liabilities	<u>14,747</u>
Noncurrent liabilities:	
Bonds payable	63,632
Loans payable to the City	9,821
Total noncurrent liabilities	<u>73,453</u>
Total liabilities	<u>88,200</u>
Net position (deficit) held in trust	<u>\$ (10,757)</u>

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