

Comprehensive Annual Financial Report

The City of Glendale, California



Year Ended
June 30, 2005

CITY OF GLENDALE

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2005

ADMINISTRATIVE SERVICES DIVISION
FINANCE SECTION

Robert J. Franz, Director of Administrative Services

Ron Ahlers, Assistant Finance Director

Lily Fang, Accounting Services Administrator

CITY OF GLENDALE, CALIFORNIA

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Comprehensive Annual Financial Report

The City of Glendale, California

Introductory Section

June 30, 2005

December 13, 2005

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

Council Members:

Submitted herewith is the Comprehensive Annual Financial Report (CAFR) for the City of Glendale (City) for the year ended June 30, 2005. 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. This document is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report is presented in three sections: introductory, financial, and statistical. The introductory section is self-explanatory and consists of this transmittal letter, a list of municipal officers, the City's organization chart and a copy of the Certificate of Achievement for Excellence in Financial Reporting. The financial section includes Management's Discussion and Analysis, the government wide financial statements, the combining and individual fund financial statements & schedules, as well as the independent auditors' report. The statistical section includes selected financial and demographic information, which is generally presented on a multi-year basis.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget's Circular A-133, Audit of States, Local Governments, and Non-Profit organizations. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' reports on compliance and on internal control over financial reporting and compliance with requirements applicable to the major programs, and a schedule of findings and questioned costs are included in a separately issued single audit report.

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). The letter of transmittal is designed to complement 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 (i.e. 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.

Governmental Structure, Local Economic Condition and Outlook

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, 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 207,007 residents. The City has a City Manager form of government with five elected Councilmembers, in addition to an elected City Clerk and City Treasurer. The Councilmembers elect a mayor from one of their members and appoint various Boards and Commissions.

This year, the General Fund shows a decrease of \$5.4 million to fund balance. This decrease is most attributable to one-time transfers to the Internal Service Funds totaling \$6.1 million. Over the last several years, the City has committed itself to a long-term financial strategy. Fundamental to this effort was the development of the City's Long Range Financial Plan. This Plan has served to guide the City in allocation of economic resources. Over the last few years the City has developed a 10-year financial model for the General Fund. This financial model was explained to the public in various community meetings and publications. We conducted a phone survey to gauge how the public perceives the services they receive. There were many issues covered: police, fire, gangs, street improvements, potholes, community development and housing, etc. After this input the City departments undertook an internal assessment as to the services each department should provide to the public. We reviewed these assessments with the community and the City Council in early to mid 2000.

There are several issues which are cause for concern. The economic downturn of the early 2000's in the United States and California, in particular, continues to impact our expenses. The stock market decline indirectly affected the City, since the City participates in CalPERS for our retirement program. The rates that CalPERS charge have risen dramatically primarily due to the stock market losses by PERS in the early 2000's. Fortunately, with the passage of California Proposition 1A on November 2, 2004, local governments no longer have to be concerned with the State taking their property tax or sales tax revenues. The legislation provides protections against the State taking local government revenue to balance the State budget. Unfortunately, Redevelopment agencies do not yet have the same revenue protections from State take-away.

FINANCIAL INFORMATION, MANAGEMENT, AND CONTROL

A detailed presentation of the financial position and the operating results of the City are provided in the CAFR. Presented below is a description of the control techniques applicable to financial resources, obligations, and information. The City's accounting controls comprise the plan, procedures, and records that are concerned with the safeguarding of assets and the reliability of financial records. The definition of accounting control denotes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance for the proper recording of financial transactions.

In accordance with Article XI, Section 6 of the City Charter, a budget must be adopted before the beginning of the next fiscal year. The approved budget establishes budgetary accounting control for its operating funds. Budgetary control is maintained at each division's category level by the encumbrance of estimated purchase amounts prior to the release of purchase orders or contracts to vendors. Purchase orders or contracts, which result in an over-run of division accounts are not released until additional appropriations are made available through a transfer from other accounts either by a resolution of City Council or an administrative transfer. Additional information on budgets and budgetary control is available on page 39-40, in Note IIA, including departments exceeding their authorized budgets.

Please refer to pages 21-28 for the detail of these budgets. Open encumbrances are reported as reservations of fund balances at fiscal year end.

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 2002, 2003, 2004, and 2005:

	Fiscal years ended June 30,			
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Average portfolio balance	\$ 552,861,088	\$ 539,711,451	\$ 508,436,941	\$ 446,656,668
Total portfolio's interest income	\$ 16,156,516	\$ 15,819,828	\$ 19,166,686	\$ 22,593,925
Average return on invested cash	2.92%	2.92%	3.77 %	5.06 %

The average return on invested cash has remained relatively stable, reflecting the slow rise of interest rates. Our interest earnings from our investments have increased primarily due to the increased portfolio balance. The City Treasurer presents monthly reports to the City Manager and the City Council. The City's general investment strategies are set forth in a formal Statement of Investment Policy, which is approved by the City Council.

RISK MANAGEMENT

The City is self-insured for unemployment, uninsurable litigation, general liability, auto liability, workers' compensation, medical, vision and dental insurance. The City has purchased excess insurance for general liability and workers' compensation (see page 134 for the list of policies). As of June 30, 2005, future losses in excess of claims payable of \$42.9 million were estimated, with cash available of \$16.1 million less than that amount. This means that as a whole the City's Internal Service Funds do not have funds available to fully meet losses in excess of claims payable as of June 30, 2005. Since these losses are normally paid out over a period of years the City will have time to make adjustments to ensure adequate funding. The City also employs various risk control techniques, including safety training for all employees and the inclusion of appropriate legal provisions in third party contracts, in order to minimize losses.

FINANCIAL OVERVIEW

Governmental Operations

This year's revenues, excluding operating transfers in, totaled \$210.9 million, an increase of \$16 million over last year's \$194.9 million. Property Taxes increased by \$16.2 million primarily due to additional Property tax received in lieu of reduced Vehicle License Fee revenue and rising property values in Glendale. Other taxes increased by \$1.9 million primarily due to increased Utility Users Tax. Fines & Forfeitures increased by \$0.8 million due to increased narcotic forfeitures. Licenses & Permits increased by \$0.6 million due to increased building permit revenue. Use of Money & Property increased \$5.6 million primarily due to investment accounting (mark to market) requirements of about \$5.3 million. Revenue from other agencies reflects a decrease of \$8.4 million. This decrease is primarily from a \$8 million decrease in VLF revenue, which is now reflected as additional Property Tax (ERAF funds). Interfund revenue decreased by \$1 million due to a one-time contribution from Glendale Water & Power to the PeopleSoft and Radio System Replacement projects last year. The governmental operating expenditures increased \$28.5 million. The significant variances from the prior year include a \$12.9 million increase in Public Safety primarily due to increased PERS retirement costs and a \$3.1 million increase in Public Works expenditures. Capital expenditures decreased by \$6.9 million primarily due to a \$3.5 million decrease in the Glendale Redevelopment Agency Fund and expenditures for Parks, recreation, and

community services increased by \$1 million (\$0.5 million in the General Fund and \$0.5 million in the Capital Projects Fund). Debt Service expenditures increased by \$0.19 million.

Total governmental expenditures exceeded total governmental revenues before operating transfers in by \$30.2 million. During the decade of the 1990's the General Fund became increasingly dependent on operating transfers in to maintain service levels without adding new taxes. This fiscal year operating transfers accounted for 21.1% of the General Fund revenues, an increase of 17.9% over the prior year because of an increased transfer from the Electric Utility to the General Fund in fiscal year 2004/05.

General Fund Balance

The General Fund shows a decrease in fund balance of \$5.4 million, from \$123.3 million to \$117.9 million including \$66.6 million due from GRA. Of the total fund balance of \$117.9 million, \$34 million is unreserved. This is a decrease of \$9.1 million in unreserved fund balance from the prior year, due primarily to the one-time transfer to the Capital Project Fund for the purchase of open space land and transfers to Internal Service funds.

Proprietary Operations

The proprietary operations consist of Enterprise and Internal Service Funds. The Enterprise group consists of the following activities: Electric Fund, Water Fund, Recreation Fund, Hazardous Disposal Fund, Fire Paramedic Fund, Parking Fund, Sewer Fund, and Refuse Disposal Fund.

The Recreation Fund has shown an increase in the last year with a net gain of \$0.2 million. The Hazardous Disposal Fund also posted a net gain of \$0.2 million. The Fire Paramedic fund was established in the fall of 1998 by the City Council. Eighteen new fire fighters were hired to perform Advance Life Support to the citizens of Glendale. The General Fund loaned \$1.9 million to the Fire Paramedic Fund as seed money for this new enterprise to purchase equipment, train employees and establish a billing system. This year we recorded net loss of \$1.1 million after creating positive net assets for this fund for the first time three years ago. The fund recently began a new subscription program to hopefully turn the net income around after losses due to inability to recover costs from medicare reimbursements. The Parking Fund has a loss of almost \$0.4 million. This fund cannot support the depreciation on four parking garages of \$2 million annually. Currently cash in this fund amounts to \$3.1 million. The Sewer Fund continues to generate significant net income, \$5.7 million this year versus \$7.4 million last year to fund major capital replacement in the City of Los Angeles Hyperion system as well as our own sewer infrastructure. The projected payments to the City of Los Angeles for the Hyperion system improvements may total as much as \$45.3 million in the next three years. This fund holds \$68.7 million in cash. The Refuse Disposal Fund shows a net gain of \$1.2 million this year after a net loss last year. The City Council approved increases in the refuse rates of 5% effective September 2003, another 5% increase effective August 2004, and a 7% increase effective July 2005. This fund also holds \$3.3 million in cash. This year, the Electric Fund posted a net loss of \$3.5 million due to increased expenses and decreased revenue compared to last year and the Water Fund earned \$3.1 million in net income.

Internal Service Funds

Internal Service Funds are the second group of funds under the Proprietary Fund Type. They are comprised of: the Self-Insurance Funds for Unemployment, Uninsurable Litigation, Liability, Auto, Workers' Compensation, Dental, Medical and Vision Insurance; and a non-insurance related Equipment Reserve Fund, Helicopter Depreciation, Technology Equipment Replacement Fund, Application Software Replacement Fund, Police CAD/RMS Replacement Fund, Graphics Operation Fund, Wireless Communications System Fund, Financial System Operation Fund, and Employee Benefits Fund. The Employee Benefits Fund accounts for employees' post employment sick leave benefits and medical insurance for the dependents of public safety employees killed in the line of duty. These funds have positive net assets in excess of claims payables, except for the Uninsurable Litigation Fund, Liability Insurance Fund, Compensation Insurance Fund, Employee Benefits Fund, and the Wireless Communications System Fund. Transfers within the Internal Services funds may be required to "balance" the fund equities. Most funds have healthy cash balances to meet current obligations.

INDEPENDENT AUDIT

The firm of Vavrinek, Trine, & Day, LLP has audited the financial statements of the City and its affiliated agencies. Their unqualified opinion on the City's basic financial statements is included within this report.

AWARD

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the last ten fiscal years ended June 30, 1995 through June 30, 2004. 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 Administrative Services Division. Each member of the division has my sincere appreciation for their contribution in the preparation of this report. A special commendation should be attributed to Ms. Lily Fang for the compilation of this CAFR.

RESPECTFULLY SUBMITTED,

ROBERT J. FRANZ

DIRECTOR OF ADMINISTRATIVE SERVICES

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CITY OF GLENDALE
Officials of the City of Glendale
June 30, 2005

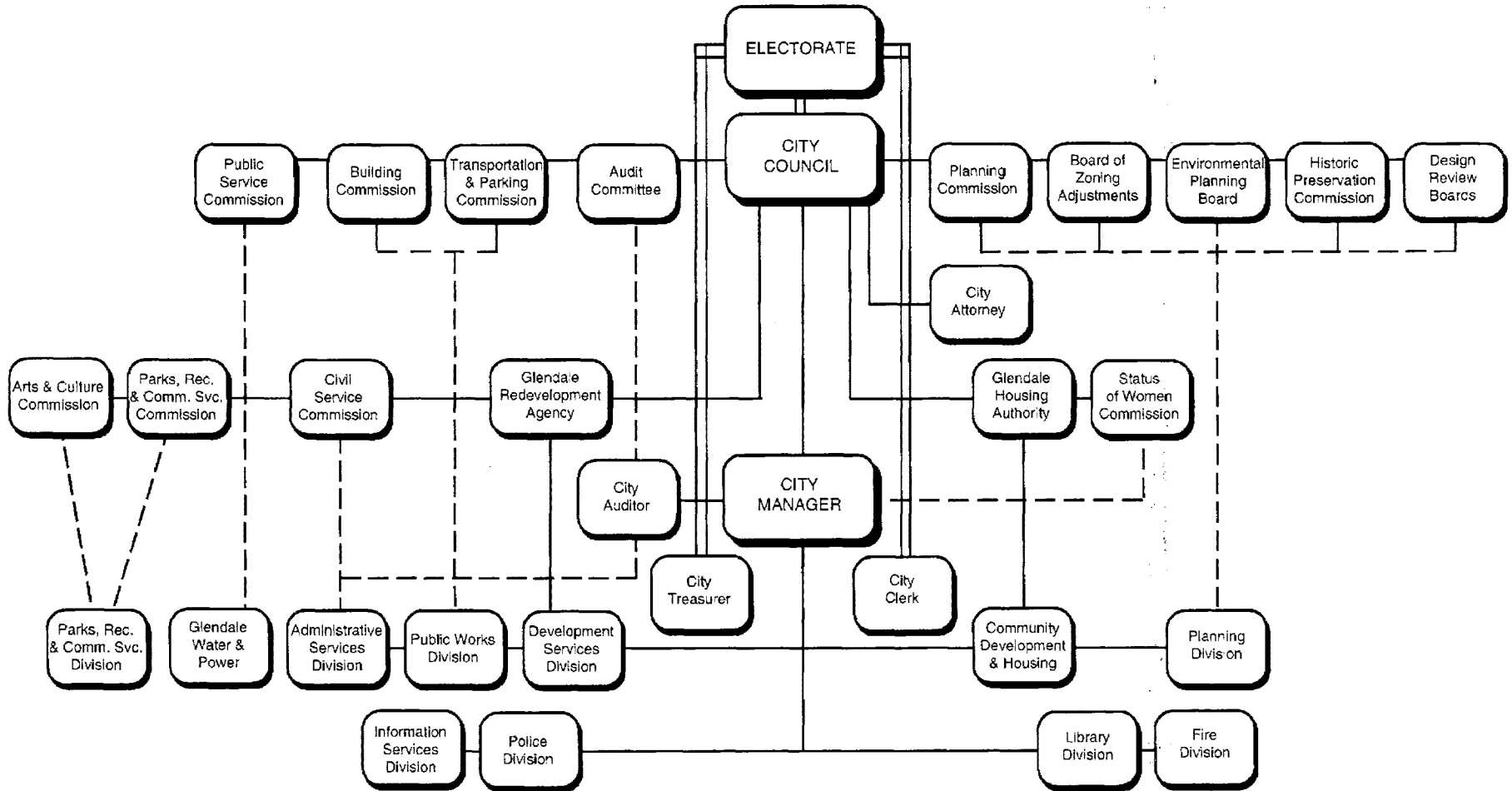
City Council

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

Administration and Division Heads

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

ORGANIZATIONAL CHART OF CITY OF GLENDALE



_____ Administrative Control
 _____ Electoral Control
 - - - - - Advisory Control

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, 2004

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.



Nancy L. Zjella

President

Jeffrey R. Emery

Executive Director

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Comprehensive Annual Financial Report

The City of Glendale, California

Financial Section

June 30, 2005



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, business-types 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, 2005, 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 an opinion 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 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-types activities, each major fund, and the aggregate remaining fund information of the City of Glendale, California, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2005, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 14 and the required supplemental information on page 58 are 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, and combining individual non-major fund statements and schedules, and statistical section as listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements. The combining, individual non-major fund statements and schedules 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 introductory section and the statistical section 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.

Vannick, Tami, Day & Co., LLP

Rancho Cucamonga, California
November 18, 2005

Comprehensive Annual Financial Report

The City of Glendale, California

Management's Discussion
and Analysis

June 30, 2005

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, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$1.5 billion (*net assets*). Of this amount, \$412.4 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. Of the \$412.4 million, \$261.2 million is in business type activities such as our electric, water, and sewer utilities.
- The City's total net assets increased by \$33.6 million. Most of this increase is attributable to an increase in capital assets.
- As of the close of the current fiscal year, the City governmental funds reported combined ending fund balances of \$320.5 million an decrease of \$12 million in comparison with the prior year. About 24.4 percent of this total amount, \$78 million, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance (\$34 million) and the charter required reserve (\$15.5 million for the general fund total \$49.5 million, or 38.7% percent of total general fund expenditures. City policy requires a minimum of 35% fund balance.
- The City's total debt increased by \$3.6 million (1.1 percent) during the current fiscal year. The factors in this decrease were the combination of numerous increases such as the postclosure liability of Scholl Canyon, equipment lease, compensated absences, and decreases such as bond retirements through regular annual payments.

Overview of the Financial Statements

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

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

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

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

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

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2005

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

The government-wide financial statements can be found on pages 15-16 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 17-28 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its recreation, hazardous disposal, fire paramedic, 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), helicopter depreciation, uninsurable litigation, employee benefits, and various other insurance.

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

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

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

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 61-113 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 \$1.5 billion at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (77 percent) reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Glendale's Net Assets

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 416.4	408.5	304.6	317.5	721.0	726.0
Capital assets	724.2	697.8	461.2	439.0	1,185.4	1,136.8
Total assets	1,140.6	1,106.3	765.8	756.5	1,906.4	1,862.8
Long-term liabilities	229.8	236.5	68.9	70.4	298.7	306.9
Other liabilities	40.3	32.0	29.9	19.8	70.2	51.8
Total liabilities	270.1	268.5	98.8	90.2	368.9	358.7
Net assets:						
Invested in capital assets, net of related debt	658.4	635.8	393.3	371.9	1,051.7	1,007.7
Restricted	60.9	51.9	12.5	11.9	73.4	63.8
Unrestricted	151.2	150.1	261.2	282.3	412.4	432.4
Total net assets	\$ 870.5	837.8	667.0	666.1	1,537.5	1,503.9

- 4.8% of the City's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$412.4 million) may be used to meet the government's ongoing obligations to citizens and creditors. Of the total, \$261.2 million is in business type activities such as our electric, water, and sewer utilities.

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

City of Glendale

Management's Discussion and Analysis, continued

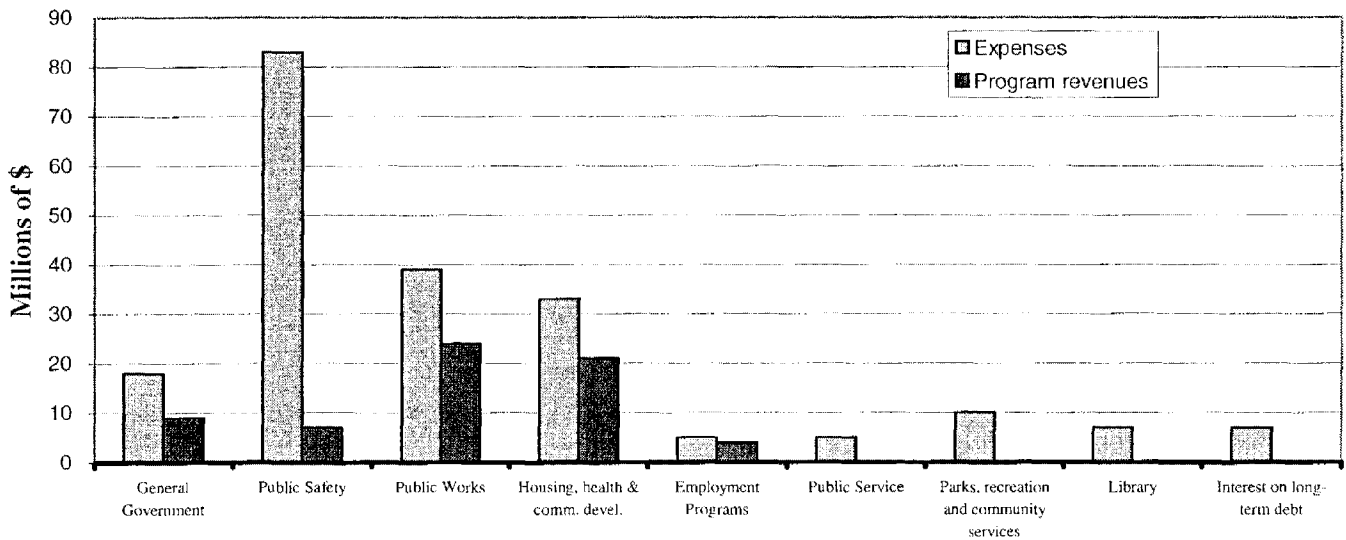
June 30, 2005

There was an increase of \$9 million in restricted net assets reported in connection with the City's governmental activities. Most of the increase resulted from the increased reserve for debt service payments.

Governmental activities. Governmental activities increased the City's net assets by \$30 million, thereby accounting for 97.1 percent of the total growth in the net assets of the City. Key elements of this increase are as follows:

- Property tax increased by \$16.2 million (41 percent) during the year due to ERAF funds received in lieu of Vehicle License Fee revenue and increased real estate activities.
- Sales tax decreased by \$6 million (21.2 percent) during the year due to the loss of Sales Tax to the State in exchange for ERAF funds (Triple Flip).
- Miscellaneous taxes revenue increased by \$6.6 million (55.5 percent) during the year.
- Investment income increased by \$6.4 million (237 percent) during the year.
- Transfer revenue increased by \$5.1 million (23.2 percent) during the year.
- Public safety expenses increased by \$32.9 million (65.7 percent) during the year.
- Parks, recreation, and community services expenses decreased by \$15.1 million (59.9 percent) during the year due the capitalization of one-time land purchases in 2003/04.
- Housing, health, and community development expenses decreased by \$10.2 million (20.4 percent) during the year.
- Library expenses increased by \$5.5 million (366.7 percent) during the year due to the retirement of fixed assets in 2003/04.

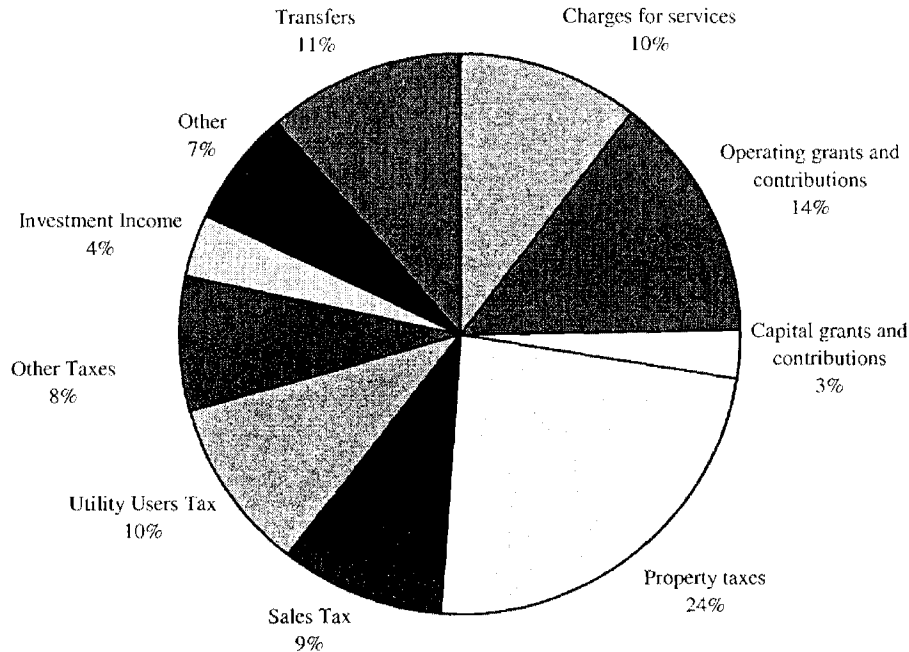
Expenses and Program Revenues – Governmental Activities



City of Glendale's Changes in Net Assets

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 24.8	25.1	227.4	228.5	252.2	253.6
Operating grants & contrib	33.9	36.0	0.7	0.7	34.6	36.7
Capital grants & contrib	6.8	9.5	1.4	3.3	8.2	12.8
General revenues:					-	-
Taxes:					-	-
Property taxes	55.7	39.5	-	-	55.7	39.5
Sales Tax	22.3	28.3	-	-	22.3	28.3
Utility Users Tax	23.8	22.7	-	-	23.8	22.7
Misc. Taxes	18.5	11.9	-	-	18.5	11.9
Investment Income	9.1	2.7	8.2	2.7	17.3	5.4
Miscellaneous	15.5	14.2	3.5	5.9	19.0	20.1
Contributions	-	-	-	-	-	-
Proceeds of Bond Sale	-	-	-	-	-	-
Total revenues	210.4	189.9	241.2	241.1	451.6	431.0
Expenses:						
General Government	17.5	11.1	-	-	17.5	11.1
Public Safety	83.0	50.1	-	-	83.0	50.1
Public Works	39.3	46.4	-	-	39.3	46.4
Housing, health, and community devel.	39.7	49.9	-	-	39.7	49.9
Employment Programs	5.1	4.8	-	-	5.1	4.8
Public Service	5.0	5.7	-	-	5.0	5.7
Parks, recreation and comm. services	10.1	25.2	-	-	10.1	25.2
Library	7.0	1.5	-	-	7.0	1.5
Interest & fiscal charges on bonds	7.3	6.7	-	-	7.3	6.7
Recreation	-	-	2.1	2.3	2.1	2.3
Hazardous disposal	-	-	1.4	1.7	1.4	1.7
Fire Paramedic	-	-	8.1	7.5	8.1	7.5
Parking	-	-	5.9	5.7	5.9	5.7
Sewer	-	-	8.1	9.8	8.1	9.8
Refuse Disposal	-	-	14.6	14.6	14.6	14.6
Electric	-	-	147.4	142.0	147.4	142.0
Water	-	-	25.6	25.6	25.6	25.6
Total expenses	214.0	201.4	213.2	209.2	427.2	410.6
Excess (deficiency) before transfers	(3.6)	(11.5)	28.0	31.9	24.4	20.4
Transfers	27.1	22.0	(27.1)	(22.0)	-	-
Increase in net assets	23.5	10.5	0.9	9.9	24.4	20.4
Net assets - Beg. of the year, as restated	847.0	827.4	666.1	656.2	1,513.1	1,483.6
Net assets - End of the year	\$ 870.5	837.9	667.0	666.1	1,537.5	1,504.0

Revenues By Source – Governmental Activities



Business-type activities. Business-type activities increased the City of Glendale's net assets by \$0.9 million accounting for 2.9 percent of the total growth in the government's net assets. Key elements of this increase are as follows.

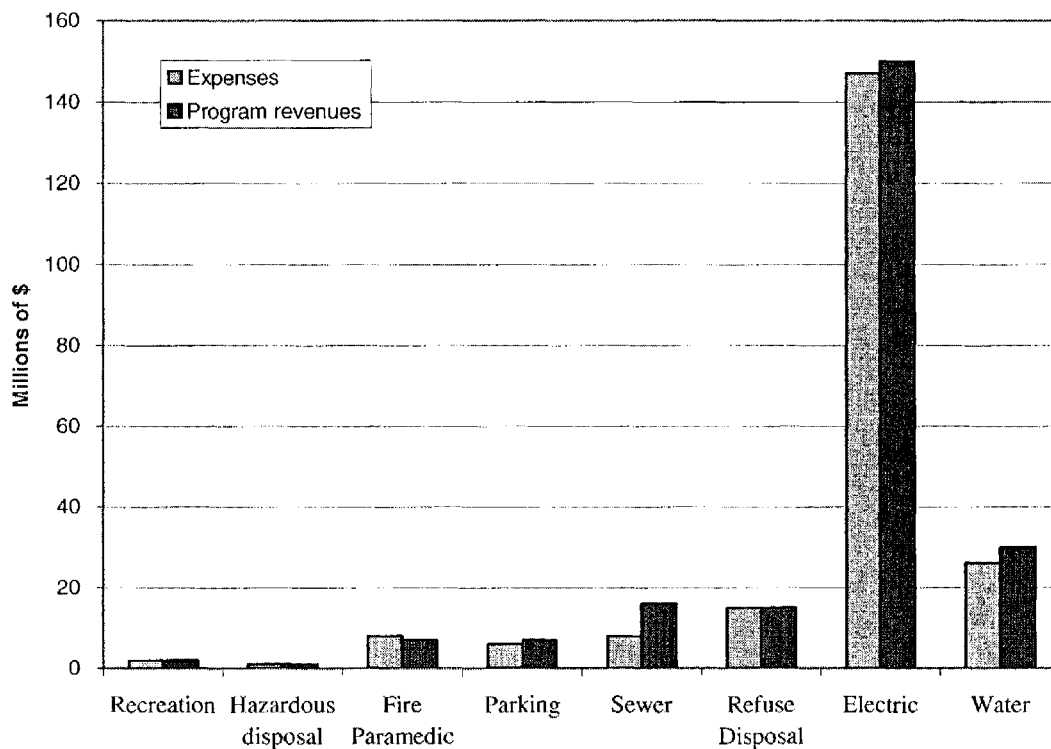
- Investment income increased by \$5.5 million (203.7 percent) during the year.
- Miscellaneous revenue sources decreased by \$2.4 million (40.7 percent) during the year.
- Transfers out increased by \$5.1 million (23.2 percent) during the year.
- Sewer expenses decreased by \$1.7 million (17.4 percent) during the year.
- Expenses in Electric increased by \$5.4 million (3.8 percent) during the year.

Financial Analysis of the Government's Funds

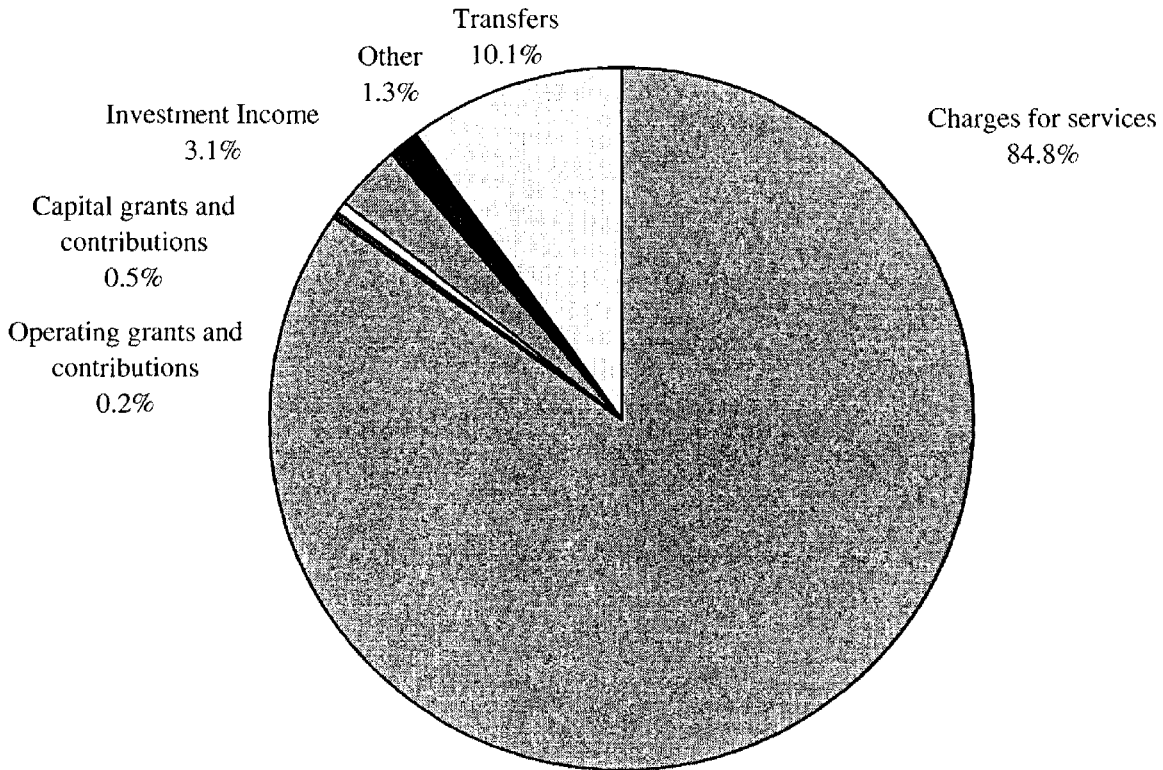
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Expenses and Program Revenues - Business-type Activities



Revenues By Source –Business-type Activities



As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$320.5 million, a decrease of \$12 million in comparison with the prior year. About 24.4 percent of this total amount (\$78 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$18.6 million), 2) to meet the charter reserve requirement (\$15.5 million), 3) to hold property for future development (\$72.6 million), 4) to pay debt service (\$17.5 million), 5) advance of City funds to the Glendale Redevelopment Agency (\$66.6 million), 6) for capital projects (\$34 million), 7) for prepaid items (\$1.7 million), 8) for the Scholl canyon landfill closure and post closure care (\$15.8 million) or 9) for the return of deposits (\$0.007 million).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance and the charter-required reserve of the general fund were \$34 million and \$15.5 million, respectively, while total fund balance was \$117.9 million. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance and the charter-required reserve, totaling \$49.5 million, represent 38.7 percent of total general fund expenditures.

The fund balance of the City's general fund decreased by \$5.4 million during the current fiscal year due to expenses exceeding revenues. Key factors in this decline are as follows:

- Public safety expenses increased by \$12 million (18.6%) this year primarily due to higher PERS costs compared to the prior year.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2005

The debt service funds have a total fund balance of \$59.9 million, all of which is reserved for the payment of debt service, except \$45.2 million. The net decrease in fund balance during the current year in the debt service fund was \$1.6 million.

The Glendale Redevelopment Agency Fund has a total fund balance of \$41.1 million. The Agency has a deficit in unrestricted net assets of \$24.2 million due to the nature of redevelopment financing. Redevelopment agencies typically leverage current tax increment revenues by issuing long-term debt (including loans from the City) in order to raise capital to promote economic development within the project area. The new projects constructed, in turn, generate additional tax increment revenues, which again, may only be captured to the extent that the Agency incurs indebtedness. Indebtedness includes bonded indebtedness, notes, loans, advances, payments due under development agreements, and City loans. The Agency incurs debt based on future tax increments to fund infrastructure projects. Once the infrastructure projects are completed, the asset is transferred to the City, however, the debt remains with the Agency resulting in deficit net assets. Total fund balance in this fund increased \$2.2 million during the current year mainly due to decreased housing, health, community development, and Town Center project expenditures.

The Capital Project Fund has a total fund balance of \$41 million, all of which is reserved. The two largest commitments are for capital projects (\$13.4 million) and landfill post closure care (\$15.8 million).

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

At the end of the year, unrestricted net assets of the Sewer Fund amounted to \$65.8 million, those for the Electric Fund amounted to \$191.8 million, those for the Water Fund totaled \$9.6 million, and other proprietary funds had unrestricted net assets of \$8.3 million. The total growth in net assets for the Sewer Fund was \$5.7 million, for the Electric Fund was a \$3.5 million decrease, for the Water Fund was \$3.1 million increase, and was a \$0.2 million increase for the other proprietary funds. Other factors concerning the finance of these funds have been addressed in the discussion of the City's business-type activities.

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2005

General Fund Budgetary Highlights

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

- \$0.6 million in miscellaneous increases in general government activities
- \$1.7 million in increases allocated to public safety
- \$0.7 million in decreases allocated to the public works department

Of this increase, \$0.6 million was funded from various state grants, donations and contributions, and miscellaneous revenue. The remaining \$1.7 million was budgeted from available fund balance.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2005, amounts to \$1.2 billion (net of accumulated depreciation). This investment in capital assets includes land, 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 4.3 percent (a 3.8 percent increase for governmental activities and a 5.1 percent increase for business-type activities).

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

- The purchase of open space properties, including \$5 million for the Trammell property, \$2.5 million for the affordable housing units at 1855 South Brand as well as \$4.2 million for the on/off ramp for SR 134 at San Fernando Road.
- As of the close of the fiscal year, the Electric fund had a \$1.2 million increase in land, a \$4.4 million increase in buildings and improvements, a \$4.9 million decrease in machinery and equipment, and a \$16.3 million increase in construction in progress compared to the prior year.
- As of the close of the fiscal year, the Water fund reflected a \$0.4 million increase in land, a \$5.6 million increase in buildings and improvements, a \$0.4 million increase in construction in progress, and a \$0.7 million increase in machinery and equipment compared to the prior year.

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

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 340.5	333.3	14.9	13.3	355.4	346.6
Buildings and improvements	135.3	133.7	319.2	301.9	454.5	435.6
Machinery and equipment	83.6	67.1	373.7	378.0	457.3	445.1
Infrastructure	202.7	202.0	-	-	202.7	202.0
Construction in progress	139.0	117.1	42.8	26.2	181.8	143.3
Total capital assets	901.1	853.2	750.6	719.4	1,651.7	1,572.6
Less accumulated depreciation	(176.9)	(155.5)	(289.4)	(280.4)	(466.3)	(435.9)
Net of depreciation	\$ 724.2	697.7	461.2	439.0	1,185.4	1,136.7

Additional information on the City's capital assets can be found in note III D on pages 44-45 as well as pages 115-116 of this report.

Long-term debt. At the end of the current fiscal year, the City has total debt outstanding of \$319.2 million. Of this amount, \$60.8 million is certificates of participation to fund the new police facility, \$101.2 million is tax allocation bonds backed by the property tax increment collected from the Central redevelopment project area, \$67.1 million is the revenue bonds secured solely by Electric Utility revenue, \$4.7 million is for bond premiums, a negative \$3.1 million is for a

City of Glendale

Management's Discussion and Analysis, continued

June 30, 2005

deferred amount on the refunding of the 2003 Tax Allocation Bonds, \$18.5 million is owed for the postclosure and postclosure care of Scholl Canyon landfill, \$5 million is for capital lease, \$11 million is for compensated absences, \$1.6 million is for section 108, \$3.7 million is for notes payable, \$42.9 million is for claims payable, and \$5.7 million is for post employment benefits.

City of Glendale's Outstanding Debt

(Millions of \$)	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Bonds payable:						
Police Facility Certificates of Participation	\$ 60.8	62.0	-	-	60.8	62.0
2002 Tax allocation bonds	44.3	46.2	-	-	44.3	46.2
2003 Tax allocation bonds	56.9	58.9	-	-	56.9	58.9
Electric Revenue Bonds, 2000 Series	-	-	37.0	37.0	37.0	37.0
Electric Revenue Bonds, 2003 Series	-	-	30.1	30.8	30.1	30.8
Bond premium	4.1	4.4	0.6	0.6	4.7	5.0
Deferred Amount on Refunding - 2003 Tax Allocation Bond	(3.1)	(3.3)	-	-	(3.1)	(3.3)
Total Bonds Payable	163.0	168.2	67.7	68.4	230.7	236.6
Landfill postclosure and postclosure care liability	18.5	17.1	-	-	18.5	17.1
Capital lease	5.0	1.6	-	-	5.0	1.6
Arbitrage rebate liability	-	1.4	-	-	-	1.4
Compensated absences	8.1	7.3	2.9	2.8	11.0	10.1
Section 108	1.6	1.7	-	-	1.6	1.7
Notes payable	3.7	4.6	-	-	3.7	4.6
Accrued interest	-	-	0.1	-	0.1	-
Claims payable	42.9	37.5	-	-	42.9	37.5
Post employment benefits	5.7	5.0	-	-	5.7	5.0
Total general long term debt	\$ 248.5	244.4	70.7	71.2	319.2	315.6

The City's total debt increased by \$3.6 million (1.1 percent) during the current fiscal year. The factors in this decrease were \$1.2 million of the Police Facility COPs, the retirement of \$3.9 million in GRA tax allocation bonds, \$0.7 million in Electric revenue bonds, and a net decrease in bond premiums of \$0.3 million, a net deferred amount of \$0.2 million on the refunding of the 2003 tax allocation bonds, a \$1.4 million increase in the postclosure and postclosure care liability for the Scholl Canyon landfill, a \$3.4 million increase in the capital lease, a retirement of \$1.4 million of arbitrage rebate liability, an addition of compensated absences of \$0.9 million, a \$0.1 million decrease for Section 108, a net decrease of \$0.9 million decrease for notes payable, a \$0.1 million increase in accrued interest, a \$5.4 million increase of claims payable and a \$0.7 million in post employment benefit.

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

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

Economic Factors and Next Year's Budget and Rates

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

All of these factors were considered in preparing the City's budget for the 2005-2006 fiscal year.

State Budget

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

Requests for Information

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

Comprehensive Annual Financial Report

The City of Glendale, California

Government-Wide Financial Statements

June 30, 2005

CITY OF GLENDALE

Statement of Net Assets

June 30, 2005

	Governmental Activities	Business Type Activities	Total
Assets			
Current assets:			
Cash and invested cash	\$ 276,963,715	162,841,339	439,805,054
Imprest cash	24,730	4,200	28,930
Cash with fiscal agent	17,545,680	1,077,179	18,622,859
Investment-gas/elec commodity	-	3,945,568	3,945,568
Interest receivable	2,342,124	2,089,731	4,431,855
Accounts receivable, net	4,339,689	15,979,735	20,319,424
Unbilled receivable	945,769	15,442,722	16,388,491
Due from other agencies	18,864,358	358,712	19,223,070
Internal balances	17,205,963	(17,205,963)	-
Deposits	7,000	9,717	16,717
Inventories	159,711	4,470,457	4,630,168
Prepaid items	1,960,576	601,504	2,562,080
Total current assets	340,359,315	189,614,901	529,974,216
Noncurrent assets:			
Designated & invested cash	-	113,877,382	113,877,382
Deferred charges	3,437,329	1,150,148	4,587,477
Property held for resale	72,626,955	-	72,626,955
Total noncurrent assets	76,064,284	115,027,530	191,091,814
Capital assets (net of accumulated depreciation):			
Land	340,453,410	14,877,968	355,331,378
Buildings and improvements	86,342,889	236,825,236	323,168,125
Machinery and equipment	40,932,744	166,675,125	207,607,869
Infrastructure	117,485,517	-	117,485,517
Construction in progress	139,028,255	42,828,347	181,856,602
Total capital assets	724,242,815	461,206,676	1,185,449,491
Total assets	1,140,666,414	765,849,107	1,906,515,521
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	11,373,680	20,844,842	32,218,522
Contracts-retained amount due	1,835,674	1,033,248	2,868,922
Accrued wages and withholding	4,216,380	1,748,225	5,964,605
Due to other agencies	550,341	-	550,341
Interest payable	453,546	1,374,416	1,827,962
Claims Payable	10,000,000	-	10,000,000
Compensated absences	1,500,000	649,000	2,149,000
Long term debt, due in one year	7,264,968	1,511,993	8,776,961
Deposits	3,174,718	2,772,773	5,947,491
Capital lease	-	-	-
Total current liabilities	40,369,307	29,934,497	70,303,804
Noncurrent liabilities:			
Claims payable	32,920,089	-	32,920,089
Post employment benefits	5,706,321	371,826	6,078,147
Compensated absences	6,646,240	2,245,989	8,892,229
Long term debt	184,525,291	66,246,191	250,771,482
Capital lease	-	-	-
Total noncurrent liabilities	229,797,941	68,864,006	298,661,947
Total liabilities	270,167,248	98,798,503	368,965,751
Net assets:			
Investment in capital assets, net of related debt	658,444,661	393,341,990	1,051,786,651
Restricted			
Charter	15,520,694	-	15,520,694
Low and moderate housing	20,114,577	-	20,114,577
Debt service	25,264,195	1,070,384	26,334,579
Reserved for Elec SCAQMD	-	11,389,940	11,389,940
Unrestricted	151,155,039	261,248,290	412,403,329
Total net assets	\$ 870,499,166	667,050,604	1,537,549,770

Exhibit A-2
CITY OF GLENDALE
Statement of Activities
For Fiscal Year Ended June 30, 2005

	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities:							
General government	\$ 17,536,301	8,599,712	19,833	-	(8,916,756)	-	(8,916,756)
Public safety	83,073,619	3,757,348	2,803,955	640,711	(75,871,605)	-	(75,871,605)
Public works	39,261,265	11,255,858	6,970,608	6,219,281	(14,815,518)	-	(14,815,518)
Housing, health and comm dev	39,683,369	98,407	20,568,822	-	(19,016,140)	-	(19,016,140)
Employment programs	5,136,068	937,334	2,894,752	-	(1,303,982)	-	(1,303,982)
Public service	5,023,909	-	-	-	(5,023,909)	-	(5,023,909)
Parks, recreation and community services	10,065,778	31,234	253,024	-	(9,781,520)	-	(9,781,520)
Library	7,002,416	150,409	343,958	-	(6,508,049)	-	(6,508,049)
Interest and fiscal charges on bonds	7,284,073	-	-	-	(7,284,073)	-	(7,284,073)
Total governmental activities	214,066,798	24,830,302	33,854,952	6,859,992	(148,521,552)	-	(148,521,552)
Business-type activities:							
Recreation	2,078,111	1,736,065	320,000	9,075	-	(12,971)	(12,971)
Hazardous disposal	1,350,207	1,402,711	48,736	-	-	101,240	101,240
Fire paramedic	8,150,014	6,886,791	-	-	-	(1,263,223)	(1,263,223)
Parking	5,913,574	7,139,345	-	-	-	1,225,771	1,225,771
Sewer	8,111,849	16,323,362	-	-	-	8,211,513	8,211,513
Refuse disposal	14,636,096	15,403,846	-	-	-	767,750	767,750
Electric	147,377,059	148,798,618	-	1,046,255	-	2,467,814	2,467,814
Water	25,607,770	29,752,971	289,933	320,929	-	4,756,063	4,756,063
Total business-type activities	213,224,680	227,443,709	658,669	1,376,259	-	16,253,957	16,253,957
Total primary government	\$ 427,291,478	252,274,011	34,513,621	8,236,251	(148,521,552)	16,253,957	(132,267,595)
General revenues:							
Taxes:							
Property taxes					\$ 55,715,841	-	55,715,841
Sales taxes					22,350,550	-	22,350,550
Utility users tax					23,772,356	-	23,772,356
Other taxes					18,561,727	-	18,561,727
Investment income					9,057,355	8,250,726	17,308,081
Other					15,461,239	3,463,339	18,924,578
Transfers					27,126,871	(27,126,871)	-
Total general revenues, transfers and special item					172,045,939	(15,412,806)	156,633,133
Change in net assets					23,524,387	841,151	24,365,538
Net assets, July 1, restated					846,974,779	666,209,453	1,513,184,232
Net assets, June 30					\$ 870,499,166	667,050,604	1,537,549,770

Exhibit B-1
CITY OF GLENDALE
 Balance Sheet
 Governmental Funds
 June 30, 2005

Major Funds				
	General Fund	Glendale Redevelopment Agency Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and invested cash	\$ 44,705,524	42,120,418	141,885,111	228,711,053
Imprest cash	24,230	500	-	24,730
Cash with fiscal agent	-	-	13,794,763	13,794,763
Designated & invested cash	-	-	-	-
Interest receivable	969,064	306,361	776,804	2,052,229
Accounts receivable, net	1,547,608	-	1,494,727	3,042,335
Intergovernmental receivable	66,626,295	-	-	66,626,295
Unbilled receivable	683,808	-	261,961	945,769
Due from other agencies	7,037,457	2,570,483	9,255,869	18,863,809
Due from other funds	9,495,409	-	-	9,495,409
Deposits	-	7,000	-	7,000
Inventories	159,711	-	-	159,711
Prepaid items	-	-	1,690,426	1,690,426
Property held for resale	-	65,308,486	7,318,469	72,626,955
Total assets	131,249,106	110,313,248	176,478,130	418,040,484
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	1,802,551	2,075,874	6,473,654	10,352,079
Contracts-retained amount due	1,835,674	-	-	1,835,674
Due to other funds	-	-	6,545,193	6,545,193
Due to other agencies	-	438,317	112,025	550,342
Accrued wages and withholding	3,357,270	66,641	570,390	3,994,301
Accrued interest	-	-	-	-
Compensated absences	-	-	-	-
Deferred revenues	3,401,380	-	1,060,681	4,462,061
Deposits	3,001,574	25,000	148,143	3,174,717
Intergovernmental payable	-	66,626,295	-	66,626,295
Total liabilities	13,398,449	69,232,127	14,910,086	97,540,662
Fund Balances:				
Reserved:				
Deposit	-	7,000	-	7,000
Prepaid	-	-	1,690,426	1,690,426
Charter	15,520,694	-	-	15,520,694
Debt service	-	-	17,545,681	17,545,681
Landfill post closure care	-	-	15,800,000	15,800,000
Capital projects	-	-	34,118,360	34,118,360
Encumbrances	1,705,183	-	16,874,556	18,579,739
City/Agency advances	66,626,295	-	-	66,626,295
Property Resale	-	65,308,486	7,318,469	72,626,955
Unreserved, reported in:				
General funds	33,998,485	-	-	33,998,485
Special revenue funds	-	(24,234,365)	21,339,056	(2,895,309)
Capital project funds	-	-	1,703,148	1,703,148
Debt service	-	-	45,178,348	45,178,348
Total fund balances	117,850,657	41,081,121	161,568,044	320,499,822
Total liabilities and fund balances	\$ 131,249,106	110,313,248	176,478,130	418,040,484

The notes to financial statements are integral part of this statement.

CITY OF GLENDALE

Reconciliation of Balance Sheet of

Governmental Funds to the Statement of Net Assets

June 30, 2005

Fund balances of governmental funds		\$	320,499,822
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	\$	340,453,410	
Buildings and improvements		86,342,889	
Equipment		40,932,744	
Infrastructure		117,485,517	
Construction in progress		<u>139,028,255</u>	724,242,815
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		575,000	
2002 Tax allocation bonds		951,488	
2003 Tax allocation bonds		<u>1,910,841</u>	3,437,329
Long-term debt not included in the governmental fund activity:			
Due within one year:			
Police building bonds		(1,200,000)	
2002 Tax allocation bonds		(2,025,619)	
2003 Tax allocation bonds, net of deferred amount on refunding		(2,260,117)	
Capital lease		(716,232)	
Section 108		(140,000)	
Notes payable		<u>(923,000)</u>	(7,264,968)
Due more than one year:			
Police building bonds		(59,600,000)	
2002 Tax allocation bonds		(44,057,090)	
2003 Tax allocation bonds		(53,923,598)	
Post closure and post closure care		(18,452,720)	
Capital lease		(4,272,883)	
Section 108		(1,450,000)	
Notes payable		<u>(2,769,000)</u>	(184,525,291)
Accrued interest payable for the current portion of interest due are not included in the governmental fund activity:			
Police building certificate of participation		-	
2002 Tax allocation bonds		(160,586)	
2003 Tax allocation bonds		(210,489)	
Capital lease		(59,831)	
Section 108		<u>(22,640)</u>	(453,546)
Deferred revenue in the governmental funds is revenue in the statement of activities.			
			4,462,061
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.			
			10,100,944
Net assets of governmental activities		\$	<u><u>870,499,166</u></u>

Exhibit C-1
CITY OF GLENDALE
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Fund
 Year Ended June 30, 2005

	<u>Major Funds</u>			
	<u>General Fund</u>	<u>Glendale Redevelopment Agency Fund</u>	<u>Non Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 27,975,365	13,816,503	13,923,973	55,715,841
Other taxes	56,262,567	-	9,915,815	66,178,382
Revenue from other agencies	1,946,186	1,457,976	42,174,550	45,578,712
Licenses and permits	5,303,096	-	-	5,303,096
Fines and forfeitures	1,309,318	-	512,873	1,822,191
Charges for services	3,499,034	13,476	8,523,896	12,036,406
Use of money and property	4,868,028	2,453,288	3,499,764	10,821,080
Intergovernmental revenue	1,250,000	-	-	1,250,000
Interfund revenue	7,490,799	-	-	7,490,799
Miscellaneous revenue	575,512	83,489	4,029,825	4,688,826
Total Revenues	110,479,905	17,824,732	82,580,696	210,885,333
Expenditures:				
Operating expenditures				
General government	16,121,028	-	608,722	16,729,750
Community promotion	116,288	-	-	116,288
Public safety	76,357,664	-	5,966,589	82,324,253
Public works	16,716,194	-	9,251,902	25,968,096
Housing, health and community development	1,784,930	9,872,242	23,930,824	35,587,996
Employment programs	-	-	4,968,111	4,968,111
Public service	-	-	4,859,416	4,859,416
Parks, recreation and community services	9,291,860	-	994,550	10,286,410
Library	6,461,928	-	353,472	6,815,400
Capital	1,054,664	5,691,660	34,508,993	41,255,317
Debt service	-	-	12,188,805	12,188,805
Total expenditures	127,904,556	15,563,902	97,631,384	241,099,842
Excess of revenues over (under) expenditures	(17,424,651)	2,260,830	(15,050,688)	(30,214,509)
Other financing sources (use):				
Transfer from				
Transfer-General Fund	-	-	2,594,911	2,594,911
Transfer-Special Revenue	-	-	99,996	99,996
Transfer-Capital Funds	800,000	-	-	800,000
Transfer-GRAs	-	802,000	-	802,000
Transfer-Sewer Fund	-	-	4,599,996	4,599,996
Transfer-Electric	16,982,754	-	25,000	17,007,754
Transfer-Water	3,719,121	-	-	3,719,121
Transfer-Parking	1,800,000	-	-	1,800,000
Transfer to				
Transfer-General Fund	-	-	(800,000)	(800,000)
Transfer-Special Revenue	(392,911)	(802,000)	(99,996)	(1,294,907)
Transfer-Capital Funds	(2,202,000)	-	-	(2,202,000)
Transfer-Int Service	(8,714,674)	(78,842)	(151,755)	(8,945,271)
Total financing sources (use)	11,992,290	(78,842)	6,268,152	18,181,600
Net change in fund balances	(5,432,361)	2,181,988	(8,782,536)	(12,032,909)
Fund balance, July 1, restated	123,283,018	38,899,133	170,350,580	332,532,731
Fund Balance, June 30	\$ 117,850,657	41,081,121	161,568,044	320,499,822

Exhibit C-2

CITY OF GLENDALE

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For Fiscal Year Ended June 30, 2005

Net change in fund balances - total governmental funds	\$	(12,032,909)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital assets as expenditures		44,659,341
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		(18,170,917)
In the statement of activities, bond issuance costs are deferred and allocated to expense over the life of bonds:		
Police building bonds	\$	(23,000)
2002 Tax allocation bonds		(57,666)
2003 Tax allocation bonds		(117,762)
		(198,428)
In the statement of activities, the deferred amounts on refunding are allocated over the life of the bonds as a component of expense.		(200,134)
In the statement of activities, the bond premium is allocated over the life of bonds as revenue		
2002 Tax allocation bonds	105,619	
2003 Tax allocation bonds	145,251	250,870
		250,870
In the statement of activities, bond proceeds, bond premium, and other long term debts which are other financing sources in governmental funds are classified as liabilities.		
Capital lease - Suntrust Leasing		(3,742,792)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Police building bonds	1,200,000	
2002 Tax allocation bonds	1,920,000	
2003 Tax allocation bonds	2,000,000	
Arbitrage rebate	1,346,600	
Capital lease	384,164	
Section 108	110,000	
Notes payable	923,000	7,883,764
		7,883,764
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:		
Accrued interest, June 30, 2005		
2002 Tax Allocation Bonds	(160,586)	
2003 Tax Allocation Bonds	(210,489)	
Section 108	(22,640)	
Capital lease	(59,832)	(453,547)
		(453,547)
Accrued interest, June 30, 2004		
Police building bonds	52,635	
2002 Tax Allocation Bonds	165,249	
1993 Tax Allocation Bonds	215,489	433,373
		433,373
Landfill postclosure care liability increased from prior year		(1,409,568)
Deferred revenue in the governmental funds is a revenue in the statement of activities.		(1,738,797)
Change in net assets of Internal Service funds allocated to governmental activities		8,244,131
Change in net assets for governmental activities	\$	23,524,387

Exhibit D-1
CITY OF GLENDALE
Statement of Revenues - Budget to Actual
General Fund
Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Property taxes	\$ 17,917,000	17,917,000	27,975,365	10,058,365
Other Taxes				
Sales Tax	24,675,000	24,675,000	19,240,673	(5,434,327)
ERAF in Lieu of Sales Tax	-	-	5,856,809	5,856,809
State 1/2% Sales Tax	1,350,000	1,350,000	1,493,750	143,750
Utility Users Tax	23,200,000	23,200,000	23,772,356	572,356
Franchise Tax	2,600,000	2,600,000	2,537,410	(62,590)
Occupancy Tax	2,250,000	2,250,000	2,213,218	(36,782)
Property Transfer Tax	775,000	775,000	1,148,352	373,352
Total	54,850,000	54,850,000	56,262,567	1,412,567
Licenses and permits:				
Dog Licenses	160,000	160,000	147,519	(12,481)
Cat Licenses	-	-	23	23
Bicycle Licenses	-	-	122	122
Building Permits	3,000,000	3,000,000	3,482,633	482,633
Plan Check Fees	250,000	250,000	123,489	(126,511)
Variance Permits	600,000	600,000	932,491	332,491
Grading Permits	30,000	30,000	40,536	10,536
Street Permits	140,000	140,000	158,048	18,048
Business License Permits	450,000	450,000	418,235	(31,765)
Total	4,630,000	4,630,000	5,303,096	673,096
Fines and forfeitures - Traffic safety fines	1,550,000	1,550,000	1,309,318	(240,682)
Use of money and property:				
Interest & Inv. Revenue	2,800,000	2,800,000	2,815,068	15,068
Interest & Inv GASB 31	-	-	(227,357)	(227,357)
Landfill Gas Royalties	1,200,000	1,200,000	2,156,983	956,983
Rental Income	102,000	102,000	123,333	21,333
Total	4,102,000	4,102,000	4,868,028	766,028
Revenue from other agencies:				
Mutual Aid Reimbursement	-	-	154,752	154,752
Historic Preserve Grant	-	-	12,000	12,000
State Grants	-	20,973	21,973	1,000
State AB 1662 Booking Fee	-	-	23,763	23,763
State S/B 90	-	-	62,886	62,886
Motor Vehicle in Lieu	9,953,000	9,953,000	1,329,038	(8,623,962)
State Library Grant	180,000	180,000	107,323	(72,677)
State Police Grants	60,000	60,000	-	(60,000)
State H/O Exemptions	215,000	215,000	222,535	7,535
County Grants	10,000	14,000	11,917	(2,083)
Total	10,418,000	10,442,973	1,946,186	(8,496,787)
Miscellaneous revenue:				
Donations & Contribution	60,000	65,000	79,549	14,549
Designated Donation - M&O	-	-	19,833	19,833
Rose Float Donations	40,000	40,000	-	(40,000)
Sponsorships	350,000	350,000	-	(350,000)
Unclaimed money & prop	-	-	132,012	132,012
Miscellaneous Revenue	312,256	322,127	338,923	16,796
Sales of property	-	-	5,195	5,195
Total	\$ 762,256	777,127	575,512	(201,615)

Exhibit D-1
CITY OF GLENDALE
Statement of Revenues - Budget to Actual
General Fund
Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Charges for services:				
	\$			
Zoning-Subdivision Fees	43,000	43,000	42,864	(136)
Map and Publication Fees	20,000	20,000	36,144	16,144
Filing-Certification Fee	5,000	5,000	10,178	5,178
Finger Print Fees	206,000	206,000	119,887	(86,113)
Special Police Fees	962,000	962,000	703,279	(258,721)
Police Presence post 9-11-2001	1,000,000	1,000,000	116,626	(883,374)
Vehicle Tow Admin Fee (VTACR)	-	-	191,813	191,813
Fire Inspection Fees	300,000	300,000	271,576	(28,424)
Fire Communication Fees	179,000	179,000	202,814	23,814
Hydrant Flow Test Fees	5,000	5,000	2,220	(2,780)
Hazardous Vegetation Fee	3,000	3,000	3,620	620
Code Enforcement Fees	60,000	60,000	98,407	38,407
Youth Employment Fees	1,057,521	1,057,521	937,334	(120,187)
Express Plan Check Fees	200,000	200,000	205,437	5,437
Excavation Fees	31,000	31,000	35,882	4,882
Resurfacing Fees	-	-	3,144	3,144
Collectible-NonPerformance Cbg	-	-	3,375	3,375
Collectible Jobs Vehicle	100,000	100,000	94,782	(5,218)
Collectible Jobs - A & G	130,000	130,000	158,471	28,471
Library Fines and Fees	152,000	152,000	150,349	(1,651)
Library Misc Fees	-	-	60	60
Rental Bldgs/Facilities	-	-	942	942
Registrations Fees	120,000	120,000	-	(120,000)
Aquatics	27,000	27,000	22,408	(4,592)
Parks Misc Fees	-	-	7,884	7,884
Special Program Fees	7,000	7,000	-	(7,000)
Local Assessment Fees	103,000	103,000	79,540	(23,460)
Total	4,710,521	4,710,521	3,499,034	(1,211,487)
Interfund revenue				
Charges to enterprise funds for:				
Charges to Ent-Council	126,000	126,000	189,882	63,882
Charges to Ent-Manager	718,000	718,000	774,044	56,044
Charges to Ent-Auditor	150,000	150,000	263,329	113,329
Charges to Ent-Clerk	357,000	357,000	417,879	60,879
Charges to Ent-Finance	988,000	988,000	1,213,766	225,766
Charges to Ent-EDP	2,007,000	2,007,000	2,250,852	243,852
Charges to Ent-Treasurer	183,000	183,000	209,217	26,217
Charges to Ent-Purchasng	158,000	158,000	166,112	8,112
Charges to Ent-Legal	672,000	672,000	738,163	66,163
Charges to Ent-Personnel	418,000	418,000	447,706	29,706
Charges to Ent-Training	76,000	76,000	26,143	(49,857)
Charges to Ent-Parks-Rec	57,000	57,000	58,548	1,548
Charges to Ent-G.G. Bldg	47,000	47,000	45,840	(1,160)
Charges to Ent-Mem & Due	20,000	20,000	40,993	20,993
Charges to Ent-PW Admin	357,000	357,000	342,357	(14,643)
Salary O/H Budget Job	366,000	366,000	305,969	(60,031)
Total	6,700,000	6,700,000	7,490,799	790,799
Intergovernmental revenue	1,250,000	1,250,000	1,250,000	-
Total revenues	\$ 106,889,777	106,929,621	110,479,905	3,550,284

Exhibit D-2
CITY OF GLENDALE
 Statement of Expenditures - Budget to Actual
 General Fund
 Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
General government:				
	\$			
City council	369,086	369,086	392,033	(22,947)
City clerk	837,440	838,404	862,760	(24,356)
Elections	448,252	610,044	607,118	2,926
City treasurer	432,888	437,604	431,953	5,651
City manager	1,568,599	1,671,665	1,598,130	73,535
City auditor	502,680	508,248	543,673	(35,425)
Legal	1,738,621	1,758,430	1,524,025	234,405
Finance	2,470,327	2,730,327	2,506,136	224,191
Purchasing	365,482	366,343	342,958	23,385
Graphics	-	-	-	-
Information services	3,593,330	3,606,810	3,457,327	149,483
Communications services	-	-	-	-
Planning	2,498,661	2,574,946	2,519,353	55,593
Personnel	1,376,953	1,376,953	1,270,035	106,918
Training	232,003	232,003	74,161	157,842
	<hr/>	<hr/>	<hr/>	<hr/>
Total	16,434,322	17,080,863	16,129,662	951,201
	<hr/>	<hr/>	<hr/>	<hr/>
Community promotion:				
Membership and dues	57,789	57,789	116,288	(58,499)
	<hr/>	<hr/>	<hr/>	<hr/>
Public safety:				
Police	44,666,630	44,773,678	44,676,894	96,784
Fire	28,523,513	29,566,013	30,076,581	(510,568)
Fire prevention	1,327,903	1,827,903	1,479,234	348,669
Fire communications	769,626	769,626	765,233	4,393
Emergency services	161,368	168,168	128,369	39,799
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 75,449,040	77,105,388	77,126,311	(20,923)
	<hr/>	<hr/>	<hr/>	<hr/>

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures - Budget to Actual
General Fund
Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Public works:	\$			
Public works	575,220	611,220	589,124	22,096
Project management	96,436	97,118	68,532	28,586
Engineering	2,499,725	2,501,413	2,695,468	(194,055)
Building inspection	2,881,675	2,881,675	2,742,178	139,497
Corporation yard	104,535	104,535	103,577	958
Custodial services	985,030	985,030	683,632	301,398
Building services	2,659,971	1,959,971	1,668,697	291,274
Street administration	340,005	346,213	307,604	38,609
Street maintenance	1,415,849	1,415,849	1,112,256	303,593
Sidewalk maintenance	3,197,399	3,197,399	1,680,958	1,516,441
Street trees maintenance	1,522,411	1,522,411	1,401,152	121,259
Mechanical maintenance	1,277,721	1,281,354	1,227,340	54,014
Warehouse	165,200	165,200	154,224	10,976
Traffic engineering	1,109,475	1,109,475	952,750	156,725
Traffic signals	1,098,380	1,098,380	1,050,678	47,702
Traffic safety controls	431,211	431,211	365,832	65,379
Total	20,360,243	19,708,454	16,804,000	2,904,454
Housing, health and community development:				
Economic development	26,921	26,921	12	26,909
Neighborhood services	2,059,079	2,091,728	1,784,918	306,810
Total	2,086,000	2,118,649	1,784,930	333,719
Parks, recreation and community services:				
Parks administration	997,262	1,030,489	992,641	37,848
Parks	5,598,670	5,609,031	5,543,318	65,713
Facility & events services	357,770	357,770	331,314	26,456
Recreation & community services	1,069,132	1,095,754	946,742	149,012
Senior programs	433,846	433,846	388,215	45,631
Youth services	825,656	825,656	624,382	201,274
Pacific community center	809,388	809,388	644,259	165,129
Total	10,091,724	10,161,934	9,470,871	691,063
Library	6,659,779	6,665,288	6,472,494	192,794
Total expenditures	\$ 131,138,897	132,898,365	127,904,556	4,993,809

Exhibit D-3
CITY OF GLENDALE
 Statement of Expenditures - Budget to Actual
 General Fund
 Year Ended June 30, 2005

	Salaries and Benefits				Maintenance and Operation				Original
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under	
General government:	\$								
City council	277,042	277,042	301,416	(24,374)	87,044	87,044	90,618	(3,574)	5,000
City clerk	681,337	682,301	709,660	(27,359)	156,103	156,103	153,100	3,003	-
Elections	57,861	67,861	31,994	35,867	390,391	542,183	575,124	(32,941)	-
City treasurer	368,214	372,930	378,511	(5,581)	64,674	64,674	53,442	11,232	-
City manager	1,147,581	1,150,472	1,220,501	(70,029)	421,018	521,193	377,629	143,564	-
City auditor	427,692	433,260	492,848	(59,588)	74,988	74,988	50,825	24,163	-
Legal	1,596,873	1,591,682	1,347,211	244,471	141,748	166,748	176,814	(10,066)	-
Finance	1,741,568	1,741,568	1,570,343	171,225	728,759	988,759	935,793	52,966	-
Purchasing	338,608	339,469	325,675	13,794	26,874	26,874	17,283	9,591	-
Graphics	-	-	-	-	-	-	-	-	-
Information services	3,088,470	3,101,950	2,933,484	168,466	504,860	504,860	523,844	(18,984)	-
Communications services	-	-	-	-	-	-	-	-	-
Planning	2,286,305	2,333,478	2,324,712	8,766	212,356	241,468	194,641	46,827	-
Personnel	972,572	959,572	921,075	38,497	404,381	404,381	340,326	64,055	-
Training	-	-	-	-	232,003	232,003	74,161	157,842	-
Total	12,984,123	13,051,585	12,557,430	494,155	3,445,199	4,011,278	3,563,600	447,678	5,000
Community promotion:									
Membership and dues	-	-	-	-	57,789	57,789	116,288	(58,499)	-
Public safety:									
Police	39,530,230	39,530,230	38,571,790	958,440	4,989,320	5,089,232	5,892,561	(803,329)	147,080
Police helicopter	-	-	-	-	-	-	90,867	(90,867)	-
Civic center garage	-	-	-	-	-	-	-	-	-
Comm. family counseling	-	-	-	-	-	-	-	-	-
Animal control	-	-	-	-	-	-	-	-	-
Fire	26,457,802	26,637,802	27,202,835	(565,033)	2,065,711	2,212,636	2,226,775	(14,139)	-
Fire prevention	1,207,176	1,707,176	1,387,163	320,013	120,727	120,727	92,071	28,656	-
Fire communications	-	-	-	-	769,626	769,626	765,233	4,393	-
Emergency services	123,581	123,581	96,924	26,657	37,787	44,587	31,445	13,142	-
Total	\$ 67,318,789	67,998,789	67,258,712	740,077	7,983,171	8,236,808	9,098,952	(862,144)	147,080

Exhibit D-3
CITY OF GLENDALE
 Statement of Expenditures - Budget to Act
 General Fund
 Year Ended June 30, 2005

	Capital Outlay			Total			
	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
General government:	\$						
City council	5,000	-	5,000	369,086	369,086	392,034	(22,948)
City clerk	-	-	-	837,440	838,404	862,760	(24,356)
Elections	-	-	-	448,252	610,044	607,118	2,926
City treasurer	-	-	-	432,888	437,604	431,953	5,651
City manager	-	-	-	1,568,599	1,671,665	1,598,130	73,535
City auditor	-	-	-	502,680	508,248	543,673	(35,425)
Legal	-	-	-	1,738,621	1,758,430	1,524,025	234,405
Finance	-	-	-	2,470,327	2,730,327	2,506,136	224,191
Purchasing	-	-	-	365,482	366,343	342,958	23,385
Graphics	-	-	-	-	-	-	-
Information services	-	-	-	3,593,330	3,606,810	3,457,328	149,482
Communications services	-	-	-	-	-	-	-
Planning	-	-	-	2,498,661	2,574,946	2,519,353	55,593
Personnel	13,000	8,634	4,366	1,376,953	1,376,953	1,270,035	106,918
Training	-	-	-	232,003	232,003	74,161	157,842
Total	18,000	8,634	9,366	16,434,322	17,080,863	16,129,664	951,199
Community promotion:							
Membership and dues	-	-	-	57,789	57,789	116,288	(58,499)
Public safety:							
Police	154,216	121,676	32,540	44,666,630	44,773,678	44,586,027	187,651
Police helicopter	-	-	-	-	-	90,867	(90,867)
Civic center garage	-	-	-	-	-	-	-
Comm. family counseling	-	-	-	-	-	-	-
Animal control	-	-	-	-	-	-	-
Fire	715,575	646,971	68,604	28,523,513	29,566,013	30,076,581	(510,568)
Fire prevention	-	-	-	1,327,903	1,827,903	1,479,234	348,669
Fire communications	-	-	-	769,626	769,626	765,233	4,393
Emergency services	-	-	-	161,368	168,168	128,369	39,799
Total	\$ 869,791	768,647	101,144	75,449,040	77,105,388	77,126,311	(20,923)

Exhibit D-3
CITY OF GLENDALE
 Statement of Expenditures - Budget to Actual
 General Fund
 Year Ended June 30, 2005

	Salaries and Benefits				Maintenance and Operation				Original
	Original	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under	
Public works:	\$								
Public works	517,647	517,647	507,870	9,777	57,573	93,573	81,254	12,319	-
Project management	74,674	75,356	53,777	21,579	21,762	21,762	14,755	7,007	-
Engineering	2,320,602	2,322,290	2,549,769	(227,479)	179,123	179,123	145,699	33,424	-
Building inspection	2,485,563	2,485,563	2,584,607	(99,044)	396,112	396,112	157,571	238,541	-
Corporation yard	-	-	-	-	104,535	104,535	103,577	958	-
Custodial services	780,867	780,867	592,569	188,298	97,063	97,063	59,067	37,996	107,100
Building services	1,125,619	1,125,619	829,446	296,173	1,534,352	834,352	839,250	(4,898)	-
Street administration	259,838	266,046	233,598	32,448	80,167	80,167	74,006	6,161	-
Street maintenance	1,128,720	1,128,720	975,682	153,038	287,129	287,129	136,574	150,555	-
Sidewalk maintenance	1,040,148	1,040,148	880,095	160,053	2,157,251	2,157,251	800,863	1,356,388	-
Street trees maintenance	906,246	906,246	765,302	140,944	616,165	616,165	635,850	(19,685)	-
Mechanical maintenance	490,661	494,294	193,501	300,793	787,060	780,560	1,027,987	(247,427)	-
Warehouse	158,637	158,637	149,191	9,446	6,563	6,563	5,034	1,529	-
Traffic engineering	596,028	596,028	635,047	(39,019)	513,447	513,447	317,703	195,744	-
Traffic signals	84,974	84,974	39,284	45,690	1,013,406	1,013,406	961,436	51,970	-
Traffic safety controls	325,199	325,199	268,958	56,241	106,012	106,012	96,873	9,139	-
Total	12,295,423	12,307,634	11,258,696	1,048,938	7,957,720	7,287,220	5,457,499	1,829,721	107,100
Housing, health and community development:									
Economic development	-	-	-	-	26,921	26,921	12	26,909	-
Neighborhood services	1,657,277	1,689,926	1,506,164	183,762	401,802	401,802	278,754	123,048	-
Total	1,657,277	1,689,926	1,506,164	183,762	428,723	428,723	278,766	149,957	-
Parks, recreation and community services:									
Parks administration	874,939	893,666	876,162	17,504	102,323	111,823	92,795	19,028	20,000
Parks	3,861,335	3,871,696	3,750,625	121,071	1,608,835	1,608,835	1,676,559	(67,724)	128,500
Facility & events services	137,739	137,739	115,186	22,553	220,031	220,031	216,129	3,902	-
Recreation & community services	885,445	902,757	736,430	166,327	183,687	192,997	210,312	(17,315)	-
Senior programs	323,088	323,088	257,490	65,598	110,758	110,758	130,721	(19,963)	-
Youth services	673,027	667,027	498,144	168,883	117,629	117,629	87,109	30,520	35,000
Pacific community center	636,370	636,370	507,139	129,231	173,018	165,752	137,120	28,632	-
Total	7,391,943	7,432,343	6,741,176	691,167	2,516,281	2,527,825	2,550,745	(22,920)	183,500
Library	5,034,804	4,870,746	4,655,923	214,823	1,608,975	1,783,975	1,806,005	(22,030)	16,000
Total expenditures	\$ 106,682,359	107,351,023	103,978,101	3,372,922	23,997,858	24,333,618	22,871,855	1,461,763	458,680

Exhibit D-3
CITY OF GLENDALE
Statement of Expenditures - Budget to Act
General Fund
Year Ended June 30, 2005

	Capital Outlay			Total			
	Final	Actual	Variance (Over)/Under	Original	Final	Actual	Variance (Over)/Under
Public works:	\$						
Public works	-	-	-	575,220	611,220	589,124	22,096
Project management	-	-	-	96,436	97,118	68,532	28,586
Engineering	-	-	-	2,499,725	2,501,413	2,695,468	(194,055)
Building inspection	-	-	-	2,881,675	2,881,675	2,742,178	139,497
Corporation yard	-	-	-	104,535	104,535	103,577	958
Custodial services	107,100	31,997	75,103	985,030	985,030	683,633	301,397
Building services	-	-	-	2,659,971	1,959,971	1,668,696	291,275
Street administration	-	-	-	340,005	346,213	307,604	38,609
Street maintenance	-	-	-	1,415,849	1,415,849	1,112,256	303,593
Sidewalk maintenance	-	-	-	3,197,399	3,197,399	1,680,958	1,516,441
Street trees maintenance	-	-	-	1,522,411	1,522,411	1,401,152	121,259
Mechanical maintenance	6,500	5,852	648	1,277,721	1,281,354	1,227,340	54,014
Warehouse	-	-	-	165,200	165,200	154,225	10,975
Traffic engineering	-	-	-	1,109,475	1,109,475	952,750	156,725
Traffic signals	-	49,957	(49,957)	1,098,380	1,098,380	1,050,677	47,703
Traffic safety controls	-	-	-	431,211	431,211	365,831	65,380
Total	113,600	87,806	25,794	20,360,243	19,708,454	16,804,001	2,904,453
Housing, health and community development:							
Economic development	-	-	-	26,921	26,921	12	26,909
Neighborhood services	-	-	-	2,059,079	2,091,728	1,784,918	306,810
Total	-	-	-	2,086,000	2,118,649	1,784,930	333,719
Parks, recreation and community services:							
Parks administration	25,000	23,684	1,316	997,262	1,030,489	992,641	37,848
Parks	178,500	116,134	12,366	5,598,670	5,609,031	5,543,318	65,713
Facility & events services	-	-	-	357,770	357,770	331,315	26,455
Recreation & community services	-	-	-	1,069,132	1,095,754	946,742	149,012
Senior programs	-	-	-	433,846	433,846	388,211	45,635
Youth services	41,000	39,129	1,871	825,656	825,656	624,382	201,274
Pacific community center	7,266	-	7,266	809,388	809,388	644,259	165,129
Total	201,766	178,947	22,819	10,091,724	10,161,934	9,470,868	691,066
Library	10,567	10,566	1	6,659,779	6,665,288	6,472,494	192,794
Total expenditures	\$ 1,213,724	1,054,600	159,124	131,138,897	132,898,365	127,904,556	4,993,809

Exhibit E-1
CITY OF GLENDALE
 Statement of Net Assets
 Proprietary Funds
 June 30, 2005

	Sewer Fund	Electric Fund	Water Fund	All Major Enterprise Fund	Nonmajor Enterprise Fund	Total	Governmental Activities Internal Service Fund
Assets							
Current assets:							
Cash and invested cash	\$ 68,660,821	82,509,250	3,800,967	154,971,038	7,870,301	162,841,339	48,252,661
Imprest cash	-	3,200	1,000	4,200	-	4,200	-
Cash with fiscal agent	-	1,077,179	-	1,077,179	-	1,077,179	3,750,918
Interest receivable	523,796	1,438,458	63,800	2,026,054	63,677	2,089,731	289,898
Investment-gas/elec commodity	-	3,945,568	-	3,945,568	-	3,945,568	-
Accounts receivable, net	796,407	10,670,101	1,781,635	13,248,143	2,731,592	15,979,735	1,297,354
Unbilled receivable	1,266,603	10,636,493	2,598,137	14,501,233	941,489	15,442,722	-
Due from other agencies	-	-	74,756	74,756	283,956	358,712	551
Due from other funds	-	1,331,140	-	1,331,140	-	1,331,140	-
Deposits	-	9,717	-	9,717	-	9,717	-
Inventories	-	4,470,457	-	4,470,457	-	4,470,457	-
Prepaid items	-	599,631	-	599,631	1,873	601,504	270,149
Total current assets	71,247,627	116,691,194	8,320,295	196,259,116	11,892,888	208,152,004	53,861,531
Noncurrent assets:							
Designated & invested cash	-	109,583,382	4,294,000	113,877,382	-	113,877,382	-
Deferred charges	-	1,150,148	-	1,150,148	-	1,150,148	-
Total non-current assets	-	110,733,530	4,294,000	115,027,530	-	115,027,530	-
Capital assets:							
Land	578,447	6,002,674	1,006,999	7,588,120	7,289,848	14,877,968	-
Buildings and improvements	143,840,341	56,202,126	70,765,043	270,807,510	48,365,640	319,173,150	-
Machinery and equipment	1,498,775	316,971,666	39,821,864	358,292,305	15,441,541	373,733,846	372,402
Bldg & impro acm depreciation	(22,298,547)	(195,480,811)	(44,861,872)	(262,641,230)	(26,765,405)	(289,406,635)	(288,665)
Construction in progress	-	33,978,572	8,849,775	42,828,347	-	42,828,347	-
Total capital assets	123,619,016	217,674,227	75,581,809	416,875,052	44,331,624	461,206,676	83,737
Total non-current assets	123,619,016	328,407,757	79,875,809	531,902,582	44,331,624	576,234,206	83,737
Total assets	194,866,643	445,098,951	88,196,104	728,161,698	56,224,512	784,386,210	53,945,268
Liabilities and Net Assets							
Current liabilities:							
Accounts payable	1,149,732	17,640,520	1,570,046	20,360,298	484,544	20,844,842	1,022,278
Contracts-retained amount due	-	719,650	279,330	998,980	34,268	1,033,248	-
Accrued wages and withholding	54,364	1,079,506	138,323	1,272,193	476,032	1,748,225	222,077
Due to other funds	-	-	-	-	4,281,355	4,281,355	-
Interest payable	-	1,374,416	-	1,374,416	-	1,374,416	-
Claims Payable	-	-	-	-	-	-	10,000,000
Compensated absences	5,000	500,000	25,000	530,000	119,000	649,000	1,500,000
Long term debt, due in one year	-	1,511,993	-	1,511,993	-	1,511,993	-
Deferred revenues	-	-	-	-	-	-	-
Deposits	210,788	1,913,586	454,691	2,579,065	193,708	2,772,773	-
Capital lease	-	-	-	-	-	-	316,836
Total current liabilities	1,419,884	24,739,671	2,467,390	28,626,945	5,588,907	34,215,852	13,061,191
Noncurrent liabilities:							
Claims payable	-	-	-	-	-	-	32,920,089
Compensated absences	75,332	1,115,370	513,457	1,704,159	541,830	2,245,989	6,646,240
Post employment benefits	10,930	198,517	66,172	275,619	96,207	371,826	5,706,321
Long term debt	-	66,246,191	-	66,246,191	-	66,246,191	-
Capital lease	-	-	-	-	-	-	3,425,456
Total noncurrent liabilities	86,262	67,560,078	579,629	68,225,969	638,037	68,864,006	48,698,106
Total liabilities	1,506,146	92,299,749	3,047,019	96,852,914	6,226,944	103,079,858	61,759,297
Net assets:							
Investment in capital assets, net of related debt	127,541,395	148,541,626	75,581,809	351,664,830	41,677,160	393,341,990	24,533
Restricted	-	-	-	-	-	-	-
Debt service	-	1,070,384	-	1,070,384	-	1,070,384	-
Reserved for Elec-SCAQMD	-	11,389,940	-	11,389,940	-	11,389,940	-
Unrestricted	65,819,102	191,797,252	9,567,276	267,183,631	8,320,408	275,504,038	(7,838,562)
Total net assets	\$ 193,360,497	352,799,202	85,149,085	631,308,784	49,997,568	681,306,352	(7,814,029)
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.						(14,255,748)	
Total net assets of business-type activities						\$ 667,050,604	

Exhibit E-2
CITY OF GLENDALE
Statement of Revenues, Expenses and
Changes in Net Assets
Proprietary Funds
Year Ended June 30, 2005

	Sewer Fund	Electric Fund	Water Fund	All Major Enterprise Funds	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating revenues:	\$						
Charges for services	16,323,362	148,798,618	29,752,971	194,874,951	32,568,758	227,443,709	25,388,084
Miscellaneous revenue	24,093	1,746,431	1,203,138	2,973,662	307,904	3,281,566	1,283,710
Total operating revenue	16,347,455	150,545,049	30,956,109	197,848,613	32,876,662	230,725,275	26,671,794
Operating expenses	5,839,885	125,466,878	22,930,086	154,236,849	28,586,883	182,823,732	5,125,303
Claims and settlement	-	-	-	-	-	-	26,853,974
Vehicle related	-	-	-	-	-	-	1,003,143
Benefit related	-	-	-	-	-	-	4,127,119
Depreciation	2,088,345	14,592,753	2,098,030	18,779,128	2,910,279	21,689,407	(107,104)
Total operating expenses	7,928,230	140,059,631	25,028,116	173,015,977	31,497,162	204,513,139	37,002,435
Operating income (loss)	8,419,225	10,485,418	5,927,993	24,832,636	1,379,500	26,212,136	(10,330,641)
Non operating revenues (expenses):							
Use of money and property	1,877,598	6,056,032	295,496	8,229,126	203,372	8,432,498	1,324,810
Proprietary Grants	-	-	289,933	289,933	368,736	658,669	-
Interest on Bonds	-	(4,073,642)	-	(4,073,642)	-	(4,073,642)	-
Donations & Contribution	-	1,046,255	320,929	1,367,184	9,074	1,376,258	-
Designated Donation - Capital	-	-	-	-	-	-	44,561
Total non operating revenues, net	1,877,598	3,028,645	906,358	5,812,601	581,182	6,393,783	1,369,371
Income before transfers	10,296,823	13,514,063	6,834,351	30,645,237	1,960,682	32,605,919	(8,961,270)
Transfer in							
Transfer-General Fund	-	-	-	-	-	-	8,714,674
Transfer-Special Revenue	-	-	-	-	-	-	230,597
Transfer-Internal Service Fund	-	-	-	-	-	-	1,529,966
Transfer out							
Transfer-General Fund	-	(16,982,754)	(3,719,121)	(20,701,875)	(1,800,000)	(22,501,875)	-
Transfer-Special Revenue	(4,599,996)	-	-	(4,599,996)	-	(4,599,996)	-
Transfer-Capital Funds	-	(25,000)	-	(25,000)	-	(25,000)	-
Transfer-Int Service	-	-	-	-	-	-	(1,529,966)
Total transfers	(4,599,996)	(17,007,754)	(3,719,121)	(25,326,871)	(1,800,000)	(27,126,871)	8,945,271
Change in net assets	5,696,827	(3,493,691)	3,115,230	5,318,366	160,682	5,479,048	(15,999)
Total net asset, July 1	187,663,670	356,292,893	82,033,855	625,990,418	49,836,886	675,827,304	(7,798,030)
Total net assets, June 30	\$ 193,360,497	352,799,202	85,149,085	631,308,784	49,997,568	681,306,352	(7,814,029)
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.						(14,255,748)	
Total net assets of business-type activities					\$	667,050,604	

Exhibit E.3
CITY OF GLENDALE
 Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2005

	Business-type Activities - Enterprise Funds						Governmental Activities
	Sewer Fund	Electric Fund	Water Fund	Total All Major Enterprise Funds	Non Major Funds - Proprietary	Total	Internal
							Service Funds
Cash flows from operating activities:							
Cash from customers	\$ 18,702,020	153,305,490	31,004,642	203,012,152	32,328,561	235,340,713	25,433,078
Cash paid to employees	(1,612,739)	(30,186,105)	(2,894,840)	(34,693,684)	(13,621,619)	(48,315,303)	(5,594,277)
Cash paid to suppliers	(3,258,017)	(87,534,272)	(19,760,318)	(110,552,607)	(14,246,064)	(124,798,671)	(23,913,250)
Net cash provided (used) by operating activities	13,831,264	35,585,113	8,349,484	57,765,861	4,460,878	62,226,739	(4,074,449)
Cash flows from noncapital financing activities:							
Operating transfers out	(4,599,996)	(17,007,754)	(3,719,121)	(25,326,871)	(1,800,000)	(27,126,871)	(1,529,966)
Operating transfers in	-	-	-	-	-	-	10,475,237
Operating grant received	-	-	289,933	289,933	368,736	658,669	-
Net cash provided (used) by noncapital financing activities	(4,599,996)	(17,007,754)	(3,429,188)	(25,036,938)	(1,431,264)	(26,468,202)	8,945,271
Cash flows from capital and related financing activities:							
Interest on long term debt	-	(4,089,542)	-	(4,089,542)	-	(4,089,542)	-
Bond, premium and interest accrued	-	(810,924)	-	(810,924)	-	(810,924)	-
Capital Lease	-	-	-	-	-	-	3,742,292
Contribution in aid	-	1,046,255	320,929	1,367,184	9,075	1,376,259	44,561
Acquisition of property, plant, and equipment	(5,601,914)	(28,877,438)	(7,663,549)	(42,142,901)	(1,769,006)	(43,911,907)	47,899
Investment - gas/electric commodity	-	(62,589)	-	(62,589)	-	(62,589)	-
Net cash provided (used in) capital and related financing activities	(5,601,914)	(32,794,238)	(7,342,620)	(45,738,772)	(1,759,931)	(47,498,703)	3,834,752
Cash provided by investing activities - interest received	1,760,302	5,953,614	295,657	8,009,573	179,656	8,189,229	1,291,353
Net increase (decrease) in cash and cash equivalents	5,389,656	(8,263,265)	(2,126,667)	(5,000,276)	1,449,339	(3,550,937)	9,996,927
Cash and cash equivalents at beginning of year	63,271,165	201,436,276	10,222,634	274,930,075	6,420,962	281,351,037	42,006,652
Cash and cash equivalents at end of year	68,660,821	193,173,011	8,095,967	269,929,799	7,870,301	277,800,100	52,003,579
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	8,419,225	10,485,418	5,927,993	24,832,636	1,379,500	26,212,136	(10,330,641)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	2,088,345	14,592,753	2,098,030	18,779,128	2,910,279	21,689,407	(107,104)
(Increase)Decrease Accounts receivable net	465,354	2,702,791	486,040	3,654,185	(289,154)	3,365,031	(1,238,715)
(Increase)Decrease Unbilled receivable	(110,788)	(1,196,067)	(362,752)	(1,669,607)	(113,776)	(1,783,383)	-
(Increase)Decrease Due from other agencies	2,000,000	1,253,716	(74,756)	3,178,960	(145,172)	3,033,788	-
(Increase)Decrease Due from other funds	-	-	-	-	-	-	-
(Increase)Decrease Inventories	-	(1,168,809)	287,555	(881,254)	-	(881,254)	-
(Increase)Decrease Prepaid expenses	-	368,110	-	368,110	361	368,471	-
(Increase)Decrease Deposits	-	7,283	-	7,283	-	7,283	-
(Increase)Decrease Deferred Charges	-	3,129	-	3,129	-	3,129	-
Increase(Decrease) Accrued salaries and withholding	(5,233)	71,122	2,943	68,832	37,446	106,278	120,510
Increase(Decrease) Compensated absences	13,184	7,358	136,454	156,996	(30,384)	126,612	858,878
Increase(Decrease) Post employment benefit	10,930	198,517	66,172	275,620	96,207	371,827	669,401
Increase(Decrease) Accounts payable	995,125	8,856,171	(204,663)	9,646,633	(258,246)	9,388,387	564,464
Increase(Decrease) Contracts - retention	-	(682,841)	42,200	(640,641)	34,268	(606,373)	-
Increase(Decrease) Due to other agencies	-	-	-	-	-	-	-
Increase(Decrease) Due to other funds	-	-	-	-	842,100	842,100	-
Increase(Decrease) Deposits	(44,878)	111,462	(55,732)	10,851	(2,551)	8,300	-
Increase(Decrease) Claims payable	-	(25,000)	-	(25,000)	-	(25,000)	5,388,758
Total adjustments	5,412,039	25,099,695	2,421,491	32,933,225	3,081,378	36,014,603	6,256,192
Net cash provided (used) by operating activities	\$ 13,831,264	35,585,113	8,349,484	57,765,861	4,460,878	62,226,739	(4,074,449)
Noncash investing, capital, and financing activities:							
Contributions of capital assets from government							
Increase in fair value of investments	(815,528)	(2,239,619)	(99,334)	(3,154,481)	(99,140)	(3,253,621)	(451,355)

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I. Summary of Significant Accounting Policies

A. Reporting Entity

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

Component Units

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

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the City. The effect of inter-fund activity has been removed from these statements. 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 51 funds comprising of 1 General Fund, 24 Special Revenue Funds, 3 Debt Service Funds, 3 Capital Project Funds, 8 Enterprise Funds and 17 Internal Service Funds.

1) Governmental Fund Types

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

The following comprise the City's major governmental funds:

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

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

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

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

2) Proprietary Fund Types

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

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

D. Encumbrances

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

E. Assets, Liabilities and Net Assets or Equity

1. Cash and Investments

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

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

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

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

2. Designated Cash and Investments

Cash Reserve Policy for Electric Fund was first established in 2003. Its provision calls for annual review of the reserves to determine if the recommended levels are sufficient. The annual review of the Cash Reserve Policy for fiscal year ending June 30, 2005, established a target of \$161,700,000 of designated cash in the following categories: \$20,000,000 for rate stabilization reserve; \$36,700,000 for contingency reserve; \$30,000,000 for gas reserve project; and \$75,000,000 for capital reserve. As of June 30, 2005, \$109,583,382 is designated with the goal of meeting the remaining \$52,116,618 with future available cash.

In December of 2003, GWP management received approval from the City Council to implement a cash reserve policy for the Water Fund to ensure a long term sustainable financial health of the water operation. The policy calls for annual review of the reserves to determine if the recommended levels are sufficient. The annual review of the Cash Reserve Policy for fiscal year ending June 30, 2005, established a target of \$7,400,000 of designated cash in the following categories: \$1,700,000 for rate stabilization reserve; and \$5,700,000 for contingency reserve. As of June 30, 2005, \$4,294,000 is designated with the goal of meeting the remaining \$3,106,000 with future available cash.

3. Derivative Products

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2005

- a. The City has negotiated fixed-for-float swap transactions based on the commodity price of natural gas at the San Juan and Permian basins to mitigate the market risk of its long-term take-or-pay landfill gas purchase contract.
- b. The City has purchased and sold options {calls and puts} in natural gas futures contracts at appropriate strike prices in upcoming months. These transactions allow the City to stabilize the ultimate purchase price of natural gas for the City's power plant. They, and other transactions, also give the City the ability to manage its overall exposure to fluctuations in the purchase price of natural gas. The options are carried at the lower of cost or market in the accompanying financial statements. At June 30, 2005, carrying value and market value of the options are \$169,500 and \$155,700, respectively.

4 *Receivables and Payables*

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

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

Unbilled receivable - The City records utility and other services delivered to customers but not billed as of June 30, 2005.

Inter-fund Transactions

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

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

5 *Inventories and Prepaid Items*

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

6 *Capital Assets*

Capital assets including land, buildings, improvements, equipment and infrastructure assets (e.g. roads, sidewalks, traffic lights and signals, street lights and etc), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

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

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

7 *Compensated Absences*

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

8 *Post Employment Benefit*

All City Employees that are eligible for retirement with accumulated sick leave are entitled to convert their sick leave hours valued at the rate stated in their respective MOU or Ordinance, into a Retiree Health Savings Plan (RHSP). This RHSP account is controlled by the retiree and money deposited into the account is non-taxable. Money withdrawn from this account, when used for eligible medical expenses as specified in IRS Publication 502, are non-taxable to the retiree. As of June 30, 2005, \$9,776,701 had been set-aside in the Internal Service Fund-Employee Benefits Fund related to such benefits.

For GCEA and Management employees that retired prior to July 2001, GPOA employees that retired prior to December 2001 and GFFA employees that retired prior to September 2002, the number of sick leave days, accumulated over the number of sick leave days specified in their respective MOU or Ordinance, are multiplied by the value of those days based on the benefit of their respective bargaining units. There are 96 retirees currently receiving this old City paid benefit.

9 *Deferred Revenue*

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

10 *Real Property Held for Resale*

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

11 *City/Agency Debt*

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

12 Fund Equity

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

13 Net Assets

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

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

II. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

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

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

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

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

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

CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

The following operating units over expended their appropriations by \$25,000 or more as of June 30, 2005:

General Fund:	Amount Over Expended
City Council	\$ 22,948
City Clerk	24,356
City Auditor	35,425
Membership & Dues	58,499
Fire	510,568
Engineering	194,055
	<u>\$ 845,851</u>

B. Implementation of new accounting principles

The City adopted Governmental Accounting Standards Board (GASB) issued Statement of Governmental Accounting Standard No. 40, Deposit and Investment Risk Disclosures. This Statement amends GASB Statement No. 3, Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements to address common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified in this Statement also should be disclosed.

III. Detailed Notes on All Funds

A. Cash and Investments

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

Investments	\$ 558,306,802
Cash with fiscal agents	<u>18,622,859</u>
	576,929,661
Cash on hand	<u>(649,867)</u>
Total	<u>\$ 576,279,794</u>

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

Cash and investments	\$ 439,805,054
Imprest cash	28,930
Cash with fiscal agents	18,622,859
Investment-gas/electric commodity	3,945,569
Designated cash and investments	<u>113,877,382</u>
Total	<u>\$ 576,279,794</u>

CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

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:

	Maximum <u>Maturity</u>	Maximum % of <u>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	LAIIF maximum
Money Market Mutual Funds	90 days	5%
Time Deposits	1 year	10%

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

Investments Authorized by Debt Agreements

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

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

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

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that fluctuations in market rates may adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The City

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

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	\$ 12,990,571	12,990,571	-	-	-
Federal Agency Term Notes	88,396,123	43,691,250	29,877,329	14,827,544	-
Federal Agency Callable Bonds	385,539,403	44,602,869	111,798,657	229,137,877	-
Corporate Notes	35,490,245	17,925,704	8,078,693	9,485,848	-
State Investment Pool	18,957,204	18,957,204	-	-	-
Money Market	16,933,256	16,933,256	-	-	-
Held by Fiscal Agents					
Federal Agency Term Notes	8,880,479	8,880,479	-	-	-
Guaranteed Investment Contracts	4,909,098	-	-	-	4,909,098
Money Market	4,833,282	4,833,282	-	-	-
	<u>\$ 576,929,661</u>	<u>168,814,615</u>	<u>149,754,679</u>	<u>253,451,269</u>	<u>4,909,098</u>

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 invest only in the most risk-adverse instruments, such as AAA-rate government securities, and AAA or AA-rate corporate securities.

		Rating as of Year End				
		AAA	AA	Aa2	A1,P1	Unrated
Commercial Paper	\$ 12,990,571	-	-	-	12,990,571	-
Federal Agency Term Notes	88,396,123	88,396,123	-	-	-	-
Federal Agency Callable Bonds	385,539,403	385,539,403	-	-	-	-
Corporate Notes	35,490,245	24,992,435	10,497,810	-	-	-
State Investment Pool	18,957,204	-	-	-	-	18,957,204
Money Market	16,933,256	16,933,256	-	-	-	-
Held by Fiscal Agent						
Federal Agency Term Notes	8,880,479	8,880,479	-	-	-	-
Guaranteed Investment Contracts	4,909,098	-	-	4,909,098	-	-
Money Market	4,833,282	4,833,282	-	-	-	-
	<u>\$ 576,929,661</u>	<u>529,579,978</u>	<u>10,497,810</u>	<u>4,909,098</u>	<u>12,990,571</u>	<u>18,957,204</u>

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

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 Term Notes	\$ 51,540,938
FHLB	Federal Agency Callable Bonds	248,340,822
	Total	<u>299,881,760</u>
FHLMC	Federal Agency Term Notes	18,729,405
FHLMC	Federal Agency Callable Bonds	66,881,618
	Total	<u>85,611,023</u>
FNMA	Federal Agency Term Notes	9,806,250
FNMA	Federal Agency Callable Bonds	60,509,150
	Total	<u>\$ 70,315,400</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 custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Entity's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral

pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2005, the carrying amount of the City's deposits was (\$649,867) and the corresponding bank balance was \$1,073,920. The difference of \$1,723,787 was principally due to outstanding warrants, wires and deposits in transit. Of the Bank balance, \$100,000 was insured by the FDIC depository insurance and \$973,920 was uncollateralized and not insured by FDIC depository insurance.

Investment in State Investment Pool

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

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

D. Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

	Balance at July 1	Increases	Decreases / Reclass	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	333,284,954	7,168,456	-	340,453,410
Construction in progress	117,138,526	22,727,704	(837,975)	139,028,255
Total assets not being depreciated	450,423,480	29,896,160	(837,975)	479,481,665
Other capital assets				
Building and improvements	133,701,864	1,353,303	329,119	135,384,286
Machinery and equipment	67,099,878	11,000,429	5,477,031	83,577,338
Infrastructure	201,990,691	876,679	(167,138)	202,700,232
Total other capital assets at cost	402,792,433	13,230,411	5,639,012	421,661,856
Less accumulated depreciation:				
Building and improvements	45,379,976	3,807,308	(145,887)	49,041,397
Machinery and equipment	28,722,856	10,030,081	3,891,657	42,644,594
Infrastructure	81,358,690	4,333,528	(477,502)	85,214,716
Total accumulated depreciation	155,461,522	18,170,917	3,268,268	176,900,707
Total assets being depreciated	247,330,911	(4,940,506)	2,370,744	244,761,150
Governmental activities capital assets, net	697,754,391	24,955,655	1,532,769	724,242,815
Business-type activities:				
Capital assets not being depreciated:				
Land	13,340,243	1,537,725	-	14,877,968
Construction in progress	26,151,289	36,563,926	(19,886,869)	42,828,346
Total assets not being depreciated	39,491,532	38,101,651	(19,886,869)	57,706,314
Other capital assets:				
Building and improvements	301,890,175	15,687,104	1,595,871	319,173,150
Machinery and equipment	378,031,805	9,326,615	(13,624,574)	373,733,846
Total other capital assets at cost	679,921,980	25,013,719	(12,028,703)	692,906,996
Less accumulated depreciation:				
Building and improvements	76,833,018	5,046,120	468,775	82,347,913
Machinery and equipment	203,596,320	16,443,918	(12,981,517)	207,058,721
Total accumulated depreciation	280,429,338	21,490,038	(12,512,742)	289,406,634
Total assets being depreciated	399,492,642	3,523,681	484,039	403,500,362
Business-type activities capital assets, net	438,984,174	41,625,332	(19,402,830)	461,206,676

*\$372,402 of Machinery & Equipment from Internal Service Funds is included in the Governmental Activities.

**\$288,665 of depreciation from Internal Service Funds is included in the Governmental Activities.

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

Depreciation expense was charged to functions of the City for the year ended June 30, 2005 as follows:

Governmental activities:	
General Government	\$ 6,331,454
Public Safety	2,324,193
Public Works	7,070,033
Parks	1,866,392
Library	285,775
Housing & Com Dev	<u>293,070</u>
Total governmental activities depreciation expense	<u><u>18,170,917</u></u>
Business-type activities:	
Sewer	1,936,903
Electric	14,592,753
Water	2,098,030
Recreation	7,539
Hazardous Disposal	27,694
Fire Paramedic	170,860
Parking	1,122,121
Refuse	<u>1,534,138</u>
Total business-type activities depreciation expense	<u><u>\$ 21,490,038</u></u>

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

E. Long-Term Debt

The City's long-term debt as of June 30, 2005 consists of the following:

	Outstanding at June 30, 2004	Additions	Retirements	Amount outstanding at June 30, 2005	Due within one year
Governmental Activities					
Bonds Payable					
Police Facility Certificates of Participation	\$ 62,000,000	-	1,200,000	60,800,000	1,200,000
2002 Tax Allocation Bond	46,205,000	-	1,865,000	44,340,000	1,920,000
2003 Tax Allocation Bond	58,880,000	-	2,000,000	56,880,000	2,315,000
Bond Premium	4,366,008	-	250,870	4,115,138	250,870
Deferred amount on refunding - 2003 Tax Allocation Bond	(3,268,848)	-	(200,134)	(3,068,714)	(200,134)
Total bonds payable	168,182,160	-	5,115,736	163,066,424	5,485,736
Landfill closure and postclosure care liability	17,043,153	1,409,567	-	18,452,720	-
Capital lease	1,630,487	3,742,792	384,164	4,989,115	716,232
Arbitrage rebate liability	1,346,600	-	1,346,600	-	-
Section 108	1,700,000	-	110,000	1,590,000	140,000
Notes payable	4,615,000	-	923,000	3,692,000	923,000
Compensated absences	7,280,837	6,224,904	5,359,499	8,146,242	1,500,000
Claims payable	37,531,331	25,507,585	20,118,827	42,920,089	10,000,000
Post employment benefits	5,036,920	669,401	-	5,706,321	-
Total governmental long term liabilities	244,366,488	37,554,249	33,357,827	248,562,910	18,764,968
Business Type Activities					
Bonds Payable:					
Electric Revenue Bonds, 2000 Series	37,000,000	-	-	37,000,000	690,000
Electric Revenue Bonds, 2003 Series	30,845,000	-	795,000	30,050,000	795,000
Accrued interest		135,561	4,899	130,662	4,900
Bond Premium	588,546	-	11,024	577,522	22,092
Total bonds payable	68,433,546	135,561	810,923	67,758,184	1,511,992
Compensated absences	2,768,377	2,272,911	2,146,299	2,894,989	649,000
Total business type long term liabilities	\$ 71,201,923	2,408,472	2,957,222	70,653,173	2,160,992

THE CITY OF GLENDALE FINANCING AUTHORITY

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

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

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

GLENDALE REDEVELOPMENT AGENCY BONDS

2002 Tax Allocation Bonds

The Agency issued \$48,015,000 in tax allocation bonds with an average rate of 4.5% to fund economic development activities of the Agency primarily relating to the Town Center development, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The 2002 Bonds mature in regularly increasing principal amounts ranging from \$1,810,000 to \$3,655,000 from 2004 to 2021. The bond indebtedness are secured by a pledge of 80% of all incremental property taxes, on parity with Agency's outstanding 1993 Tax Allocation Bonds, allocated to and received by the Agency for the Central Project Area. The bonds maturing on or before December 1, 2012, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2013, are subject to redemption at the option of the Agency on any interest payment date at a price ranging from 101% to 100% of the principal value. The City Treasurer shall invest the bond proceeds in government securities.

2003 Tax Allocation Refunding Bonds

The Agency issued \$58,880,000 in 2003 tax allocation refunding bonds with an average rate of 4.18% to pay Agency's outstanding Central Glendale Redevelopment Project 1993 Tax Allocation Bonds (the "Prior Bonds") with an average interest rate of 5.5%, to and to pay the cost of issuance of the 2003 Bonds. The 2003 Bonds mature in regularly increasing principal amounts ranging from \$2,000,000 to \$4,520,000 from 2004 to 2021. The bond indebtedness is secured by a pledge of 80% of all incremental property taxes allocated to and received by the Agency for the Central Project Area on a parity with the Agency's previously issued 2002 Tax Allocation Bonds. The bonds maturing on or before December 1, 2013, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2014 are subject to redemption prior to maturity at the option of the Agency and by lot within a maturity, from any source of available funds at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

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

CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

CAPITAL IMPROVEMENT PROJECTS

Landfill Closure and Postclosure Care Costs

Pursuant to Assembly Bill 2448 and the regulations established by the California Integrated Waste Management Board (Board), landfill operators are required to submit an initial cost estimate of closure and postclosure maintenance and to establish a financial mechanism to demonstrate the availability of funding to conduct closure and postclosure maintenance activities. The City selected a trust fund as the financial mechanism and the Board approved this. The City Treasurer was designated as the trustee to ensure that the City set aside annual required deposits. The City subcontracts with Los Angeles County Sanitation District to operate Scholl Canyon and as part of this contract, the County is responsible for the closure cost of Scholl Canyon. The City is responsible for the postclosure maintenance cost of Scholl Canyon. According to Los Angeles County Sanitation District's records, the permitted capacity filled between August 18, 1989 and July 11, 2005 was 7.73 million tons. The total permitted capacity remains 14.75 million tons. Therefore, the City has 7.02 million tons unfilled capacity remaining. Based on an estimated average annual filled capacity of 460,000 tons the Scholl Canyon Landfill has a remaining life of approximately 16 years. Using an inflation factor from the U.S. Department of Commerce, Bureau of Economic Analysis of 1.021, the revised postclosure cost was \$35,210,559. Using the data above \$18,452,720, is recognized as a long-term liability on the Statement of Net Assets. The City records the annual provision for the required landfill deposits as expenditure in the Capital Project Fund-Capital Improvement Fund. At the end of June 30, 2005 the City has set aside \$15,800,000 of this in the Capital Projects Fund.

Capital Lease Obligations

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

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

Section 108 Loan

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

CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

Notes Payable

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

ENTERPRISE FUND

Electric Revenue Bonds, 2000 Series

The Electric utility of Glendale Water and Power issued \$37,000,000 revenue bonds with an average rate of 5.9% in February 2000 to finance the costs of acquisition and construction of certain capital improvements. The terms of the 2000 Electric Revenue Bonds' (2000 Bonds) indenture requires the trustee to establish and maintain a reserve account equal to the reserved requirement. The reserve requirement of this bond issue is satisfied by a bond insurance policy with MBIA Insurance Corporation. This policy insured the bondholders up to \$1.46 million, which is 50% of the maximum debt service. The bonds mature in regularly increasing amounts ranging from \$690,000 to \$2,755,000 annually from 2006 to 2030. The 2000 Bonds maturing on or prior to February 1, 2010 are not subject to call and redemption prior to maturity. The 2000 bonds maturing on and after February 1, 2011 are subject to call and redemption prior to maturity, at a redemption price ranging from 101% to 100%.

Electric Revenue Bonds, 2003 Series

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

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

The annual debt service requirements to amortize long-term bonded debt at June 30, 2005 are as follows:

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

Fiscal Year	Capital Lease		Section 108		Notes Payable	
	Governmental		Governmental		Governmental	
	Interest	Principal	Interest	Principal	Interest	Principal
2006	\$ 186,029	716,231	65,826	140,000	-	923,000
2007	158,628	743,632	60,801	170,000	-	923,000
2008	130,177	772,082	54,448	180,000	-	923,000
2009	100,637	352,811	46,868	200,000	-	923,000
2010	87,759	365,688	38,057	210,000	-	-
2011-2015	228,567	2,038,671	51,810	690,000	-	-
	\$ 891,797.00	4,989,115.00	317,808.50	1,590,000.00	-	3,692,000.00

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

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2005

CONDUIT DEBT OBLIGATIONS

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

Description of bonds	Interest Rates	Original issue	Outstanding at June 30, 2005
City of Glendale Insured Hospital Refunding Bonds, Series 1991A (Adventist Health System/West)	6.00% - 6.75%	\$50,000,000	\$28,015,000
City of Glendale Insured Hospital Revenue Bonds Verdugo Hills Hospital, 1994 Series	6.375% - 8%	27,140,000	15,980,000
City of Glendale Mountain Road Assessment District Limited Obligation Refunding Bonds, Series 2003	2% - 4.5%	8,850,000	8,160,000

F. Restricted Net Assets

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

The Electric Fund restricted \$11,389,940 for excess capital surcharge revenue to retrofit the City's Grayson Power Plant as mandated by the Air Quality Management District.

G. Net Deficits of Individual Funds

As of June 30, 2005, the following internal service funds have deficit net assets:

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

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

Fire Paramedic Fund- The City is considering General Fund support to reduce the net deficit in the Fire Paramedic Fund in fiscal year 2005/06. In fiscal year 2006/07, the City plans to move Fire Paramedic Fund from the Non-major Enterprise Funds to the Special Revenue Funds.

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

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

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

IV. Other Information

A. Risk Management

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

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

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

Fiscal Year	Beginning Balance	Claims and Changes	Claim Payments	Ending Balance
2003-04	30,213,000	27,308,000	19,990,000	37,531,000
2004-05	37,531,000	25,507,585	20,118,496	42,920,089

B. Contingent Liabilities and Commitments

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

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

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

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

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

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2005

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

In January 1987, the City renewed the contract with the United States Bureau of Reclamation providing for the advancement of funds for the Hoover 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 MW or 1.0251% of the capacity and 1.5874% of the firm energy.

The City's electric operation is committed to purchase all available landfill gas generated by Scholl Canyon LFG Limited Partnership at a price based on various natural gas indices. The term of this commitment is for a period of twenty years from July 1994 to July 2014. The landfill gas purchase for fiscal year 2004-05 was approximately 1,080,029 MMBtu and the average purchase price was \$10.35 per MMBtu.

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

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

In March 2004, the City entered into a 20-year Power Sales Agreement with the Southern California Public Power Authority for up to a 4.5-MW share of Chiquita Landfill Gas to Energy Project. The price of energy is fixed at \$54/MWh with no cost escalation during the term, and the variable O&M cost is initially estimated to be less than \$2/MWh. The anticipated commercial operation of the project is in January 2006.

In June 2005, the City entered into a power sales agreement with SCPPA for the Ormat Geothermal Energy Project for purchase of up to three megawatts of the project electric energy at \$57.50 per MWh with escalating factor of 1.5% per annum. The anticipated commercial operation of the project is in December 2005.

As of June 30, 2005, the City's electric operation had major commitments of approximately \$6.1 million with respect to Gas Insulated Switchgear (GIS) Project. The source of funding for the project is from the unrestricted net assets of the Electric Fund. The project is expected to be completed in May 2006.

C. Jointly Governed Organizations

Joint Power Agreement between the City and the Glendale Community College

The City and the Glendale Community College (College) have agreed to establish a multi-faceted parking program to facilitate on street parking for the City residents living near the College campus and to meet the parking needs of the College. In order to implement the parking program, the City and the College have entered into a Joint Power Agreement (JPA) and issued \$4,000,000 in bonds - Glendale Parking Facilities Joint Powers Authority Parking Revenue Bonds, 2003 Refunding Series A (Bonds). The Bonds do not constitute a debt or liability of the JPA nor is the JPA liable for the payment of the principal or interest on the Bonds. The College will provide fiscal management for this JPA. The amount of

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2005

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.

"Take or Pay" Contracts

The City has entered into seven "Take or Pay" contracts, which require payments to be made whether or not projects are completed or operable, or whether output from such projects is suspended, interrupted or terminated. Such payments represent the City's share of current and long-term obligations. Payment for these obligations is expected to be made from operating revenues received during the year that payment is due. These contracts provide for current and future electric generating capacity and transmission of energy for City residents. Through these contracts, the City purchased approximately 48% of its total energy requirements during fiscal year 2004-05. This energy will displace some of the energy that was to have been supplied by the local generating plant. The City is obligated to pay the amortized cost of indebtedness regardless of the ability of the contracting agency to provide electricity. The original indebtedness will be amortized by adding the financing costs to purchase energy over the life of the contract. All of these agreements contain "step-up" provisions obligating the City to pay a share of the obligations of any defaulting participant.

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

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

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

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

The first of the SCPPA projects is a 3,810 megawatt nuclear fuel generation plant in Arizona (Palo Verde). The Palo Verde nuclear project consists of three (3) units, each having an electric output of approximately 1,270 megawatts. SCPPA has purchased approximately 225 megawatts of capacity and associated energy (approximately 5.910% of total Palo Verde output), of which the City receives 9.9 megawatts or 4.400% of SCPPA's entitlement. As of June 30, 2005, Glendale's share is 4.400% (PV).

As required by the Participation Agreement, the co-owners of the Palo Verde Nuclear Generating Station (PVNGS) have created external accounts for the decommissioning of PVNGS at the end of its life. The market value of the Authority's accounts for decommissioning was approximately \$133,100,000 at June 30, 2005. Based on the most recent (2004) estimate of decommissioning costs, SCPPA estimates that its share of the amount required for decommissioning of PVNGS is now

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2005

fully funded. No assurance can be given, however, that such amount will be sufficient to fund SCPPA's share of decommissioning costs. SCPPA anticipates receiving a new estimate of decommissioning costs every three years.

A second project financed through SCPPA is the Southern Transmission System that transmits power from the coal-fired IPP to Southern California. The 500 kV DC line is rated at 1,920 megawatts. The City's share of the line is 2.2740% or approximately 44 megawatts. As of June 30, 2005, Glendale's share is 2.2740% (STS).

A third project financed through SCPPA is the acquisition of a 41.80% ownership interest in a coal-fired 497 megawatt unit in San Juan Generating Station, Unit 3, located in New Mexico. SCPPA members are entitled to 208 megawatts. The City is obligated for 20 megawatts or 9.8047% of the SCPPA entitlement. As of June 30, 2005, Glendale's share is 9.8046% (SJ).

A fourth project financed through SCPPA is Mead-Adelanto Project. The project consists of a 202-mile 500 kV AC transmission line from a termination in southern Nevada, to a termination in the vicinity of Adelanto, California, and the development of the Marketplace Substation at the southern Nevada line termination approximately 17 miles southwest of Boulder City, Nevada. The initial transfer capability of the Mead-Adelanto Project is estimated at 1,200 megawatts. 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, 2005, Glendale's share is 11.0430% (MA).

A fifth project financed through SCPPA is Mead Phoenix Project. The project consists of a 256-mile long 500 kV AC transmission line from the Westwing Substation in the vicinity of Phoenix, Arizona to the Marketplace Substation approximately 17 miles southwest of Boulder City, Nevada with an interconnection to the Mead Substation in southern Nevada. The project consists of three separate components: the Westwing-Mead Component, the Mead Substation Component, and the Mead-Marketplace Component. The City's participation shares in the components range from 11.7647% to 22.7273%. The Mead-Phoenix Project in conjunction with the Mead-Adelanto Project provides an alternative path for the City's purchases from the Palo Verde Nuclear Generating Station, San Juan Generating Station and Hoover Power Plant. These transmission lines also provide access to the southwest U.S. where economical coal energy is readily available. As of June 30, 2005, Glendale's share is 14.8000% (MP).

A sixth project financed through SCPPA is the Magnolia Power Project located on Burbank Water & Power's generation station complex adjacent to Magnolia Boulevard in Burbank, California. The project consists of a combined cycle natural gas-fired generating plant with a nominally rated net base capacity of 242 megawatts. The City is obligated for 40 megawatts or 16.5289% of the project's output. As of June 30, 2005, Glendale's share is 16.5289% (MPP).

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

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

CITY OF GLENDALE

Notes to the Financial Statements
 Fiscal Year Ended June 30, 2005

A summary of the City's "Take or Pay" contracts and related projects and its contingent liability at June 30, 2005 is as follows (in thousands):

	IPP	SJ	PV	STS	MA	MP	MPP	TOTAL
2006	\$ 4,038	\$ 1,825	\$ 676	\$ 1,553	\$ 2,333	\$ 970	\$ 2,983	\$ 14,378
2007	4,175	1,822	672	1,603	2,337	973	3,100	14,682
2008	4,342	1,820	672	1,492	2,333	972	3,100	14,731
2009	4,408	1,817	672	1,466	2,338	970	3,100	14,771
2010	4,466	1,815	560	1,411	2,395	1,114	3,100	14,861
2011-2015	17,110	10,148	2,801	7,873	11,890	5,192	15,500	70,514
2016-2020	17,394	6,395	1,120	8,013	11,874	4,757	15,501	65,054
2021-2025	4,883	-	-	6,538	-	-	15,500	26,921
2026-2030	-	-	-	-	-	-	15,500	15,500
2031-2035	-	-	-	-	-	-	15,499	15,499
2036-2038	-	-	-	-	-	-	8,575	8,575
Total	\$ 60,816	\$ 25,642	\$ 7,173	\$ 29,949	\$ 35,500	\$ 14,948	\$ 101,458	\$ 275,486

In addition to debt service, the City's entitlement requires the payment for fuel costs, operating and maintenance (O&M), administrative and general (A&G), and other miscellaneous costs associated with the generation and transmission facilities discussed above. These costs do not have a similar structured payment schedule as debt service and vary each year. The costs incurred for fiscal year 2004-05 and budgets for fiscal year 2005-06 are as follows (in thousands):

Fiscal Year	IPP	SJ	PV	STS	MA	MP	MPP	TOTAL
2005	\$ 4,210	\$ 4,064	\$ 1,342	\$ 422	\$ 188	\$ 180	\$ 1,362	\$ 11,768
2006	5,396	5,412	1,598	413	181	173	2,590	15,763

D. Employee Retirement System and Plans**Plan Description**

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

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

Funding Policy

CalPERS is a contributory plan deriving funds from employee contributions as well as from employer contributions and earnings from investments. According to the plan, City employees are required to contribute 7% of annual salary for general members and 9% of annual salary for public safety members. Effective December 1, 2005 general members contribution rate will increase to 8% of reportable earnings. The City is also required to contribute at an actuarially

CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2005

determined rate; the current public safety rate and the current general employee rates are 24.99% and 0% respectively of annual covered payroll. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. The City's rate for safety members that CALPERS charges have decreased in fiscal year 2005-06 from 24.99% to 24.577%, the rate for general employees have increased from 0% to 6.289%. Effective December 1, 2005 this rate will increase from 6.289% to 9.591%

Annual Pension Cost

Contributions to CalPERS totaling \$9,832,076 were made during the fiscal year ended June 30, 2005 in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2003. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.75% a year compounded annually (net of administrative expenses), (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45%, (c) no additional projected salary increases attributable to seniority/merit and (d) no post retirement benefit increases. The actuarial value of the City's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period depending on the size of investment gains and/or losses. CalPERS uses the entry-age-normal-actuarial-cost method, which is a projected-benefit-cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued. According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. In addition, the employer's total normal cost is expressed as a level percentage of payroll. CalPERS also uses the level-percentage-of-payroll method to amortize any unfunded actuarial liabilities. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20 year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization.

Three year Trend Information

Fiscal year ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/03	\$ 561,070	100%	0
6/30/04	\$ 2,090,971	100%	0
6/30/05	\$9,832,076	100%	0

CITY OF GLENDALE
Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

REQUIRED SUPPLEMENTARY INFORMATION – (Unaudited) Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets <a>	Actuarial Accrued Liability <AAL> – Entry Age 	(Unfunded AAL) / Over- funded AAL <a-b>	Funded Ratio <a/b>	Covered Payroll <c>	(Unfunded AAL)/ Overfunded AAL as a Percentage of Covered Payroll <(a-b)/c>
06/30/2001	\$ 815,521,178	687,539,962	127,981,216	118.6 %	101,369,092	126.3 %
06/30/2002	\$ 766,978,940	732,667,128	34,311,812	104.7 %	109,853,251	31.2 %
06/30/2003	\$770,652,222	795,007,184	(24,354,962)	96.9 %	114,964,463	(21.2 %)

E. Interfund Transactions

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

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

Due to general fund from:	
Nonmajor governmental funds	\$ 5,214,054
Nonmajor proprietary funds	<u>4,281,355</u>
	<u>\$ 9,495,409</u>
Due to electric fund from:	
Nonmajor governmental funds	<u>\$ 1,331,140</u>

CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

The City reports operating 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.

Transfer to general fund from:

Electric fund	\$	16,982,754
Water fund		3,719,121
Nonmajor proprietary fund		1,800,000
Nonmajor governmental fund		800,000
		<u>23,301,875</u>

Transfers to nonmajor governmental funds from:

General fund		2,594,911
Electric fund		25,000
Sewer fund		4,599,996
		<u>7,219,907</u>

Transfers to internal service funds from:

General fund		8,714,674
Glendale Redevelopment Agency fund		78,842
Nonmajor governmental funds		151,755
	\$	<u>8,945,271</u>

F. Subsequent Event

In June 2005, the City elected to participate in the Natural Gas Project through SCPPA for up to 2,000 mmBtu per day. The project calls for the acquisitions and development of gas resources, reserves, fields, wells, and related facilities to provide a long-term supply of natural gas for its participants. The first acquisition was completed on July 1, 2005 with the total cost to the participants at \$306.1 million. The City's share in the project is \$13 million or 4.2553%, with estimated peak daily volume between 1,600 to 1,800 mmBtu. GWP has reserved \$17 million for future additional gas field acquisitions and drilling programs to achieve the estimated peak daily volume of 2,000 mmBtu per day.

G. Pronouncement Issued but Not yet Adopted

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

In November 2003, the GASB issued Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries. This statement establishes accounting and financial reporting standards for

CITY OF GLENDALE

Notes to the Financial Statements
Fiscal Year Ended June 30, 2005

impairment of capital assets and also clarifies and establishes accounting requirements for insurance recoveries. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2004. Management does not expect implementation of this Statement to have a material effect on the financial statements.

In May 2004, the GASB issued Statement No. 44, Economic Condition Reporting: The Statistical Section – an amendment of NCGA Statement 1. This statement establishes and modifies requirements related to the supplementary information presented in the statistical section that accompanies the basic financial statements. The provisions of this Statement are effective for statistical sections prepared for periods beginning after June 15, 2005. Implementation of this Statement will affect only the statistical section of the financial statements

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

H. Restatement of Prior Year Fund Balance

Duplicate payments of \$9,193,945 was recorded for Glendale Redevelopment Agency Fund. To correct the error, the Glendale Redevelopment Agency Fund beginning balance was restated.

Comprehensive Annual Financial Report

The City of Glendale, California

Non-Major Funds

June 30, 2005

Exhibit F-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2005

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total
Assets				
Cash and invested cash	\$ 45,141,026	45,770,336	50,973,749	141,885,111
Cash with fiscal agent	-	13,794,763	-	13,794,763
Interest receivable	348,353	349,466	78,985	776,804
Accounts receivable, net	1,135,221	-	359,506	1,494,727
Unbilled receivable	261,961	-	-	261,961
Due from other agencies	6,110,411	-	3,145,458	9,255,869
Prepaid items	1,690,426	-	-	1,690,426
Property held for resale	7,318,469	-	-	7,318,469
Total assets	62,005,867	59,914,565	54,557,698	176,478,130
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	3,223,284	941,454	2,308,916	6,473,654
Due to other funds	5,214,053	-	1,331,140	6,545,193
Due to other agencies	112,025	-	-	112,025
Accrued wages and withholding	488,597	-	81,793	570,390
Deferred revenues	1,060,681	-	-	1,060,681
Deposits	148,143	-	-	148,143
Total liabilities	10,246,783	941,454	3,721,849	14,910,086
Fund Balances:				
Reserved:				
Prepaid	1,690,426	-	-	1,690,426
Debt service	-	13,794,763	3,750,918	17,545,681
Landfill post closure care	-	-	15,800,000	15,800,000
Capital projects	14,158,638	-	19,959,722	34,118,360
Encumbrances	7,252,495	-	9,622,061	16,874,556
Property Resale	7,318,469	-	-	7,318,469
Unreserved	21,339,056	45,178,348	1,703,148	68,220,552
Total fund balances	51,759,084	58,973,111	50,835,849	161,568,044
Total liabilities and fund balances	\$ 62,005,867	59,914,565	54,557,698	176,478,130

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Capital Projects

For Fiscal Year Ended June 30, 2005

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Property taxes	\$ 5,548,095	8,375,878	-	13,923,973
Other taxes	3,257,439	-	6,658,376	9,915,815
Revenue from other agencies	31,461,834	-	10,712,716	42,174,550
Fines and forfeitures	512,873	-	-	512,873
Charges for services	4,391,417	-	4,132,479	8,523,896
Use of money and property	1,291,533	1,782,285	425,946	3,499,764
Miscellaneous revenue	3,669,487	-	360,338	4,029,825
	<hr/>			
Total Revenues	50,132,678	10,158,163	22,289,855	82,580,696
Expenditures:				
Operating expenditures				
General government	604,721	-	4,001	608,722
Public safety	4,315,264	1,176,730	474,595	5,966,589
Public works	7,428,971	-	1,822,931	9,251,902
Housing, health and community development	23,889,537	(13,912)	55,199	23,930,824
Employment programs	4,968,111	-	-	4,968,111
Public service	4,859,416	-	-	4,859,416
Parks, recreation and community services	461,874	-	532,676	994,550
Library	291,481	-	61,991	353,472
Capital	4,173,280	-	30,335,713	34,508,993
Debt service				
Interest on Bonds	133,866	5,572,775	-	5,706,641
Principal	494,164	5,065,000	923,000	6,482,164
	<hr/>			
Total expenditures	51,620,685	11,800,593	34,210,106	97,631,384
Excess of revenues over (under) expenditures	(1,488,007)	(1,642,430)	(11,920,251)	(15,050,688)
Other financing sources (uses):				
Transfer from				
Transfer-General Fund	392,911	-	2,202,000	2,594,911
Transfer-Special Revenue	99,996	-	-	99,996
Transfer-Sewer Fund	4,599,996	-	-	4,599,996
Transfer-Electric	-	-	25,000	25,000
Transfer to				
Transfer-General Fund	-	-	(800,000)	(800,000)
Transfer-Special Revenue	(99,996)	-	-	(99,996)
Transfer-Int Service	(151,755)	-	-	(151,755)
	<hr/>			
Total financing sources (uses)	4,841,152	-	1,427,000	6,268,152
Net change in fund balances	3,353,145	(1,642,430)	(10,493,251)	(8,782,536)
Fund balance, July 1	48,405,939	60,615,541	61,329,100	170,350,580
	<hr/>			
Fund Balance, June 30	\$ 51,759,084	58,973,111	50,835,849	161,568,044

SPECIAL REVENUE FUNDS

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

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

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

Exhibit G-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds - Special Revenue
 June 30, 2005

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Shelter Grant Fund	Workforce Investment Fund
Assets						
Cash and invested cash	\$ -	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Accounts receivable, net	915,349	-	-	-	-	-
Unbilled receivable	-	-	-	-	-	-
Due from other agencies	1,580,095	704,385	398,133	582,330	163,889	1,394,246
Prepaid items	-	1,690,426	-	-	-	-
Property held for resale	-	-	-	-	-	-
Total assets	2,495,444	2,394,811	398,133	582,330	163,889	1,394,246
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	174,659	33,452	115,971	92,250	3,400	190,042
Due to other funds	1,326,283	330,708	276,488	482,697	160,489	892,342
Due to other agencies	35,258	28,648	-	-	-	-
Accrued wages and withholding	43,895	60,966	5,674	7,383	-	73,867
Deferred revenues	915,349	-	-	-	-	-
Deposits	-	144,783	-	-	-	3,360
Total liabilities	2,495,444	598,557	398,133	582,330	163,889	1,159,611
Fund Balances:						
Reserved:						
Prepaid	-	1,690,426	-	-	-	-
Capital projects	-	-	-	-	-	-
Encumbrances	-	-	-	-	-	-
Property Resale	-	-	-	-	-	-
Unreserved	-	105,828	-	-	-	234,635
Total fund balances	-	1,796,254	-	-	-	234,635
Total liabilities and fund balances	\$ 2,495,444	2,394,811	398,133	582,330	163,889	1,394,246

Exhibit G-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds - Special Revenue
 June 30, 2005

		Code Enforcement	Low & Moderate Housing Fund	Local Transit Assistance Fund	Air Quality Improvement	Narcotic Forfeiture Fund	Special Grant Fund
Assets							
Cash and invested cash	\$	17,335	13,651,304	11,985,098	455,718	194,333	330,067
Interest receivable		-	104,216	89,256	2,941	1,729	2,707
Accounts receivable, net		-	-	-	-	-	-
Unbilled receivable		-	-	-	-	-	-
Due from other agencies		-	278,127	505,765	-	145,303	87,264
Prepaid items		-	-	-	-	-	-
Property held for resale		-	7,318,469	-	-	-	-
Total assets		17,335	21,352,116	12,580,119	458,659	341,365	420,038
Liabilities and Fund Balances							
Liabilities:							
Accounts payable		-	1,142,578	653,123	1,182	1,991	2,020
Due to other funds		-	-	-	-	-	-
Due to other agencies		-	-	48,119	-	-	-
Accrued wages and withholding		96	64,961	25,891	272	6,904	7,312
Deferred revenues		-	-	-	-	-	145,332
Deposits		-	-	-	-	-	-
Total liabilities		96	1,207,539	727,133	1,454	8,895	154,664
Fund Balances:							
Reserved:							
Prepaid		-	-	-	-	-	-
Capital projects		-	6,539,094	7,030,754	-	-	588,790
Encumbrances		-	2,961,028	1,658,650	-	113,880	17,300
Property Resale		-	7,318,469	-	-	-	-
Unreserved		17,239	3,325,986	3,163,582	457,205	218,590	(340,716)
Total fund balances		17,239	20,144,577	11,852,986	457,205	332,470	265,374
Total liabilities and fund balances	\$	17,335	21,352,116	12,580,119	458,659	341,365	420,038

Exhibit G-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds - Special Revenue
 June 30, 2005

	Supplemental Law Enforcement	Police Staff Augmentation Fund	Fire Grant Fund	Nutritional Meals Grant Fund	Library Fund	Cable Access Fund
Assets						
Cash and invested cash	\$ 122,189	9,211,270	-	71,138	628,761	917,367
Interest receivable	1,311	67,765	-	-	5,013	7,197
Accounts receivable, net	-	-	-	-	-	-
Unbilled receivable	-	-	-	-	-	-
Due from other agencies	-	-	97,560	17,404	21,255	118,106
Prepaid items	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-
Total assets	123,500	9,279,035	97,560	88,542	655,029	1,042,670
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	1,734	144,681	16,285	11,752	-	312
Due to other funds	-	-	1,745,046	-	-	-
Due to other agencies	-	-	-	-	-	-
Accrued wages and withholding	6,993	77,224	11,304	8,656	6,735	15,711
Deferred revenues	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Total liabilities	8,727	221,905	1,772,635	20,408	6,735	16,023
Fund Balances:						
Reserved:						
Prepaid	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Encumbrances	-	-	268,679	-	28,507	2,560
Property Resale	-	-	-	-	-	-
Unreserved	114,773	9,057,130	(1,943,754)	68,134	619,787	1,024,087
Total fund balances	114,773	9,057,130	(1,675,075)	68,134	648,294	1,026,647
Total liabilities and fund balances	\$ 123,500	9,279,035	97,560	88,542	655,029	1,042,670

Exhibit G-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds - Special Revenue
 June 30, 2005

	Electric Public Benefit Fund	Fire Communication Fund	ICIS	Total
Assets				
Cash and invested cash	\$ 5,490,881	1,738,467	327,098	45,141,026
Interest receivable	47,980	15,777	2,461	348,353
Accounts receivable, net	201,668	18,204	-	1,135,221
Unbilled receivable	261,961	-	-	261,961
Due from other agencies	-	16,549	-	6,110,411
Prepaid items	-	-	-	1,690,426
Property held for resale	-	-	-	7,318,469
Total assets	6,002,490	1,788,997	329,559	62,005,867
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	396,095	65,632	176,125	3,223,284
Due to other funds	-	-	-	5,214,053
Due to other agencies	-	-	-	112,025
Accrued wages and withholding	8,161	56,592	-	488,597
Deferred revenues	-	-	-	1,060,681
Deposits	-	-	-	148,143
Total liabilities	404,256	122,224	176,125	10,246,783
Fund Balances:				
Reserved:				
Prepaid	-	-	-	1,690,426
Capital projects	-	-	-	14,158,638
Encumbrances	1,745,770	456,121	-	7,252,495
Property Resale	-	-	-	7,318,469
Unreserved	3,852,464	1,210,652	153,434	21,339,056
Total fund balances	5,598,234	1,666,773	153,434	51,759,084
Total liabilities and fund balances	\$ 6,002,490	1,788,997	329,559	62,005,867

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, 2005

	Community Development Fund	Housing Assistance Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Shelter Grant Fund	Workforce Investment Fund
Revenues:						
Property taxes	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Revenue from other agencies	3,299,887	12,496,143	2,748,574	1,719,560	165,123	3,015,982
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	124	7,122	-	-	-	-
Miscellaneous revenue	37,950	849,284	57,962	-	-	(6,487)
Total Revenues	3,337,961	13,352,549	2,806,536	1,719,560	165,123	3,009,495
Expenditures:						
Operating expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Housing, health and community development	1,348,962	13,168,801	2,576,789	1,719,560	165,123	-
Employment programs	796,066	-	229,747	-	-	2,984,770
Public service	-	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital	1,013,716	38,655	-	-	-	-
Debt service	179,217	-	-	-	-	-
Total expenditures	3,337,961	13,207,456	2,806,536	1,719,560	165,123	2,984,770
Excess of revenues over (under) expenditures	-	145,093	-	-	-	24,725
Other financing sources (uses):						
Transfer from:						
Transfer-General Fund	-	-	-	-	-	-
Transfer-Special Revenue	-	-	-	-	-	-
Transfer-Sewer Fund	-	-	-	-	-	-
Transfer to:						
Transfer-Special Revenue	-	-	-	-	-	-
Transfer-Int Service	-	-	-	-	-	-
Total financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	145,093	-	-	-	24,725
Fund balance, July 1	-	1,651,161	-	-	-	209,910
Fund Balance, June 30	\$ -	1,796,254	-	-	-	234,635

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, 2005

	Code Enforcement	Low & Moderate Housing Fund	Local Transit Assistance Fund	Air Quality Improvement	Narcotic Forfeiture Fund	Special Grant Fund
Revenues:						
Property taxes	\$ -	5,548,095	-	-	-	-
Other taxes	-	-	-	-	-	-
Revenue from other agencies	18,306	-	6,338,591	243,857	-	291,155
Fines and forfeitures	-	-	-	-	512,873	-
Charges for services	-	-	1,297,944	48,712	-	95,576
Use of money and property	-	488,386	350,416	12,175	10,590	14,831
Miscellaneous revenue	-	2,048,251	495	-	-	38,855
Total Revenues	18,306	8,084,732	7,987,446	304,744	523,463	440,417
Expenditures:						
Operating expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	291,434	426,552
Public works	-	-	7,151,275	277,696	-	-
Housing, health and community development	1,067	4,909,235	-	-	-	-
Employment programs	-	957,528	-	-	-	-
Public service	-	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital	-	(3,776)	276,904	-	6,262	298,000
Debt service	-	-	-	-	-	-
Total expenditures	1,067	5,862,987	7,428,179	277,696	297,696	724,552
Excess of revenues over (under) expenditures	17,239	2,221,745	559,267	27,048	225,767	(284,135)
Other financing sources (uses):						
Transfer from:						
Transfer-General Fund	-	-	-	-	-	-
Transfer-Special Revenue	-	-	-	-	-	-
Transfer-Sewer Fund	-	-	-	-	-	-
Transfer to:						
Transfer-Special Revenue	-	-	-	-	(99,996)	-
Transfer-Int Service	-	(42,649)	(23,142)	(870)	(10,186)	(23,416)
Total financing sources (uses)	-	(42,649)	(23,142)	(870)	(110,182)	(23,416)
Net change in fund balances	17,239	2,179,096	536,125	26,178	115,585	(307,551)
Fund balance, July 1	-	17,965,481	11,316,861	431,027	216,885	572,925
Fund Balance, June 30	\$ 17,239	20,144,577	11,852,986	457,205	332,470	265,374

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, 2005

	Supplemental Law Enforcement	Police Staff Augmentation Fund	Fire Grant Fund	Nutritional Meals Grant Fund	Library Fund	Cable Access Fund
Revenues:						
Property taxes	\$ -	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Revenue from other agencies	301,434	-	345,563	241,024	236,635	-
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	-	574,849
Use of money and property	1,590	175,191	-	297	12,840	28,469
Miscellaneous revenue	-	-	21,837	83,084	179,688	1,165
Total Revenues	303,024	175,191	367,400	324,405	429,163	604,483
Expenditures:						
Operating expenditures						
General government	-	-	-	-	-	428,596
Public safety	131,857	1,083,552	657,044	-	-	-
Public works	-	-	-	-	-	-
Housing, health and community development	-	-	-	-	-	-
Employment programs	-	-	-	-	-	-
Public service	-	-	-	-	-	-
Parks, recreation and community services	-	-	-	461,874	-	-
Library	-	-	-	-	291,481	-
Capital	-	134,501	1,606,913	-	-	112,149
Debt service	-	-	-	-	-	-
Total expenditures	131,857	1,218,053	2,263,957	461,874	291,481	540,745
Excess of revenues over (under) expenditures	171,167	(1,042,862)	(1,896,557)	(137,469)	137,682	63,738
Other financing sources (uses):						
Transfer from:						
Transfer-General Fund	-	-	200,000	136,911	56,000	-
Transfer-Special Revenue	-	99,996	-	-	-	-
Transfer-Sewer Fund	-	4,599,996	-	-	-	-
Transfer to:						
Transfer-Special Revenue	-	-	-	-	-	-
Transfer-Int Service	(33,944)	-	(443)	-	-	(17,105)
Total financing sources (uses)	(33,944)	4,699,992	199,557	136,911	56,000	(17,105)
Net change in fund balances	137,223	3,657,130	(1,697,000)	(558)	193,682	46,633
Fund balance, July 1	(22,450)	5,400,000	21,925	68,692	454,612	980,014
Fund Balance, June 30	\$ 114,773	9,057,130	(1,675,075)	68,134	648,294	1,026,647

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, 2005

	Electric Public Benefit Fund	Fire Communication Fund	ICIS	Total
Revenues:				
Property taxes	\$ -	-	-	5,548,095
Other taxes	3,257,439	-	-	3,257,439
Revenue from other agencies	-	-	-	31,461,834
Fines and forfeitures	-	-	-	512,873
Charges for services	-	2,046,336	328,000	4,391,417
Use of money and property	192,229	1,105	(3,832)	1,291,533
Miscellaneous revenue	82,569	269,443	5,391	3,669,487
Total Revenues	3,532,237	2,316,884	329,559	50,132,678
Expenditures:				
Operating expenditures				
General government	-	-	176,125	604,721
Public safety	-	1,724,825	-	4,315,264
Public works	-	-	-	7,428,971
Housing, health and community development	-	-	-	23,889,537
Employment programs	-	-	-	4,968,111
Public service	4,859,416	-	-	4,859,416
Parks, recreation and community services	-	-	-	461,874
Library	-	-	-	291,481
Capital	-	689,956	-	4,173,280
Debt service	-	448,813	-	628,030
Total expenditures	4,859,416	2,863,594	176,125	51,620,685
Excess of revenues over (under) expenditures	(1,327,179)	(546,710)	153,434	(1,488,007)
Other financing sources (uses):				
Transfer from:				
Transfer-General Fund	-	-	-	392,911
Transfer-Special Revenue	-	-	-	99,996
Transfer-Sewer Fund	-	-	-	4,599,996
Transfer to:				
Transfer-Special Revenue	-	-	-	(99,996)
Transfer-Int Service	-	-	-	(151,755)
Total financing sources (uses)	-	-	-	4,841,152
Net change in fund balances	(1,327,179)	(546,710)	153,434	3,353,145
Fund balance, July 1	6,925,413	2,213,483	-	48,405,939
Fund Balance, June 30	\$ 5,598,234	1,666,773	153,434	51,759,084

Exhibit G-3

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Community Development Fund:				
Use of money and property	\$ —	—	124	(124)
Revenue from other agencies	4,039,018	4,039,018	3,299,887	739,131
Charges for services	—	—	—	—
Miscellaneous revenue	32,474	32,474	37,950	(5,476)
Total	4,071,492	4,071,492	3,337,961	733,531
Housing Assistance Fund:				
Use of money and property	76,000	76,000	7,122	68,878
Revenue from other agencies	14,316,000	14,316,000	12,496,143	1,819,857
Charges for services	—	—	—	—
Miscellaneous revenue	996,000	996,000	849,284	146,716
Total	15,388,000	15,388,000	13,352,549	2,035,451
Home Grant Fund:				
Use of money and property	—	—	—	—
Revenue from other agencies	2,575,019	2,575,019	2,748,574	(173,555)
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	57,962	(57,962)
Total	2,575,019	2,575,019	2,806,536	(231,517)
Supportive Housing Grant Fund:				
Use of money and property	—	—	—	—
Revenue from other agencies	2,106,773	2,106,773	1,719,560	387,213
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	—	—
Total	2,106,773	2,106,773	1,719,560	387,213
Emergency Shelter Grant Fund:				
Use of money and property	—	—	—	—
Revenue from other agencies	148,402	148,402	165,123	(16,721)
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	—	—
Total	148,402	148,402	165,123	(16,721)
Workforce Investment Act Fund:				
Use of money and property	—	—	—	—
Revenue from other agencies	3,288,700	3,288,700	3,015,982	272,718
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	(6,487)	6,487
Transfers	—	—	—	—
Total	\$ 3,288,700	3,288,700	3,009,495	279,205

Exhibit G-3

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Code Enforcement Fund:				
Use of money and property	\$ —	—	—	—
Revenue from other agencies	—	—	18,306	(18,306)
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	—	—
Transfers	—	—	—	—
Total	—	—	18,306	(18,306)
Low & Moderate Housing Fund:				
Property taxes	4,665,000	4,665,000	5,548,095	(883,095)
Use of money and property	481,000	481,000	488,386	(7,386)
Revenue from other agencies	—	—	—	—
Charges for services	—	—	—	—
Miscellaneous revenue	564,000	564,000	2,048,251	(1,484,251)
Transfers	—	—	—	—
Total	5,710,000	5,710,000	8,084,732	(2,374,732)
Local Transit Assistance Fund:				
Use of money and property	305,000	305,000	350,416	(45,416)
Revenue from other agencies	5,482,500	5,482,500	6,338,591	(856,091)
Charges for services	1,586,000	1,586,000	1,297,944	288,056
Miscellaneous revenue	—	—	495	(495)
Transfers	—	—	—	—
Total	7,373,500	7,373,500	7,987,446	(613,946)
Air Quality Improvement Fund:				
Use of money and property	15,000	15,000	12,175	2,825
Revenue from other agencies	220,000	220,000	243,857	(23,857)
Charges for services	45,100	45,100	48,712	(3,612)
Miscellaneous revenue	—	—	—	—
Transfers	—	—	—	—
Total	280,100	280,100	304,744	(24,644)
Narcotic Forfeiture Fund:				
Fines and forfeitures	300,000	300,000	512,873	(212,873)
Use of money and property	—	—	10,590	(10,590)
Revenue from other agencies	—	—	—	—
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	—	—
Transfers	—	—	—	—
Total	300,000	300,000	523,463	(223,463)
Special Grant Fund:				
Use of money and property	12,000	12,000	14,831	(2,831)
Revenue from other agencies	104,000	264,506	291,155	(26,649)
Charges for services	150,000	150,000	95,576	54,424
Miscellaneous revenue	166,456	171,368	38,855	132,513
Transfers	—	—	—	—
Total	\$ 432,456	597,874	440,417	157,457

Exhibit G-3

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Supplemental Law Enforcement Fund: \$				
Use of money and property	3,500	3,500	1,590	1,910
Revenue from other agencies	255,000	255,000	301,434	(46,434)
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	—	—
Transfers	—	—	—	—
Total	<u>258,500</u>	<u>258,500</u>	<u>303,024</u>	<u>(44,524)</u>
Police Staff Augmentation Fund				
Use of money and property	—	—	175,191	(175,191)
Revenue from other agencies	100,000	100,000	—	100,000
Charges for services	—	—	—	—
Transfers	4,700,000	4,700,000	4,699,992	8
Total	<u>4,800,000</u>	<u>4,800,000</u>	<u>4,875,183</u>	<u>(75,183)</u>
Nutritional Meals Grant Fund:				
Use of money and property	—	—	297	(297)
Revenue from other agencies	306,000	306,000	241,024	64,976
Charges for services	—	—	—	—
Miscellaneous revenue	114,000	114,000	83,084	30,916
Transfers	136,911	136,911	136,911	—
Total	<u>556,911</u>	<u>556,911</u>	<u>461,316</u>	<u>95,595</u>
Cable Access Fund:				
Use of money and property	10,000	10,000	28,469	(18,469)
Revenue from other agencies	—	18,306	—	18,306
Charges for services	430,000	430,000	574,849	(144,849)
Miscellaneous revenue	1,000	1,000	1,165	(165)
Transfers	—	—	—	—
Total	<u>441,000</u>	<u>459,306</u>	<u>604,483</u>	<u>(145,177)</u>
Library Grant Fund:				
Use of money and property	12,000	12,000	12,840	(840)
Revenue from other agencies	426,444	483,174	236,635	246,539
Charges for services	—	—	—	—
Miscellaneous revenue	80,000	105,000	179,688	(74,688)
Transfers	—	56,000	56,000	—
Total	<u>518,444</u>	<u>656,174</u>	<u>485,163</u>	<u>171,011</u>
Electric Public Benefit Fund:				
Other taxes	3,260,000	3,260,000	3,257,439	2,561
Use of money and property	240,000	240,000	192,229	47,771
Revenue from other agencies	—	—	—	—
Charges for services	—	—	—	—
Miscellaneous revenue	—	—	82,569	(82,569)
Transfers	—	—	—	—
Total	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>	<u>\$ 3,532,237</u>	<u>(32,237)</u>

Exhibit G-3

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2005

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Fire Grant Fund				
Use of money and property	—	—	—	—
Revenue from other agencies	624,000	3,171,886	345,563	2,826,323
Charges for services	—	—	—	—
Miscellaneous revenue	35,500	57,500	21,837	35,663
Transfers	—	200,000	200,000	—
Total	<u>659,500</u>	<u>3,429,386</u>	<u>567,400</u>	<u>2,861,986</u>
Fire Communications Fund				
Use of money and property	—	—	1,105	(1,105)
Revenue from other agencies	—	—	—	—
Charges for services	2,002,000	2,002,000	2,046,336	(44,336)
Miscellaneous revenue	244,000	244,000	269,443	(25,443)
Transfers	—	—	—	—
Total	<u>2,246,000</u>	<u>2,246,000</u>	<u>2,316,884</u>	<u>(70,884)</u>
ICIS Fund				
Use of money and property	—	—	(3,832)	3,832
Revenue from other agencies	—	—	—	—
Charges for services	—	—	328,000	(328,000)
Miscellaneous revenue	—	—	5,391	(5,391)
Transfers	—	—	—	—
Total	<u>—</u>	<u>—</u>	<u>329,559</u>	<u>(329,559)</u>
Total revenues and other financing sources	<u>\$ 54,654,797</u>	<u>57,746,137</u>	<u>55,225,581</u>	<u>2,520,556</u>

CITY OF GLENDALE

Statement of Expenditures and Other Financing Uses - Budget and Actual
 Nonmajor Governmental Funds - Special Revenue
 Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Community Development Fund:	\$			
Housing, health and community development:				
Salaries and benefits	1,391,996	1,395,015	1,248,302	146,713
Maintenance and operations	1,179,403	1,187,403	896,726	290,677
Capital	—	—	37,996	(37,996)
Capital projects	5,176,832	5,168,832	975,720	4,193,112
Debt Service	—	—	179,217	(179,217)
Transfer to other funds	—	—	—	—
Total	<u>7,748,231</u>	<u>7,751,250</u>	<u>3,337,961</u>	<u>4,413,289</u>
Housing Assistance Fund:				
Housing, health and community development:				
Salaries and benefits	1,782,695	1,790,412	1,715,066	75,346
Maintenance and operations	13,498,306	13,643,011	11,453,735	2,189,276
Capital	106,999	142,999	38,655	104,344
Debt Service	—	—	—	—
Transfer to other funds	—	—	—	—
Total	<u>15,388,000</u>	<u>15,576,422</u>	<u>13,207,456</u>	<u>2,368,966</u>
Home Grant Fund:				
Housing, health and community development:				
Salaries and benefits	173,612	179,632	168,460	11,172
Maintenance and operations	8,259,220	8,259,220	2,638,076	5,621,144
Capital	—	—	—	—
Debt Service	—	—	—	—
Transfer to other funds	—	—	—	—
Total	<u>8,432,832</u>	<u>8,438,852</u>	<u>2,806,536</u>	<u>5,632,316</u>
Supportive Housing Grant Fund:				
Housing, health and community development:				
Salaries and benefits	419,303	419,303	191,212	228,091
Maintenance and operations	4,477,700	4,477,700	1,528,348	2,949,352
Capital	—	—	—	—
Debt Service	—	—	—	—
Transfer to other funds	—	—	—	—
Total	<u>4,897,003</u>	<u>4,897,003</u>	<u>1,719,560</u>	<u>3,177,443</u>
Emergency Shelter Grant Fund:				
Housing, health and community development:				
Salaries and benefits	—	—	—	—
Maintenance and operations	162,156	162,156	165,123	(2,967)
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	<u>162,156</u>	<u>162,156</u>	<u>165,123</u>	<u>(2,967)</u>
Workforce Investment Act Fund:				
Employment and job training services:				
Salaries and benefits	2,646,895	2,646,895	1,967,530	679,365
Maintenance and operations	1,696,078	1,696,078	1,017,240	678,838
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	<u>\$ 4,342,973</u>	<u>\$ 4,342,973</u>	<u>\$ 2,984,770</u>	<u>\$ 1,358,203</u>

Exhibit G-4

CITY OF GLENDALE

Statement of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Code Enforcement Fund:				
Housing, health and community development:				
Salaries and benefits	—	18,306	484	17,822
Maintenance and operations	—	—	583	(583)
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	<u>—</u>	<u>18,306</u>	<u>1,067</u>	<u>17,239</u>
Low & Moderate Housing Fund:				
Housing, health and community development:				
Salaries and benefits	2,034,969	2,296,718	1,615,237	681,481
Maintenance and operations	14,894,351	13,184,393	4,251,526	8,932,867
Capital	—	—	164	(164)
Capital projects	5,380,633	6,880,633	(3,940)	6,884,573
Transfer to other funds	551,815	594,464	42,649	551,815
Total	<u>22,861,768</u>	<u>22,956,208</u>	<u>5,905,636</u>	<u>17,050,572</u>
Local Transit Assistance Fund:				
Public works:				
Salaries and benefits	1,064,836	1,066,089	720,922	345,167
Maintenance and operations	6,559,488	6,559,488	6,430,353	129,135
Capital	1,018,351	1,034,351	265,213	769,138
Capital projects	7,067,095	7,051,095	11,691	7,039,404
Transfer to other funds	—	23,142	23,142	—
Total	<u>15,709,770</u>	<u>15,734,165</u>	<u>7,451,321</u>	<u>8,282,844</u>
Air Quality Improvement Fund:				
Public works:				
Salaries and benefits	178,863	178,863	194,012	(15,149)
Maintenance and operations	110,229	110,229	83,684	26,545
Capital	—	—	—	—
Transfer to other funds	—	870	870	—
Total	<u>289,092</u>	<u>289,962</u>	<u>278,566</u>	<u>11,396</u>
Narcotic Forfeiture Fund:				
Public safety:				
Salaries and benefits	234,783	234,783	241,137	(6,354)
Maintenance and operations	235,709	282,909	50,297	232,612
Capital	—	6,300	6,262	38
Capital projects	—	—	—	—
Transfer to other funds	100,000	110,186	110,182	4
Total	<u>570,492</u>	<u>634,178</u>	<u>407,878</u>	<u>226,300</u>
Special Grant Fund:				
Public safety:				
Salaries and benefits	845,772	962,070	421,132	540,938
Maintenance and operations	165,164	165,164	5,420	159,744
Capital	173,000	347,120	298,000	49,120
Transfer to other funds	—	23,416	23,416	—
Total	<u>1,183,936</u>	<u>1,497,770</u>	<u>747,968</u>	<u>749,802</u>

Exhibit G-4

CITY OF GLENDALE

Statement of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Supplemental Law Enforcement Fund:				
Public safety:				
Salaries and benefits	\$ 244,318	244,318	130,257	114,061
Maintenance and operations	33,606	33,606	1,600	32,006
Capital	—	—	—	—
Transfer to other funds	—	33,944	33,944	—
Total	277,924	311,868	165,801	146,067
Police Staff Augmentation Fund				
Public safety:				
Salaries and benefits	2,433,876	2,435,530	1,052,287	1,383,243
Maintenance and operations	148,000	148,000	31,265	116,735
Capital	—	218,858	134,501	84,357
Transfer to other funds	—	—	—	—
Total	2,581,876	2,802,388	1,218,053	1,584,335
Nutritional Meals Grant Fund:				
Parks, recreation and community services:				
Salaries and benefits	329,159	329,159	265,234	63,925
Maintenance and operations	227,752	227,752	196,640	31,112
Capital	—	—	—	—
Transfer to other funds	—	16,305	—	16,305
Total	556,911	573,216	461,874	111,342
Cable Access Fund:				
General government:				
Salaries and benefits	397,811	386,277	386,790	(513)
Maintenance and operations	36,441	34,441	41,806	(7,365)
Capital	70,000	120,000	112,149	7,851
Capital projects	—	—	—	—
Other financing uses	—	17,105	17,105	—
Total	504,252	557,823	557,850	(27)
Library Grant Fund:				
Library:				
Salaries and benefits	277,607	334,427	145,798	188,629
Maintenance and operations	441,553	509,013	145,683	363,330
Capital	82,532	82,532	—	82,532
Transfer to other funds	—	—	—	—
Total	801,692	925,972	291,481	634,491
Electric Public Benefit Fund:				
Public service:				
Salaries and benefits	281,674	281,674	190,041	91,633
Maintenance and operations	6,038,100	6,038,100	4,669,375	1,368,725
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	\$ 6,319,774	6,319,774	4,859,416	1,460,358

Exhibit G-4
CITY OF GLENDALE
Statement of Expenditures and Other Financing Uses - Budget and Actual
Nonmajor Governmental Funds - Special Revenue
Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Fire Grant Fund				
Public safety:				
Salaries and benefits	\$ 200,749	628,977	282,989	345,988
Maintenance and operations	730,416	1,058,682	374,055	684,627
Capital	984,833	2,998,225	1,606,913	1,391,312
Transfer to other funds	—	443	443	—
Total	1,915,998	4,686,327	2,264,400	2,421,927
Fire Communications Fund				
Public safety:				
Salaries and benefits	1,486,245	1,487,098	1,537,454	(50,356)
Maintenance and operations	251,699	251,699	187,371	64,328
Capital	1,644,931	1,799,931	689,956	1,109,975
Debt Service	—	—	448,813	(448,813)
Transfer to other funds	—	—	—	—
Total	3,382,875	3,538,728	2,863,594	675,134
ICIS Fund				
General government:				
Salaries and benefits	—	—	—	—
Maintenance and operations	—	—	176,125	(176,125)
Capital	—	—	—	—
Transfer to other funds	—	—	—	—
Total	—	—	176,125	(176,125)
Total expenditures and other financing uses	\$ <u>97,927,555</u>	<u>102,015,340</u>	<u>51,872,436</u>	<u>50,142,904</u>

DEBT SERVICE FUNDS

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

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

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Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds - Debt Service
 June 30, 2005

	2003 GRA Tax Allocation Bonds	Police Facility COPs Fund	2002 GRA Tax Allocation Bonds	Total
Assets				
Cash and invested cash	\$ 258,437	45,233,175	278,724	45,770,336
Cash with fiscal agent	4,914,284	5,009,082	3,871,397	13,794,763
Interest receivable	-	349,466	-	349,466
Total assets	5,172,721	50,591,723	4,150,121	59,914,565
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	941,454	-	941,454
Total liabilities	-	941,454	-	941,454
Fund Balances:				
Reserved:				
Debt service	4,914,284	5,009,082	3,871,397	13,794,763
Unreserved	258,437	44,641,187	278,725	45,178,348
Total fund balances	5,172,721	49,650,269	4,150,121	58,973,111
Total liabilities and fund balances	\$ 5,172,721	50,591,723	4,150,121	59,914,565

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, 2005

	<u>2003 GRA Tax</u> <u>Allocation Bonds</u>	<u>Police Facility</u> <u>COPs Fund</u>	<u>2002 GRA Tax</u> <u>Allocation Bonds</u>	<u>Total</u>
Revenues:				
Property taxes	\$ 4,555,865	-	3,820,013	8,375,878
Use of money and property	228,441	1,425,361	128,483	1,782,285
Total Revenues	<u>4,784,306</u>	<u>1,425,361</u>	<u>3,948,496</u>	<u>10,158,163</u>
Expenditures:				
Operating expenditures				
Public safety	-	1,176,730	-	1,176,730
Housing, health and community development	(16,112)	-	2,200	(13,912)
Debt service				
Interest on Bonds	2,555,865	1,061,897	1,955,013	5,572,775
Principal	2,000,000	1,200,000	1,865,000	5,065,000
Total expenditures	<u>4,539,753</u>	<u>3,438,627</u>	<u>3,822,213</u>	<u>11,800,593</u>
Excess of revenues over (under) expenditures	<u>244,553</u>	<u>(2,013,266)</u>	<u>126,283</u>	<u>(1,642,430)</u>
Net change in fund balances	244,553	(2,013,266)	126,283	(1,642,430)
Fund balance, July 1	4,928,168	51,663,535	4,023,838	60,615,541
Fund Balance, June 30	<u>\$ 5,172,721</u>	<u>49,650,269</u>	<u>4,150,121</u>	<u>58,973,111</u>

Exhibit H-3

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Police Facility COPS Fund				
Interest and invest. revenue	\$ —	—	1,425,361	(1,425,361)
Total	—	—	1,425,361	(1,425,361)
2003 GRA Tax Allocation Bonds Fund				
Property taxes	4,485,895	4,485,895	4,555,865	(69,970)
Interest and invest. revenue	—	—	228,441	(228,441)
Issuance of debt	70,000	70,000	—	70,000
Total	4,555,895	4,555,895	4,784,306	(228,411)
2002 GRA Tax Allocation Bonds Fund				
Property taxes	3,740,012	3,740,012	3,820,013	(80,001)
Interest and invest. revenue	80,000	80,000	128,483	(48,483)
Total	3,820,012	3,820,012	3,948,496	(128,484)
Total revenues and other financing sources	\$ <u>8,375,907</u>	<u>8,375,907</u>	<u>10,158,163</u>	<u>(1,782,256)</u>

Exhibit H-4

CITY OF GLENDALE

Statement of Expenditures and Other Financing Uses

Nonmajor Governmental Funds - Debt Service

Year Ended June 30, 2005

	Original	Final	Actual	Variance (Over)/Under
Police Facility COPS Fund				
Administration	\$ —	—	1,176,730	(1,176,730)
Debt service	3,580,800	3,580,800	2,261,897	1,318,903
Total	<u>3,580,800</u>	<u>3,580,800</u>	<u>3,438,627</u>	<u>142,173</u>
2003 GRA Tax Allocation Bonds fund				
Administration	—	—	(16,112)	16,112
Debt service	4,555,895	4,555,895	4,555,865	30
Total	<u>4,555,895</u>	<u>4,555,895</u>	<u>4,539,753</u>	<u>16,142</u>
2002 GRA Tax Allocation Bonds Fund				
Administration	—	—	2,200	(2,200)
Debt service	3,820,012	3,820,012	3,820,013	(1)
Total	<u>3,820,012</u>	<u>3,820,012</u>	<u>3,822,213</u>	<u>(2,201)</u>
Total expenditures and other financing uses	<u>\$ 11,956,707</u>	<u>11,956,707</u>	<u>11,800,593</u>	<u>156,114</u>

CAPITAL PROJECTS FUNDS

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

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

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Exhibit I-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds - Capital Projects
 June 30, 2005

	Capital Improvement Fund	State Gas Tax Fund	Police Facility Construction	Total
Assets				
Cash and invested cash	\$ 40,503,407	7,568,049	2,902,293	50,973,749
Interest receivable	-	53,618	25,367	78,985
Accounts receivable, net	359,506	-	-	359,506
Due from other agencies	2,812,948	332,510	-	3,145,458
Total assets	43,675,861	7,954,177	2,927,660	54,557,698
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	1,291,603	22,419	994,894	2,308,916
Due to other funds	1,331,140	-	-	1,331,140
Accrued wages and withholding	48,191	32,160	1,442	81,793
Total liabilities	2,670,934	54,579	996,336	3,721,849
Fund Balances:				
Reserved:				
Debt service	3,750,918	-	-	3,750,918
Landfill post closure care	15,800,000	-	-	15,800,000
Capital projects	13,350,381	6,609,341	-	19,959,722
Encumbrances	8,103,628	1,290,257	228,176	9,622,061
Unreserved	-	-	1,703,148	1,703,148
Total fund balances	41,004,927	7,899,598	1,931,324	50,835,849
Total liabilities and fund balances	\$ 43,675,861	7,954,177	2,927,660	54,557,698

Exhibit I-2

CITY OF GLENDALE

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

Nonmajor Governmental Funds - Capital Projects

For Fiscal Year Ended June 30, 2005

	Capital Improvement Fund	State Gas Tax Fund	Police Facility Construction	Total
Revenues:				
Other taxes	\$ 6,658,376	-	-	6,658,376
Revenue from other agencies	6,527,133	4,185,583	-	10,712,716
Charges for services	4,132,479	-	-	4,132,479
Use of money and property	7,707	245,161	173,078	425,946
Miscellaneous revenue	323,606	15,121	21,611	360,338
Total Revenues	17,649,301	4,445,865	194,689	22,289,855
Expenditures:				
Operating expenditures				
General government	4,001	-	-	4,001
Public safety	-	-	474,595	474,595
Public works	913,855	909,076	-	1,822,931
Housing, health and community development	55,199	-	-	55,199
Parks, recreation and community services	532,676	-	-	532,676
Library	61,991	-	-	61,991
Capital	20,176,909	4,562,898	5,595,906	30,335,713
Debt service				
Principal	923,000	-	-	923,000
Total expenditures	22,667,631	5,471,974	6,070,501	34,210,106
Excess of revenues over (under) expenditures	(5,018,330)	(1,026,109)	(5,875,812)	(11,920,251)
Other financing sources (uses):				
Transfer from:				
Transfer-General Fund	2,202,000	-	-	2,202,000
Transfer-Electric	25,000	-	-	25,000
Transfer to:				
Transfer-General Fund	(800,000)	-	-	(800,000)
Total financing sources (uses)	1,427,000	-	-	1,427,000
Net change in fund balances	(3,591,330)	(1,026,109)	(5,875,812)	(10,493,251)
Fund balance, July 1	44,596,257	8,925,707	7,807,136	61,329,100
Fund Balance, June 30	\$ 41,004,927	7,899,598	1,931,324	50,835,849

ENTERPRISE FUNDS

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

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

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Exhibit J-1

CITY OF GLENDALE

Combining Statement of Net Assets

Proprietary Fund Type - Nonmajor Enterprise Funds

June 30, 2005

	Recreation Fund	Hazardous Disposal Fund	Fire Paramedic Fund	Parking Fund	Refuse Disposal Fund	Total
Assets						
Current assets:						
Cash and invested cash	\$ 692,002	825,230	-	3,089,225	3,263,844	7,870,301
Interest receivable	983	12,852	-	22,302	27,540	63,677
Accounts receivable, net	-	54,790	1,759,912	38,520	878,370	2,731,592
Unbilled receivable	-	66,945	4,049	-	870,495	941,489
Due from other agencies	-	-	-	283,956	-	283,956
Prepaid items	-	-	-	1,873	-	1,873
Total current assets	692,985	959,817	1,763,961	3,435,876	5,040,249	11,892,888
Capital assets:						
Land	-	-	-	5,651,021	1,638,827	7,289,848
Buildings and improvements	-	597,868	-	41,082,565	6,685,207	48,365,640
Machinery and equipment	60,624	282,537	1,118,374	1,920,623	12,059,383	15,441,541
Bldg & impro acm depreciation	(44,641)	(615,828)	(566,652)	(14,610,487)	(10,927,797)	(26,765,405)
Total capital assets	15,983	264,577	551,722	34,043,722	9,455,620	44,331,624
Total noncurrent assets	15,983	264,577	551,722	34,043,722	9,455,620	44,331,624
Total assets	708,968	1,224,394	2,315,683	37,479,598	14,495,869	56,224,512
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	48,328	19,528	58,512	67,515	290,661	484,544
Contracts-retained amount due	-	-	34,268	-	-	34,268
Accrued wages and withholding	45,918	30,939	112,192	72,390	214,593	476,032
Due to other funds	-	-	4,281,355	-	-	4,281,355
Compensated absences	5,000	10,000	14,000	30,000	60,000	119,000
Deposits	31,447	14,404	502	-	147,355	193,708
Total current liabilities	130,693	74,871	4,500,829	169,905	712,609	5,588,907
Noncurrent liabilities:						
Compensated absences	44,281	46,147	122,430	86,309	242,663	541,830
Post employment benefits	7,665	7,310	11,500	18,722	51,010	96,207
Total noncurrent liabilities	51,946	53,457	133,930	105,031	293,673	638,037
Total liabilities	182,639	128,328	4,634,759	274,936	1,006,282	6,226,944
Net assets:						
Investment in capital assets, net of related deb	68,451	103,701	843,481	33,220,995	7,440,532	41,677,160
Restricted						
Unrestricted	457,878	992,365	(3,162,557)	3,983,667	6,049,055	8,320,408
Total net assets	\$ 526,329	1,096,066	(2,319,076)	37,204,662	13,489,587	49,997,568

Exhibit J-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds - Non Major Enterprise Funds

Year ended June 30, 2005

	Recreation Fund	Hazardous Disposal Fund	Fire Paramedic Fund	Parking Fund	Refuse Disposal Fund	Total
Operating revenues	\$					
Charges for services	1,736,065	1,402,711	6,886,791	7,139,345	15,403,846	32,568,758
Miscellaneous revenues	190,382	25,690	-	18,228	73,604	307,904
Total operating revenues	1,926,447	1,428,401	6,886,791	7,157,573	15,477,450	32,876,662
Operating expenses:						
Salaries and benefits	1,225,355	895,211	3,463,266	1,926,985	6,214,069	13,724,886
Maintenance and operations	779,681	500,475	4,226,757	2,779,218	6,575,866	14,861,997
Depreciation	21,818	(84,230)	291,759	1,122,121	1,558,811	2,910,279
Total operating expenses	2,026,854	1,311,456	7,981,782	5,828,324	14,348,746	31,497,162
Operating income (loss)	(100,407)	116,945	(1,094,991)	1,329,249	1,128,704	1,379,500
Non operating revenues (expenses):						
Interest revenue	4,988	22,429	3,900	85,186	86,869	203,372
Grant revenue	320,000	48,736	-	-	-	368,736
Contribution in aid	9,074	-	-	-	-	9,074
Total non operating revenues, net	334,062	71,165	3,900	85,186	86,869	581,182
Income before transfers	233,655	188,110	(1,091,091)	1,414,435	1,215,573	1,960,682
Transfer out:						
Transfer-General Fund	-	-	-	(1,800,000)	-	(1,800,000)
Total transfer	-	-	-	(1,800,000)	-	(1,800,000)
Change in net assets	233,655	188,110	(1,091,091)	(385,565)	1,215,573	160,682
Total Net asset, July 1	292,674	907,956	(1,227,985)	37,590,227	12,274,014	49,836,886
Total net assets, June 30	\$ 526,329	1,096,066	(2,319,076)	37,204,662	13,489,587	49,997,568

Exhibit J-3

CITY OF GLENDALE

Combining Statement of Cash Flows

Proprietary Fund Type - Nonmajor Enterprise Funds

Year Ended June 30, 2005

	Recreation Fund	Hazardous Disposal Fund	Fire Paramedic Fund	Parking Fund	Refuse Disposal Fund	Total
Cash flows from operating activities:						
Cash from customers	\$ 1,926,446	1,438,405	6,640,276	6,979,707	15,343,727	32,328,561
Cash paid to employees	(1,224,727)	(918,089)	(3,442,967)	(1,909,867)	(6,125,969)	(13,621,619)
Cash paid to suppliers	(787,778)	(609,455)	(3,201,209)	(2,918,887)	(6,728,735)	(14,246,064)
Net Cash provided (used) by operating activities	(86,059)	(89,139)	(3,900)	2,150,953	2,489,023	4,460,878
Cash flows from noncapital financing activities:						
Operating transfers out						
Transfer-General Fund	-	-	-	(1,800,000)	-	(1,800,000)
Operating grant received	320,000	48,736	-	-	-	368,736
Net Cash provided (used) by noncapital financing activities	320,000	48,736	-	(1,800,000)	-	(1,431,264)
Cash flows from capital and related financing activities:						
Contribution in aid	9,075	-	-	-	-	9,075
Acquisition of property, plant, and equipment	30,650	(76,645)	-	(42,926)	(1,680,085)	(1,769,006)
Net cash provided (used in) capital and related financing activities	39,725	(76,645)	-	(42,926)	(1,680,085)	(1,759,931)
Cash provided by investing activities - interest received	4,005	14,983	3,900	84,680	72,088	179,656
Net increase (decrease) in cash and cash equivalents	277,671	(102,065)	-	392,707	881,026	1,449,339
Cash and cash equivalents at July 1	414,331	927,295	-	2,696,518	2,382,818	6,420,962
Cash and cash equivalents at June 30	692,002	825,230	-	3,089,225	3,263,844	7,870,301
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	(100,407)	116,945	(1,094,991)	1,329,249	1,128,704	1,379,500
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	21,818	(84,230)	291,759	1,122,121	1,558,811	2,910,279
(Increase)Decrease Accounts receivable net	-	5,947	(242,467)	(32,694)	(19,940)	(289,154)
(Increase)Decrease Unbilled receivable	-	4,056	(4,049)	-	(113,783)	(113,776)
(Increase)Decrease Due from other agencies	-	-	-	(145,172)	-	(145,172)
(Increase)Decrease Prepaid expenses	-	-	-	361	-	361
Increase(Decrease) Accrued salaries and withholding	(5,209)	1,040	8,276	7,922	25,417	37,446
Increase(Decrease) Compensated absences	(1,827)	(31,228)	524	(9,526)	11,673	(30,384)
Increase(Decrease) Post Employment benefit	7,665	7,310	11,500	18,722	51,010	96,207
Increase(Decrease) Accounts payable	(4,693)	(211)	39,388	(140,030)	(152,700)	(258,246)
Increase(Decrease) Contracts - retention	-	-	34,268	-	-	34,268
Increase(Decrease) Due to other funds	-	(109,290)	951,390	-	-	842,100
Increase(Decrease) Deposits	(3,406)	522	502	-	(169)	(2,551)
Total adjustments	14,348	(206,084)	1,091,091	821,704	1,360,319	3,081,378
Net cash provided (used) by operating activities	\$ (86,059)	(89,139)	(3,900)	2,150,953	2,489,023	4,460,878
Noncash investing, capital, and financing activities:						
Contributions of capital assets from government						
Increase in fair value of investments	(1,530)	(20,009)	-	(34,723)	(42,878)	(99,140)

Exhibit J-4

CITY OF GLENDALE

Schedule of Investment in Capital Assets

Nonmajor Enterprise Funds

Year Ended June 30, 2005

	<u>Land</u>	<u>Construction in Progress</u>	<u>Infrastructure</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Recreation Fund	\$ -	-	-	-	60,624	60,624
Hazardous Disposal Fund	-	-	-	597,868	282,537	880,405
Fire Paramedic Fund	-	-	-	-	1,118,374	1,118,374
Parking Fund	5,651,021	-	-	41,082,565	1,920,623	48,654,209
Refuse Disposal Fund	1,638,827	-	-	6,685,207	12,059,383	20,383,417
Total capital assets	\$ 7,289,848	-	-	48,365,640	15,441,541	71,097,029

Exhibit J-5
CITY OF GLENDALE
 Schedule of Changes in Capital Assets
 Non Major Enterprise Funds
 Year Ended June 30, 2005

	Balance at July1	Additions/Reclass	Retirements/ Reclass	Total
Recreation Fund	\$ 91,274	-	(30,650)	60,624
Hazardous Disposal Fund	818,764	102,165	(40,524)	880,405
Fire Paramedic Fund	1,118,374	-	-	1,118,374
Parking Fund	48,644,710	42,926	(33,427)	48,654,209
Refuse Disposal Fund	18,874,743	1,680,085	(171,411)	20,383,417
Total capital assets	\$ 69,547,865	1,825,176	(276,012)	71,097,029

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Comprehensive Annual Financial Report

The City of Glendale, California

Internal Service Funds

June 30, 2005

INTERNAL SERVICE FUNDS

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

- Equipment Reserve Fund-To account for equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of equipment.
- Helicopter Depreciation Fund- To account for set-aside funds to perform major maintenance or replacement of the helicopters.
- Unemployment Insurance Fund-To finance and account for unemployment claims. Resources are derived from unemployment insurance charges to various City operations. Unemployment claims are reimbursed to the State Employment Department which disburses the unemployment claims.
- Tech Equipment Replacement Fund-To account for technological equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of the technological equipment.
- Application Software Replacement Fund- To account for major application software replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of the major application software.
- Police CAD RMS Replacement Fund- To account for the Police CAD RMS replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of the Police CAD RMS.
- Uninsurable Litigation Fund-To account for financing and disbursement of City self-insurance fund for uninsurable litigation activities. Charges, in lieu of insurance premiums, are made periodically to City operations to provide the self-insurance resources.
- Liability Insurance Fund-To account for financing and disbursement of City self-insurance funds for general liability claims. Charges, in lieu of insurance premiums, are made periodically to City operations to provide the self-insurance resources.
- Auto Insurance Fund-To account for financing and disbursement of City self-insurance funds for auto liability claims. Charges, in lieu of insurance premiums, are made periodically to City operations to provide the self-insurance resources.
- Compensation Insurance Fund-To finance and account for the City's workers' compensation claims. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Dental Insurance Fund-To finance and account for the City's dental insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Medical Insurance Fund-To finance and account for the City's medical insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Vision Insurance Fund-To finance and account for the City's vision insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Employee Benefits Fund-To account for the resources and the liability for employees' post employment benefit for medical insurance.

- Graphics Operation Fund-To finance and account for the City's graphic department's service usage.
- Wireless Communication Fund-To account for the operation of the citywide radio system.
- Financial System Operation Fund-To account for the support operation of the PeopleSoft financial system.

Exhibit K-1
CITY OF GLENDALE
 Combining Statement of Net Assets
 Internal Service Funds
 June 30, 2005

	Equipment Reserve Fund	Helicopter Depreciation Fund	Tech Equipment Replacement Fd	Application Software Repl Fund	Police CAD RMS Replacemnt Fund
Assets					
Current assets:					
Cash and invested cash	\$ 9,150,850	1,767,006	92,687	150,400	300,799
Cash with fiscal agent	3,750,918	-	-	-	-
Interest receivable	45,248	12,384	1,093	1,037	2,075
Accounts receivable, net	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	<u>12,947,016</u>	<u>1,779,390</u>	<u>93,780</u>	<u>151,437</u>	<u>302,874</u>
Capital assets:					
Machinery and equipment	-	-	-	-	-
Bldg & impro accm depreciation	-	-	-	-	-
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>12,947,016</u>	<u>1,779,390</u>	<u>93,780</u>	<u>151,437</u>	<u>302,874</u>
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	172,089	-	23,000	-	-
Accrued wages and withholding	-	-	-	-	-
Claims Payable	-	-	-	-	-
Compensated absences	-	-	-	-	-
Capital lease	316,836	-	-	-	-
Total current liabilities	<u>488,925</u>	<u>-</u>	<u>23,000</u>	<u>-</u>	<u>-</u>
Noncurrent liabilities:					
Claims payable	-	-	-	-	-
Compensated absenses	-	-	-	-	-
Post employment benefits	-	-	-	-	-
Capital lease	3,425,456	-	-	-	-
Total noncurrent liabilities	<u>3,425,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,914,381</u>	<u>-</u>	<u>23,000</u>	<u>-</u>	<u>-</u>
Net assets:					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	9,032,635	1,779,390	70,780	151,437	302,874
Total net assets	<u>\$ 9,032,635</u>	<u>1,779,390</u>	<u>70,780</u>	<u>151,437</u>	<u>302,874</u>

Exhibit K-1
CITY OF GLENDALE
 Combining Statement of Net Assets
 Internal Service Funds
 June 30, 2005

	Unemployment Insurance Fund	Uninsurable Litigation Fund	Liability Insurance Fund	Auto Insurance Fund	Compensation Insurance Fund
Assets					
Current assets:					
Cash and invested cash	\$ 359,505	10,759,446	2,981,398	1,618,513	9,168,680
Cash with fiscal agent	-	-	-	-	-
Interest receivable	2,605	79,403	29,459	8,769	68,642
Accounts receivable, net	-	1,266,000	-	-	29,901
Due from other agencies	-	-	-	-	551
Prepaid items	-	-	-	-	5,000
Total current assets	362,110	12,104,849	3,010,857	1,627,282	9,272,774
Capital assets:					
Machinery and equipment	-	-	-	-	327,841
Bldg & impro acm depreciation	-	-	-	-	(279,753)
Total capital assets	-	-	-	-	48,088
Total assets	362,110	12,104,849	3,010,857	1,627,282	9,320,862
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	-	270	133,624	-	63,455
Accrued wages and withholding	-	-	17,732	-	132,655
Claims Payable	-	2,500,000	3,500,000	400,000	3,500,000
Compensated absences	-	-	-	-	-
Capital lease	-	-	-	-	-
Total current liabilities	-	2,500,270	3,651,356	400,000	3,696,110
Noncurrent liabilities:					
Claims payable	-	11,113,214	10,908,829	831,142	9,614,797
Compensated absences	-	-	-	-	-
Post employment benefits	-	-	-	-	(24,474)
Capital lease	-	-	-	-	-
Total noncurrent liabilities	-	11,113,214	10,908,829	831,142	9,590,323
Total liabilities	-	13,613,484	14,560,185	1,231,142	13,286,433
Net assets:					
Investment in capital assets, net of related debt	-	-	-	-	24,533
Unrestricted	362,110	(1,508,635)	(11,549,328)	396,140	(3,990,104)
Total net assets	\$ 362,110	(1,508,635)	(11,549,328)	396,140	(3,965,571)

Exhibit K-1
CITY OF GLENDALE
 Combining Statement of Net Assets
 Internal Service Funds
 June 30, 2005

	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Graphics Operation Fund
Assets					
Current assets:					
Cash and invested cash	\$ 259,832	1,604,815	32,866	9,776,701	200,579
Cash with fiscal agent	-	-	-	-	-
Interest receivable	1,421	-	244	36,010	587
Accounts receivable, net	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Prepaid items	43,100	217,249	4,800	-	-
Total current assets	304,353	1,822,064	37,910	9,812,711	201,166
Capital assets:					
Machinery and equipment	-	-	-	-	-
Bldg & impro accm depreciation	-	-	-	-	-
Total capital assets	-	-	-	-	-
Total assets	304,353	1,822,064	37,910	9,812,711	201,166
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	81,381	534,930	8,849	-	584
Accrued wages and withholding	-	1,068	-	13,650	13,674
Claims Payable	-	100,000	-	-	-
Compensated absences	-	-	-	1,500,000	-
Capital lease	-	-	-	-	-
Total current liabilities	81,381	635,998	8,849	1,513,650	14,258
Noncurrent liabilities:					
Claims payable	24,000	424,107	4,000	-	-
Compensated absences	-	-	-	6,646,240	-
Post employment benefits	-	-	-	5,730,795	-
Capital lease	-	-	-	-	-
Total noncurrent liabilities	24,000	424,107	4,000	12,377,035	-
Total liabilities	105,381	1,060,105	12,849	13,890,685	14,258
Net assets:					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	198,972	761,959	25,061	(4,077,974)	186,908
Total net assets	\$ 198,972	761,959	25,061	(4,077,974)	186,908

Exhibit K-1
CITY OF GLENDALE
 Combining Statement of Net Assets
 Internal Service Funds
 June 30, 2005

	Wireless Communications Sys Fd	Financial System Operation Fd	Total
Assets			
Current assets:			
Cash and invested cash	\$ (119,312)	147,896	48,252,661
Cash with fiscal agent	-	-	3,750,918
Interest receivable	-	921	289,898
Accounts receivable, net	1,453	-	1,297,354
Due from other agencies	-	-	551
Prepaid items	-	-	270,149
Total current assets	<u>(117,859)</u>	<u>148,817</u>	<u>53,861,531</u>
Capital assets:			
Machinery and equipment	44,561	-	372,402
Bldg & impro acrm depreciation	(8,912)	-	(288,665)
Total capital assets	<u>35,649</u>	<u>-</u>	<u>83,737</u>
Total assets	<u>(82,210)</u>	<u>148,817</u>	<u>53,945,268</u>
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	4,096	-	1,022,278
Accrued wages and withholding	27,818	15,480	222,077
Claims Payable	-	-	10,000,000
Compensated absences	-	-	1,500,000
Capital lease	-	-	316,836
Total current liabilities	<u>31,914</u>	<u>15,480</u>	<u>13,061,191</u>
Noncurrent liabilities:			
Claims payable	-	-	32,920,089
Compensated absenses	-	-	6,646,240
Post employment benefits	-	-	5,706,321
Capital lease	-	-	3,425,456
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>48,698,106</u>
Total liabilities	<u>31,914</u>	<u>15,480</u>	<u>61,759,297</u>
Net assets:			
Investment in capital assets, net of related debt	-	-	24,533
Unrestricted	(114,124)	133,337	(7,838,562)
Total net assets	<u>\$ (114,124)</u>	<u>133,337</u>	<u>(7,814,029)</u>

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets

Internal Services

Year ended June 30, 2005

	<u>Equipment Reserve Fund</u>	<u>Helicopter Depreciation Fund</u>	<u>Tech Equipment Replacement Fd</u>	<u>Application Software Repl Fund</u>	<u>Police CAD RMS Replacemnt Fund</u>
Operating revenues	\$				
Charges for services	1,463,499	239,603	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total operating revenues	1,463,499	239,603	-	-	-
Operating Expenses					
Salaries and benefits	-	-	-	-	-
Maintenance and operations	-	31,589	605,502	-	-
Equipment purchased	1,003,143	-	-	-	-
Claims and settlements	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	1,003,143	31,589	605,502	-	-
Operating income (loss)	460,356	208,014	(605,502)	-	-
Non operating revenues (expenses):					
Interest & Inv. Revenue	284,509	20,691	2,982	3,052	6,105
Interest & Inv GASB 31	12,890	(19,281)	(1,700)	(1,615)	(3,231)
Sales of property	76,743	-	-	-	-
Designated Donation - Capital	-	-	-	-	-
Total non operating revenues, net	374,142	1,410	1,282	1,437	2,874
Income before transfers	834,498	209,424	(604,220)	1,437	2,874
Transfer in:					
Transfer-General Fund	-	-	675,000	150,000	300,000
Transfer-Special Revenue	-	-	-	-	-
Transfer-Interal Service Fund	-	1,529,966	-	-	-
	-	1,529,966	675,000	150,000	300,000
Transfer out					
Transfer-Int Service	(1,529,966)	-	-	-	-
Total transfer	(1,529,966)	1,529,966	675,000	150,000	300,000
Change in net assets	(695,468)	1,739,390	70,780	151,437	302,874
Total net asset, July 1	9,728,103	40,000	-	-	-
Total net assets, June 30	\$ 9,032,635	1,779,390	70,780	151,437	302,874

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets
Internal Services
Year ended June 30, 2005

	Unemployment Insurance Fund	Uninsurable Litigation Fund	Liability Insurance Fund	Auto Insurance Fund	Compensation Insurance Fund
Operating revenues	\$				
Charges for services	143,580	2,440,630	591,708	663,960	8,239,907
Miscellaneous revenues	-	1,266,000	16,964	-	-
Total operating revenues	143,580	3,706,630	608,672	663,960	8,239,907
Operating Expenses					
Salaries and benefits	-	-	387,848	-	1,259,719
Maintenance and operations	-	-	-	-	576,449
Equipment purchased	-	-	-	-	123,668
Claims and settlements	121,771	1,718,612	12,307,732	814,010	2,427,035
Depreciation	-	-	-	-	(116,016)
Total operating expenses	121,771	1,718,612	12,695,580	814,010	4,270,855
Operating income (loss)	21,809	1,988,018	(12,086,908)	(150,050)	3,969,052
Non operating revenues (expenses):					
Interest & Inv. Revenue	9,947	310,331	123,493	33,825	261,379
Interest & Inv GASB 31	(286)	(8,935)	6,372	(1,104)	(13,164)
Sales of property	-	-	-	-	-
Designated Donation - Capital	-	-	-	-	-
Total non operating revenues, net	9,661	301,396	129,865	32,721	248,215
Income before transfers	31,470	2,289,414	(11,957,043)	(117,329)	4,217,267
Transfer in:					
Transfer-General Fund	-	-	-	-	-
Transfer-Special Revenue	-	-	-	-	-
Transfer-Interal Service Fund	-	-	-	-	-
Transfer out					
Transfer-Int Service	-	-	-	-	-
Total transfer	-	-	-	-	-
Change in net assets	31,470	2,289,414	(11,957,043)	(117,329)	4,217,267
Total net asset, July 1	330,640	(3,798,049)	407,715	513,469	(8,182,838)
Total net assets, June 30	\$ 362,110	(1,508,635)	(11,549,328)	396,140	(3,965,571)

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets

Internal Services

Year ended June 30, 2005

	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Graphics Operation Fund
Operating revenues	\$				
Charges for services	1,104,523	7,855,729	95,574	2,003,941	540,727
Miscellaneous revenues	-	-	-	-	746
Total operating revenues	<u>1,104,523</u>	<u>7,855,729</u>	<u>95,574</u>	<u>2,003,941</u>	<u>541,473</u>
Operating Expenses					
Salaries and benefits	-	33,132	-	4,084,015	381,253
Maintenance and operations	-	-	-	43,104	173,297
Equipment purchased	-	-	-	-	-
Claims and settlements	1,054,919	8,306,952	102,943	-	-
Depreciation	-	-	-	-	-
Total operating expenses	<u>1,054,919</u>	<u>8,340,084</u>	<u>102,943</u>	<u>4,127,119</u>	<u>554,550</u>
Operating income (loss)	<u>49,604</u>	<u>(484,355)</u>	<u>(7,369)</u>	<u>(2,123,178)</u>	<u>(13,077)</u>
Non operating revenues (expenses):					
Interest & Inv. Revenue	6,190	13,915	1,035	173,202	902
Interest & Inv GASB 31	(754)	7,828	(89)	(1,684)	(917)
Sales of property	-	-	-	-	-
Designated Donation - Capital	-	-	-	-	-
Total non operating revenues, net	<u>5,436</u>	<u>21,743</u>	<u>946</u>	<u>171,518</u>	<u>(15)</u>
Income before transfers	<u>55,040</u>	<u>(462,612)</u>	<u>(6,423)</u>	<u>(1,951,660)</u>	<u>(13,092)</u>
Transfer in:					
Transfer-General Fund	-	-	-	5,880,146	200,000
Transfer-Special Revenue	-	-	-	230,597	-
Transfer-Internal Service Fund	-	-	-	-	-
	-	-	-	6,110,743	200,000
Transfer out					
Transfer-Int Service	-	-	-	-	-
Total transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,110,743</u>	<u>200,000</u>
Change in net assets	55,040	(462,612)	(6,423)	4,159,083	186,908
Total net asset, July 1	<u>143,932</u>	<u>1,224,571</u>	<u>31,484</u>	<u>(8,237,057)</u>	<u>-</u>
Total net assets, June 30	<u>\$ 198,972</u>	<u>761,959</u>	<u>25,061</u>	<u>(4,077,974)</u>	<u>186,908</u>

Exhibit K-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Assets
Internal Services
Year ended June 30, 2005

	Wireless Communications Sys Fd	Financial System Operation Fd	Total
Operating revenues			\$
Charges for services	4,703	-	25,388,084
Miscellaneous revenues	-	-	1,283,710
Total operating revenues	4,703	-	26,671,794
Operating Expenses			
Salaries and benefits	636,813	460,287	7,243,067
Maintenance and operations	447,978	7,768	1,885,687
Equipment purchased	-	-	1,126,811
Claims and settlements	-	-	26,853,974
Depreciation	8,912	-	(107,104)
Total operating expenses	1,093,703	468,055	37,002,435
Operating income (loss)	(1,089,000)	(468,055)	(10,330,641)
Non operating revenues (expenses):			
Interest & Inv. Revenue	2,787	2,826	1,257,171
Interest & Inv GASB 31	-	(1,434)	(27,104)
Sales of property	18,000	-	94,743
Designated Donation - Capital	44,561	-	44,561
Total non operating revenues, net	65,348	1,392	1,369,371
Income before transfers	(1,023,652)	(466,663)	(8,961,270)
Transfer in:			
Transfer-General Fund	909,528	600,000	8,714,674
Transfer-Special Revenue	-	-	230,597
Transfer-Internal Service Fund	-	-	1,529,966
	909,528	600,000	10,475,237
Transfer out			
Transfer-Int Service	-	-	(1,529,966)
Total transfer	909,528	600,000	8,945,271
Change in net assets	(114,124)	133,337	(15,999)
Total net asset, July 1	-	-	(7,798,030)
Total net assets, June 30	(114,124)	133,337	(7,814,029)

Exhibit K-3
CITY OF GLENDALE
 Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended June 30, 2005

	Equipment Reserve Fund	Helicopter Depreciation Fund	Tech Equipment Replacement Fd	Application Software Repl Fund
Cash flows from operating activities:				
Cash from customers	\$ 1,463,499	239,603	-	-
Cash paid to employees	-	-	-	-
Cash paid to suppliers	(859,699)	(31,589)	(582,503)	-
Net Cash provided (used) by operating activities	603,800	208,014	(582,503)	-
Cash flows from noncapital financing activities:				
Operating transfers out				
Transfer-Int Service	(1,529,966)	-	-	-
Operating transfers in				
Transfer-General Fund	-	-	675,000	150,000
Transfer-Special Revenue	-	-	-	-
Transfer-Internal Service Fund	-	1,529,966	-	-
Net Cash provided (used) by noncapital financing activities	(1,529,966)	1,529,966	675,000	150,000
Cash flows from capital and related financing activities:				
Capital Lease	3,742,292	-	-	-
Contribution in aid	-	-	-	-
Acquisition of property, plant, and equipment	-	-	-	-
Net cash provided (used in) capital and related financing activities	3,742,292	-	-	-
Cash provided by investing activities - interest received	379,269	(10,974)	190	400
Net increase (decrease) in cash and cash equivalents	3,195,395	1,727,006	92,687	150,400
Cash and cash equivalents at July 1	9,706,373	40,000	-	-
Cash and cash equivalents at June 30	12,901,768	1,767,006	92,687	150,400
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	460,356	208,014	(605,502)	-
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase)Decrease Accounts receivable net	-	-	-	-
Increase(Decrease) Accrued salaries and withholding	-	-	-	-
Increase(Decrease) Compensated absences	-	-	-	-
Increase(Decrease) Post Employment benefit	-	-	-	-
Increase(Decrease) Accounts payable	143,444	-	22,999	-
Increase(Decrease) Claims payable	-	-	-	-
Total adjustments	143,444	-	22,999	-
Net cash provided (used) by operating activities	\$ 603,800	208,014	(582,503)	-
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government				
Increase in fair value of investments	(70,449)	(19,281)	(1,700)	(1,615)

Exhibit K-3
CITY OF GLENDALE
 Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended June 30, 2005

	Police CAD RMS Replacement Fund	Unemployment Insurance Fund	Uninsurable Litigation Fund	Liability Insurance Fund
Cash flows from operating activities:				
Cash from customers	-	143,580	2,440,630	608,672
Cash paid to employees	-	-	-	(387,127)
Cash paid to suppliers	-	(121,771)	(3,222,234)	(2,099,267)
Net Cash provided (used) by operating activities	-	21,809	(781,604)	(1,877,722)
Cash flows from noncapital financing activities:				
Operating transfers out				
Transfer-Int Service	-	-	-	-
Operating transfers in				
Transfer-General Fund	300,000	-	-	-
Transfer-Special Revenue	-	-	-	-
Transfer-Internal Service Fund	-	-	-	-
Net Cash provided (used) by noncapital financing activities	300,000	-	-	-
Cash flows from capital and related financing activities:				
Capital Lease	-	-	-	-
Contribution in aid	-	-	-	-
Acquisition of property, plant, and equipment	-	-	-	-
Net cash provided (used in) capital and related financing activities	-	-	-	-
Cash provided by investing activities - interest received	799	9,335	291,317	131,980
Net increase (decrease) in cash and cash equivalents	300,799	31,144	(490,287)	(1,745,742)
Cash and cash equivalents at July 1	-	328,361	11,249,733	4,727,140
Cash and cash equivalents at June 30	300,799	359,505	10,759,446	2,981,398
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	-	21,809	1,988,018	(12,086,908)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase)Decrease Accounts receivable net	-	-	(1,266,000)	-
Increase(Decrease) Accrued salaries and withholding	-	-	-	7,440
Increase(Decrease) Compensated absences	-	-	-	(6,719)
Increase(Decrease) Post Employment benefit	-	-	-	-
Increase(Decrease) Accounts payable	-	-	-	39,266
Increase(Decrease) Claims payable	-	-	(1,503,622)	10,169,199
Total adjustments	-	-	(2,769,622)	10,209,186
Net cash provided (used) by operating activities	-	21,809	(781,604)	(1,877,722)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government				
Increase in fair value of investments	(3,231)	(4,056)	(123,626)	(45,865)

Exhibit K.3
CITY OF GLENDALE
 Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended June 30, 2005

	Auto Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund	Medical Insurance Fund
Cash flows from operating activities:				
Cash from customers	663,960	8,268,645	1,104,523	7,855,729
Cash paid to employees	-	(1,308,332)	-	(34,752)
Cash paid to suppliers	(153,706)	(7,032,817)	(1,047,362)	(8,000,742)
Net Cash provided (used) by operating activities	510,254	(72,504)	57,161	(179,765)
Cash flows from noncapital financing activities:				
Operating transfers out				
Transfer-Int Service	-	-	-	-
Operating transfers in				
Transfer-General Fund	-	-	-	-
Transfer-Special Revenue	-	-	-	-
Transfer-Internal Service Fund	-	-	-	-
Net Cash provided (used) by noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Capital Lease	-	-	-	-
Contribution in aid	-	-	-	-
Acquisition of property, plant, and equipment	-	92,460	-	-
Net cash provided (used in) capital and related financing activities	-	92,460	-	-
Cash provided by investing activities - interest received	31,540	236,215	4,896	26,475
Net increase (decrease) in cash and cash equivalents	541,794	256,171	62,057	(153,290)
Cash and cash equivalents at July 1	1,076,719	8,912,509	197,775	1,758,105
Cash and cash equivalents at June 30	1,618,513	9,168,680	259,832	1,604,815
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	(150,050)	3,969,052	49,604	(484,355)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	(116,016)	-	-
(Increase)Decrease Accounts receivable net	-	28,739	-	-
Increase(Decrease) Accrued salaries and withholding	-	42,702	-	(254)
Increase(Decrease) Compensated absences	-	(91,316)	-	(1,366)
Increase(Decrease) Post Employment benefit	-	-	-	-
Increase(Decrease) Accounts payable	-	31,458	7,557	306,210
Increase(Decrease) Claims payable	660,304	(3,937,123)	-	-
Total adjustments	660,304	(4,041,556)	7,557	304,590
Net cash provided (used) by operating activities	510,254	(72,504)	57,161	(179,765)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government				
Increase in fair value of investments	(13,655)	(106,870)	(2,214)	-

Exhibit K-3
CITY OF GLENDALE
 Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended June 30, 2005

	Vision Insurance Fund	Employee Benefits Fund	Graphics Operation Fund	Wireless Communications Sys Fd
Cash flows from operating activities:				
Cash from customers	95,574	2,003,941	541,472	3,250
Cash paid to employees	-	(2,442,685)	(367,579)	(608,995)
Cash paid to suppliers	(94,094)	(43,104)	(172,712)	(443,882)
Net Cash provided (used) by operating activities	1,480	(481,848)	1,181	(1,049,627)
Cash flows from noncapital financing activities:				
Operating transfers out				
Transfer-Int Service	-	-	-	-
Operating transfers in				
Transfer-General Fund	-	5,880,146	200,000	909,528
Transfer-Special Revenue	-	230,597	-	-
Transfer-Internal Service Fund	-	-	-	-
Net Cash provided (used) by noncapital financing activities	-	6,110,743	200,000	909,528
Cash flows from capital and related financing activities:				
Capital Lease	-	-	-	-
Contribution in aid	-	-	-	44,561
Acquisition of property, plant, and equipment	-	-	-	(44,561)
Net cash provided (used in) capital and related financing activities	-	-	-	-
Cash provided by investing activities - interest received	878	168,377	(602)	20,787
Net increase (decrease) in cash and cash equivalents	2,358	5,797,272	200,579	(119,312)
Cash and cash equivalents at July 1	30,508	3,979,429	-	-
Cash and cash equivalents at June 30	32,866	9,776,701	200,579	(119,312)
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	(7,369)	(2,123,178)	(13,077)	(1,089,000)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	8,912
(Increase)Decrease Accounts receivable net	-	-	-	(1,453)
Increase(Decrease) Accrued salaries and withholding	-	13,650	13,674	27,818
Increase(Decrease) Compensated absences	-	958,279	-	-
Increase(Decrease) Post Employment benefit	-	669,401	-	-
Increase(Decrease) Accounts payable	8,849	-	584	4,096
Increase(Decrease) Claims payable	-	-	-	-
Total adjustments	8,849	1,641,330	14,258	39,373
Net cash provided (used) by operating activities	1,480	(481,848)	1,181	(1,049,627)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government				
Increase in fair value of investments	(379)	(56,064)	(916)	-

Exhibit K-3
CITY OF GLENDALE
 Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended June 30, 2005

	Financial System Operation Fd	Total
Cash flows from operating activities:		
Cash from customers	-	25,433,078
Cash paid to employees	(444,807)	(5,594,277)
Cash paid to suppliers	(7,768)	(23,913,250)
	<u>(452,575)</u>	<u>(4,074,449)</u>
Net Cash provided (used) by operating activities		
Cash flows from noncapital financing activities:		
Operating transfers out		
Transfer-Int Service	-	(1,529,966)
Operating transfers in		
Transfer-General Fund	600,000	8,714,674
Transfer-Special Revenue	-	230,597
Transfer-Internal Service Fund	-	1,529,966
	<u>600,000</u>	<u>8,945,271</u>
Net Cash provided (used) by noncapital financing activities		
Cash flows from capital and related financing activities:		
Capital Lease	-	3,742,292
Contribution in aid	-	44,561
Acquisition of property, plant, and equipment	-	47,899
Net cash provided (used in) capital and related financing activities	<u>-</u>	<u>3,834,752</u>
Cash provided by investing activities - interest received	<u>471</u>	<u>1,291,353</u>
Net increase (decrease) in cash and cash equivalents	<u>147,896</u>	<u>9,996,927</u>
Cash and cash equivalents at July 1	<u>-</u>	<u>42,006,652</u>
Cash and cash equivalents at June 30	<u>147,896</u>	<u>52,003,579</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	(468,055)	(10,330,641)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	-	(107,104)
(Increase)Decrease Accounts receivable net	-	(1,238,715)
Increase(Decrease) Accrued salaries and withholding	15,480	120,510
Increase(Decrease) Compensated absences	-	858,878
Increase(Decrease) Post Employment benefit	-	669,401
Increase(Decrease) Accounts payable	-	564,464
Increase(Decrease) Claims payable	-	5,388,758
	<u>15,480</u>	<u>6,256,192</u>
Total adjustments		
Net cash provided (used) by operating activities	<u>(452,575)</u>	<u>(4,074,449)</u>
Noncash investing, capital, and financing activities:		
Contributions of capital assets from government		
Increase in fair value of investments	(1,434)	(451,355)

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Exhibit L-1
CITY OF GLENDALE
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2005

	Land	Construction in Progress	Infrastructure	Buildings	Equipment	Total
General government						
City Council	-	148,234	-	-	1,713,012	1,861,246
City Clerk	-	9,693	-	-	-	9,693
City Treasurer	-	-	-	-	6,245	6,245
City Manager	-	-	-	-	480,519	480,519
Legal	-	-	-	10,000	57,327	67,327
Finance	-	-	-	-	6,130,204	6,130,204
Graphics	-	-	-	-	333,053	333,053
Information Technology	-	1,068,795	-	325,000	25,441,845	26,835,640
Planning	-	-	-	-	39,097	39,097
Personnel	-	-	-	-	233,418	233,418
Total	-	1,226,722	-	335,000	34,434,720	35,996,442
Public Safety						
Police	5,226,855	63,723,589	-	4,105,320	6,701,966	79,757,730
Police Helicopter	-	-	-	675,915	2,557,716	3,233,631
Civic Center Garage	-	-	-	6,861	499,160	506,021
Fire	5,924,956	384,693	-	17,601,633	14,001,386	37,912,668
Fire Communications	-	-	-	12,507	3,728,281	3,740,788
Emergency Services	-	-	-	-	140,007	140,007
Total	11,151,811	64,108,282	-	22,402,236	27,628,516	125,290,845
Public Works						
Public works	4,217,930	22,722,141	876,679	808,464	1,287,612	29,912,826
Engineering	-	-	-	-	261,168	261,168
Permit services/building inspection	-	362,137	-	-	535,461	897,598
Corporation yard	306,974	65,351	-	1,778,315	34,682	2,185,322
Building services	5,359,255	1,176,598	57,039	42,751,633	1,227,834	50,572,359
Streets	269,148,435	5,561,713	188,617,657	-	3,688,636	467,016,441
Mechanical maintenance	-	-	-	-	582,014	582,014
Traffic safety control	-	1,905,583	12,822,857	-	167,433	14,895,873
Transit administration	15,440,916	-	-	2,204,913	7,777,439	25,423,268
Air quality improvement	-	596,149	-	-	9	596,158
Total	294,473,510	32,389,672	202,374,232	47,543,325	15,562,288	592,343,027
Housing, health, and community development						
Housing administration	3,604,315	-	-	-	324,501	3,928,816
Community dev admin	424,866	23,450,087	326,000	1,084,955	271,282	25,557,190
Neighborhood services	-	-	-	-	196,498	196,498
Glendale redevelopment agency	1,918,312	2,707,278	-	8,639,953	582,803	13,848,346
Total	5,947,493	26,157,365	326,000	9,724,908	1,375,084	43,530,850
Parks, recreation and community services						
services	28,432,650	13,881,984	-	46,420,329	2,372,879	91,107,842
Library	447,945	1,264,232	-	8,958,487	1,831,449	12,502,113
Total capital assets	340,453,409	139,028,257	202,700,232	135,384,285	83,204,936	900,771,119
Accumulated depreciation			(85,214,717)	(49,041,396)	(42,355,929)	(176,612,042)
Net capital assets	340,453,409	139,028,257	117,485,515	86,342,889	40,849,007	724,159,077

This schedule presents only the capital asset balances related to the government funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Exhibit L-2

CITY OF GLENDALE

Capital Assets used in the Operation of Governmental Funds
 Schedule by Function and Activity
 Year Ended June 30, 2005

	Balance at July 1	Additions	Retirements	Reclass	Total
General government:					
City council	\$ 1,762,486	36,378	(3,271)	65,653	1,861,246
City clerk	50,375	9,693	-	(50,375)	9,693
City treasurer	-	-	-	6,245	6,245
City manager	449,424	-	-	31,095	480,519
Legal	10,000	-	-	57,327	67,327
Finance	5,143,764	690,154	-	296,286	6,130,204
Graphics	244,585	-	-	88,468	333,053
Information services	21,211,958	2,945,987	(44,561)	2,722,256	26,835,640
Planning	-	-	-	39,097	39,097
Personnel	209,303	-	-	24,115	233,418
Total	29,081,895	3,682,212	(47,832)	3,280,167	35,996,442
Public safety:					
Police	64,296,286	7,532,784	(265,706)	8,194,366	79,757,730
Police helicopter	3,233,631	-	-	-	3,233,631
Civic center garage	509,868	-	(11,841)	7,994	506,021
Fire	32,582,076	5,520,918	(258,573)	68,247	37,912,668
Fire communications	3,021,559	643,549	-	75,680	3,740,788
Emergency services	93,945	-	-	46,062	140,007
Total	103,737,365	13,697,251	(536,120)	8,392,349	125,290,845
Public works:					
Public works	4,732,638	16,170,394	(4,163)	9,013,957	29,912,826
Engineering	86,925	-	(8,815)	183,058	261,168
Permit services	695,522	-	-	202,076	897,598
Corporation yard	2,184,231	-	-	1,091	2,185,322
Building services	48,380,293	31,997	-	2,160,069	50,572,359
Street	479,335,286	154,617	(889,730)	(11,583,732)	467,016,441
Mechanical maintenance	555,231	52,071	(18,402)	(6,886)	582,014
Traffic engineering	2,219,305	-	-	(2,219,305)	-
Traffic safety controls	15,946,449	49,958	(142,432)	(958,102)	14,895,873
Transit Administration	25,458,123	30,953	-	(65,808)	25,423,268
Air quality improvement	532,647	-	(507,809)	571,320	596,158
Total	580,126,650	16,489,990	(1,571,351)	(2,702,262)	592,343,027
Housing, health and community development:					
Housing administration	1,154,315	2,457,476	-	317,025	3,928,816
Community dev admin	26,599,916	947,757	-	(1,990,483)	25,557,190
Neighborhood services	100,100	-	-	96,398	196,498
Glendale redevelopment agency	12,810,837	1,018,626	-	18,883	13,848,346
Total	40,665,168	4,423,859	-	(1,558,177)	43,530,850
Parks, recreation and community services:					
Parks administration	87,739,963	3,744,318	(47,852)	(328,587)	91,107,842
Total	87,739,963	3,744,318	(47,852)	(328,587)	91,107,842
Library	11,444,571	670,410	(24,529)	411,661	12,502,113
Total capital assets	\$ 852,795,612	42,708,040	(2,227,684)	7,495,151	900,771,119

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.

Comprehensive Annual Financial Report

The City of Glendale, California

Statistical Section

(Not Covered by Independent Auditor's Report)

June 30, 2005

Table 1
CITY OF GLENDALE
 Government-wide Expenses by Function
 (In thousands)

Governmental activities:

<u>Fiscal year</u>	<u>General government</u>	<u>Public safety</u>	<u>Public works</u>	<u>Housing health and community development</u>	<u>Employment programs</u>	<u>Public service</u>	<u>Parks, recreation and community services</u>	<u>Library</u>	<u>Interest</u>	<u>Total</u>
2001-2002	\$ 17,312	73,554	33,003	29,566	5,479	3,357	9,516	6,968	4,753	183,508
2002-2003	20,471	67,710	37,846	29,671	5,473	5,216	24,429	6,960	1,754	199,530
2003-2004	11,121	50,085	46,435	49,923	4,824	5,693	25,219	1,544	6,728	201,572
2004-2005	<u>17,536</u>	<u>83,074</u>	<u>39,261</u>	<u>39,683</u>	<u>5,136</u>	<u>5,024</u>	<u>10,066</u>	<u>7,003</u>	<u>7,284</u>	<u>214,067</u>

Business type activities:

	<u>Recreation</u>	<u>Hazardous disposal</u>	<u>Fire paramedic</u>	<u>Parking</u>	<u>Sewer</u>	<u>Refuse disposal</u>	<u>Electric</u>	<u>Water</u>	<u>Total</u>
2001-2002	\$ 1,946	1,430	3,719	5,502	6,480	11,976	168,389	23,816	223,258
2002-2003	2,013	1,706	6,577	7,236	3,588	13,024	141,799	23,623	199,566
2003-2004	2,268	1,715	7,456	5,704	9,790	14,639	141,989	25,606	209,167
2004-2005	<u>2,078</u>	<u>1,350</u>	<u>8,150</u>	<u>5,914</u>	<u>8,112</u>	<u>14,636</u>	<u>147,377</u>	<u>25,608</u>	<u>213,225</u>

Note: The new schedule recommended as part of the implementation of GASB 34.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 2
CITY OF GLENDALE
 Government-wide Revenues
 Last Ten Fiscal Years
 (In thousands)

Fiscal year	Program Revenues			General Revenues				Total
	Charges for services	Operating grants and contributions	Capital grants and contributions	Taxes	Grants and contributions not restricted to specific programs	Unrestricted investment earnings	Other	
2001-2002	\$ 280,211	33,925	37,382	88,720	—	31,611	29,979	501,828
2002-2003	281,027	45,912	15,238	99,901	—	25,290	30,978	498,346
2003-2004	253,642	36,716	12,848	102,406	—	5,392	20,143	431,147
2004-2005	<u>252,274</u>	<u>34,514</u>	<u>8,236</u>	<u>120,400</u>	<u>—</u>	<u>17,308</u>	<u>18,925</u>	<u>451,657</u>

Note: The new schedule recommended as part of the implementation of GASB 34.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 3
CITY OF GLENDALE
 Governmental Expenditures and Transfers by Function
 Last Ten Fiscal Years
 (In thousands)

<u>Fiscal year</u>		<u>General government</u>	<u>Community promotion</u>	<u>Public safety</u>	<u>Public works</u>	<u>Parks, recreation and community services</u>	<u>Library</u>	<u>Housing, health and community development</u>	<u>Electric public benefit</u>	<u>Bond principal and interest</u>	⁽³⁾ <u>Bond repayment & issuance cost</u>	⁽²⁾ <u>Transfers to other funds</u>	<u>Total</u>
1995-1996	(1)	14,151	291	46,907	27,393	11,071	5,192	24,501	—	6,845	—	—	136,351
1996-1997	(1)	13,952	199	51,776	23,251	8,305	5,447	25,034	—	6,837	—	—	134,801
1997-1998	(1)	14,417	188	51,212	31,607	13,465	5,308	24,805	—	6,830	—	8,239	156,071
1998-1999	(1)	13,233	196	56,407	35,225	12,292	5,563	25,322	129	6,828	—	5,653	160,848
1999-2000	(1)	13,496	462	55,784	34,822	8,477	5,916	21,219	926	6,824	—	7,703	155,629
2000-2001	(1)	17,207	40	76,731	31,015	8,022	6,090	39,449	2,179	6,846	—	5,073	192,652
2001-2002	(1)	18,681	62	78,024	44,083	10,033	6,708	42,734	3,357	7,882	—	4,814	216,378
2002-2003	(1)	21,793	63	78,000	33,020	26,286	6,806	54,518	5,127	10,989	—	25,644	262,246
2003-2004	(1)	26,055	56	69,459	31,576	20,879	6,614	53,165	5,474	9,878	64,230	40,404	327,790
2004-2005	(1)	<u>20,493</u>	<u>116</u>	<u>95,908</u>	<u>38,912</u>	<u>13,480</u>	<u>7,434</u>	<u>47,709</u>	<u>4,859</u>	<u>12,189</u>	<u>—</u>	<u>13,242</u>	<u>254,342</u>

Note: (1) Expenditures are allocated by function.
 (2) Net of inter-governmental fund transfers.
 (3) Includes bond repayment for 1993 tax allocation bonds and cost of issuance for 2003 tax allocation bonds.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 4
CITY OF GLENDALE
 General Governmental Revenues and Transfers by Source
 Last Ten Fiscal Years
 (In thousands)

Fiscal year	Property taxes	Other taxes	Licenses	Fines	Use of	Revenue from	Charges	Miscellaneous revenue	Intergovernmental		Bond proceeds	(4)	Total
			and permits	and forfeitures	money and property	other agencies	for services		fund revenue	Interfund revenue		Transfers from other funds	
1995-1996	23,260	39,320	2,042	757	11,023	29,748	5,933	1,374	—	4,189	—	16,328	133,974
1996-1997	22,611	40,875	2,557	807	10,658	30,565	6,526	2,596	—	4,420	—	18,098	139,713
1997-1998	24,464	45,038	3,225	1,079	12,768	32,457	7,595	9,452 (5)	—	4,547	—	21,984	162,609
1998-1999	27,419	49,923	3,635	2,244	12,754	34,517	7,772	1,163	—	5,152	—	20,987	165,566
1999-2000	31,182	52,674	3,330	1,926	12,425	44,077	7,449	3,972	—	4,785	—	21,661	183,481
2000-2001 (6)	32,568	58,950	3,035	1,907	22,336	53,812	9,078	61,256	—	5,260	5,000	21,356	274,558
2001-2002 (6)	32,515	57,389	3,045	1,571	19,792	65,308	10,956	8,671	—	5,917	—	19,772	224,936
2002-2003 (6)	39,181	62,096	3,925	2,257	16,363	60,289	11,522	3,324	—	7,641	52,522	46,814	305,934
2003-2004 (6)	39,491	64,277	4,698	1,032	5,259	54,001	12,005	4,728	1,000	8,446	61,495	55,861	312,293
2004-2005 (6)	<u>55,716</u>	<u>66,178</u>	<u>5,303</u>	<u>1,822</u>	<u>10,821</u>	<u>45,579</u>	<u>12,036</u>	<u>4,689</u>	<u>1,250</u>	<u>7,491</u>	<u>—</u>	<u>31,424</u>	<u>242,309</u>

- Note:
- (1) Includes net proceeds from the 1993 Tax Allocation Bonds
 - (2) Moved parking fine revenue to the Parking Fund.
 - (3) Includes one time revenue of Landfill Gas Royalty (\$1.1 million) and revenue resulted from elimination of Brand Landfill liability (\$1.3 million) to miscellaneous revenue
 - (4) Excludes inter-governmental transfers.
 - (5) Includes the Red Lion parking structure land note recorded in loans receivable.
 - (6) Includes revenue accruals per GASB 33 Statement
 - (7) Includes bond proceeds from 2003 tax allocation bonds.

Source: City of Glendale, Finance Division.
 Not covered by independent auditors' report

Table 5

CITY OF GLENDALE

Excess (Deficiency) of Governmental Revenues over Governmental Expenditures

Last Ten Fiscal Years

(In thousands)

Fiscal year	Total revenues and transfers	Total expenditures and transfers	Total	Excess of revenues over (under) expenditures	
				City	Agency
1995-1996	133,974	136,351	(2,377)	(241)	(2,136)
1996-1997	139,713	134,801	4,912	8,987	(4,075)
1997-1998	162,609	156,071	6,538	1,437	5,101
1998-1999	165,566	160,848	4,718	2,579	2,139
1999-2000	183,481	155,629	27,852	22,033	5,819
2000-2001	274,558 (1)	192,652	81,906	74,866	7,040
2001-2002	224,936	216,378	8,558	2,092	6,466
2002-2003	305,929 (2)	262,246	43,683	(12,467)	56,150
2003-2004	312,293 (3)	327,790 (4)	(15,497)	(6,183)	(9,314)
2004-2005	<u>242,309</u>	<u>254,342</u>	<u>(12,033)</u>	<u>(16,901)</u>	<u>4,868</u>

Note:

(1) Includes \$64.2 million Police COP debt issuance

(2) Includes \$50.0 million GRA 2002 tax allocation bond

(3) Includes \$58.9 million GRA 2003 tax allocation bonds

(4) Includes \$62.1 million payments to refund 2002 tax allocation bonds

Source: City of Glendale, Finance Division

Not covered by independent auditors' report

Table 6
CITY OF GLENDALE
 Local Tax Revenue by Source
 Last Ten Fiscal Years
 (In thousands)

<u>Fiscal year</u>	<u>Property taxes</u>	<u>Utility users' tax</u>	<u>Sales tax</u>	<u>Franchise tax</u>	<u>Occupancy tax</u>	<u>Scholl assessment tax</u>	<u>Public benefit tax</u>	<u>Property tax penalty</u>	<u>Real property transfer tax</u>	<u>Total</u>
1995-1996	23,260	14,447	20,856	1,041	1,357	1,236	—	—	384	62,581
1996-1997	22,610	15,334	21,063	1,165	1,518	1,355	—	—	440	63,485
1997-1998	24,464	15,931	22,730	1,376	1,634	1,541	1,398	—	428	69,502
1998-1999	27,419	16,487	24,965	1,512	1,711	1,472	3,219	—	696	77,481
1999-2000	31,182	16,731	27,282	1,533	1,838	1,361	3,294	118	517	83,856
2000-2001	32,568	19,224	29,328	2,233	2,240	1,783	3,319	95	728	91,518
2001-2002	32,515	18,700	28,732	1,885	2,329	1,814	3,168	53	709	89,905
2002-2003	39,063	19,488	31,693	2,596	1,999	2,401	3,119	117	804	101,280
2003-2004	39,352	22,666	29,691	2,905	2,020	2,650	3,276	139	1,070	103,769
2004-2005	<u>55,716</u>	<u>23,772</u>	<u>22,351</u>	<u>2,537</u>	<u>2,213</u>	<u>2,602</u>	<u>3,257</u>	<u>106</u>	<u>1,148</u>	<u>113,702</u>

Note: Excludes Fiduciary and Propriety Fund Types.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 7

CITY OF GLENDALE

Property Tax, Levies and Collections

Last Ten Fiscal Years

(In thousands)

Fiscal year	Tax Levy		Total	Tax Collection (2)		Total
	City (1)	Agency		City	Agency	
1995-1996	12,228	13,533	25,761	11,549	11,711	23,260
1996-1997	12,377	12,429	24,806	11,721	10,889	22,610
1997-1998	13,106	13,149	26,255	12,659	11,805	24,464
1998-1999	12,748	15,517	28,265	12,266	15,153	27,419
1999-2000	13,210	17,005	30,215	12,857	18,424	31,281
2000-2001	13,982	18,972	32,954	15,235	18,156	33,391
2001-2002	15,106	20,012	35,118	14,510	18,005	32,515
2002-2003	15,847	21,931	37,778	16,966	22,215 (4)	39,181
2003-2004	17,032	23,474	40,506	17,495	21,996	39,491
2004-2005	<u>17,640</u>	<u>28,489</u>	<u>46,129</u>	<u>27,975</u>	<u>27,740</u>	<u>55,715</u>

Notes:

- (1) Due to the passage of the Jarvis Initiative (Proposition 13), the City of Glendale levies no tax but receives a portion of the County's 1% rate apportioned on a complex formula, according to state law.
- (2) Includes state subventions.
- (3) The 1992 State of California Budget Act requires all redevelopment agencies to shift property tax revenue to the county Educational Revenue Augmentation Fund (ERAF).
As a result, the Agency's property tax increment was reduced by \$1,515,303 in 1992-1993; \$544,638.00 in 1993-1994; \$544,638.00 in 1994-1995.
- (4) Reflects accounting change of recording the property taxes at gross to properly expense, County Administration Fees, ERAF and Pass Through agreements and Los Angeles County as well as GUSD.

Not covered by independent auditors' report

Table 8
CITY OF GLENDALE
 Market Values of Taxable Property
 Last Ten Fiscal Years
 (In thousands)

<u>Fiscal year</u>	<u>City</u>		<u>Redevelopment Agency</u>		<u>Total</u>	<u>Percent of Increase</u>
	<u>Secured property</u>	<u>Unsecured property</u>	<u>Secured Property</u>	<u>Unsecured Property</u>		
1995-1996	9,377,271	377,890	1,180,345	103,491	11,038,997	(3%)
1996-1997	9,324,112	361,277	1,189,849	95,446	10,970,684	(1%)
1997-1998	9,350,364	363,767	1,169,324	82,212	10,965,667	0%
1998-1999	9,558,325	405,371	1,319,401	137,529	11,420,626	4%
1999-2000	10,095,444	415,480	1,480,680	168,129	12,159,733	6%
2000-2001	10,676,284	388,356	1,625,165	179,844	12,869,649	6%
2001-2002	11,432,777	414,779	1,735,541	202,791	13,785,888	7%
2002-2003	11,994,451	408,489	1,771,846	224,317	14,399,103	4%
2003-2004	12,964,719	412,178	1,949,811	216,378	15,543,086	8%
2004-2005	<u>14,021,830</u>	<u>407,503</u>	<u>1,965,221</u>	<u>179,312</u>	<u>16,573,866</u>	7%

Source: County of Los Angeles, Auditor-Controller.

Not covered by independent auditors' report

Table 9

CITY OF GLENDALE

Property Tax Rates - All Overlapping Governments

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>County</u>	<u>School districts</u>	<u>Miscellaneous special districts</u>	<u>Total</u>
1995-1996	1.00	—	0.02	1.02
1996-1997	1.00	—	0.02	1.02
1997-1998	1.00	0.04	0.02	1.06
1998-1999	1.00	0.06	0.02	1.08
1999-2000	1.00	0.06	0.02	1.08
2000-2001	1.00	0.06	0.02	1.08
2001-2002	1.00	0.06	0.02	1.08
2002-2003	1.00	0.06	0.02	1.08
2003-2004	1.00	0.08	0.01	1.09
2004-2005	<u>1.00</u>	<u>0.08</u>	<u>0.01</u>	<u>1.09</u>

Note:

Due to the passage of the Jarvis Initiative (Proposition 13), the City of Glendale levies no tax but receives a portion of the County's 1% rate apportioned on a complex formula, according to state law. The Jarvis Initiative (Proposition 13) allows jurisdictions to impose tax rates over the \$1 base rate sufficient to amortize voter-approved bonded debt.

Source: Taxpayer's Guide.

Not covered by independent auditors' report

Table 10
CITY OF GLENDALE
 Ratio of Debt to Assessed Value and Debt per Capita
 Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Population(1)*</u>	<u>Total assessed value*</u>	<u>Long term debt(1)*</u>	<u>Percent of debt to assessed value</u>	<u>Long term debt per capita</u>
1995-1996	193	11,038,997	79,535	0.72%	412
1996-1997	196	10,970,684	77,120	0.70%	393
1997-1998	198	10,965,667	74,565	0.68%	377
1998-1999	199	11,420,626	71,855	0.63%	361
1999-2000	199	12,159,733	68,980	0.57%	347
2000-2001	199	12,869,649	130,130	1.01%	654
2001-2002	200	13,785,888	126,915	0.92%	635
2002-2003	203	14,399,104	170,430	1.18%	840
2003-2004	205	15,543,086	163,816	1.05%	799
2004-2005	<u>207</u>	<u>16,573,866</u>	<u>158,951</u>	<u>0.96%</u>	<u>768</u>

Notes: (1) * Amounts expressed in thousands.

Source: County of Los Angeles, Auditor-Controller.

Not covered by independent auditors' report

Table 11
CITY OF GLENDALE
 Schedule of Overlapping Debt
 June 30, 2005

	<u>Gross debt</u>	<u>Percent applicable to Glendale</u>	<u>Amount applicable to Glendale</u>
LA Co Detention Facilities 1987 Deb Svc	\$ 16,205,000	2.142%	347,128
LA Co Fld Ctrl Storm Dr Bonds No 4 DS	1,990,000	2.172%	43,229
LA Co Fld Ctrl Ref Bonds 1993 Debt Svc	275,000	2.172%	5,974
*MWD City of Glendale Area 1103 DS	419,390,000	2.336%	9,795,170
*Foothill MWD 1113 DS	419,390,000	0.022%	93,986
Glendale Comm Coll Dis 2002 Ser A DS	23,750,000	87.850%	20,864,317
Glendale Comm Coll Dis 2002 Ser B DS	5,000,000	87.850%	4,392,488
Glendale Comm Coll Dis 2002 Ser C DS	12,499,930	87.850%	10,981,158
Pasadena Comm Coll DS 2002 Series A	28,840,000	0.190%	54,724
Glendale Unified SD 1997 Series A DS	17,040,000	87.850%	14,969,599
Glendale Unified SD 1997 Series B DS	19,580,000	87.850%	17,200,982
Glendale Unified SD 1997 Series C DS	24,780,000	87.850%	21,769,170
Glendale Unified SD 1997 Series D DS	36,905,000	87.850%	32,420,953
Glendale Unified SD 1997 Series E & F DS	38,135,000	87.850%	33,501,505
Glendale Unified SD 1997 Series G DS	21,000,000	87.850%	18,448,449
La canada Unified SD 2004 Ser A DS	15,000,000	1.994%	299,164
La canada Unified SD 1995 DS	9,779,976	1.994%	195,055
La canada Unified SD 1999 Ser A DS	3,240,000	1.994%	64,619
La canada Unified SD 1999 Ser B DS	2,440,000	1.994%	48,664
Total direct and overlapping debt	\$ <u>1,115,239,906</u>		<u>185,496,334</u>

Note: Excludes fiduciary and proprietary fund types
 Sources: County of Los Angeles, Auditor-Controller.
 City of Glendale, Finance Division.
 HdL Coren & Cone

Not covered by independent auditors' report

Table 12
CITY OF GLENDALE
 Ratio of General Bonded Debt Expenditures to Total General Expenditures
 Last Ten Fiscal Years
 (In thousands)

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	(1) <u>Total debt service</u>	<u>General expenditures and transfers</u>	<u>Ratio of debt service to general expenditures</u>
1995-1996	2,285	4,560	6,845	136,351	5.02%
1996-1997	2,415	4,422	6,837	134,801	5.07%
1997-1998	2,555	4,275	6,830	156,071	4.38%
1998-1999	2,710	4,118	6,828	160,848	4.25%
1999-2000	2,875	3,949	6,824	155,629	4.38%
2000-2001	3,050	3,780	6,830	192,652	3.55%
2001-2002	3,215	4,648	7,863	216,378	3.63%
2002-2003	3,400	7,589	10,989	262,246	4.19%
2003-2004	2,910	9,088	11,998	327,790	3.66%
2004-2005	<u>6,482</u>	<u>5,707</u>	<u>12,189</u>	<u>254,342</u>	<u>4.79%</u>

Note: (1) Excludes fiduciary and proprietary fund types.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 13

CITY OF GLENDALE

Schedule of Revenue Bond Coverage - All Enterprise Funds

Last Ten Fiscal Years

(In thousands)

Entity and fiscal year	Operating revenue	Operating expenses (1)	Net operating revenue (deficiency) available for debt service	Debt service requirement			Coverage (2)
				Principal	Interest	Total	
Recreation:							
1995-1996	1,050	979	71	—	—	—	—
1996-1997	1,123	1,114	9	—	—	—	—
1997-1998	1,011	1,341	(330)	—	—	—	—
1998-1999	1,423	1,588	(165)	—	—	—	—
1999-2000	1,405	1,881	(476)	—	—	—	—
2000-2001	1,640	1,958	(318)	—	—	—	—
2001-2002	1,629	1,828	(199)	—	—	—	—
2002-2003	1,552	1,967	(415)	—	—	—	—
2003-2004	1,617	2,201	(584)	—	—	—	—
2004-2005	1,736	2,005	(269)	—	—	—	—
Parking:							
1995-1996	4,112	1,616	2,496	—	—	—	—
1996-1997	3,995	1,606	2,389	—	—	—	—
1997-1998	4,526	1,719	2,807	—	—	—	—
1998-1999	4,326	1,767	2,559	—	—	—	—
1999-2000	5,499	2,882	2,617	—	—	—	—
2000-2001	6,024	3,359	2,665	—	—	—	—
2001-2002	5,465	3,682	1,783	—	—	—	—
2002-2003	6,058	5,132	926	—	—	—	—
2003-2004	6,159	3,605	2,554	—	—	—	—
2004-2005	7,139	4,706	2,433	—	—	—	—

Table 13, Continued

Table 13-2

CITY OF GLENDALE

Schedule of Revenue Bond Coverage - All Enterprise Funds

Last Ten Fiscal Years, continued

(In thousands)

Entity and fiscal year	Operating revenue	Operating expenses (1)	Net operating revenue (deficiency) available for debt service	Debt service requirement			Coverage (2)
				Principal	Interest	Total	
Hazardous disposal:							
1995-1996	1,051	1,086	(35)	—	—	—	—
1996-1997	1,084	1,181	(97)	—	—	—	—
1997-1998	1,279	1,266	13	—	—	—	—
1998-1999	1,306	1,196	110	—	—	—	—
1999-2000	1,257	1,300	(43)	—	—	—	—
2000-2001	1,217	1,469	(252)	—	—	—	—
2001-2002	1,304	1,312	(8)	—	—	—	—
2002-2003	1,508	1,581	(73)	—	—	—	—
2003-2004	1,437	1,578	(141)	—	—	—	—
2004-2005	1,403	1,396	7	—	—	—	—
Sewer:							
1995-1996	16,790	5,038	11,752	—	—	—	—
1996-1997	17,259	5,113	12,146	—	—	—	—
1997-1998	16,267	4,546	11,721	—	—	—	—
1998-1999	17,792	5,158	12,634	—	—	—	—
1999-2000	18,183	6,136	12,047	—	—	—	—
2000-2001	16,046	7,429	8,617	—	—	—	—
2001-2002	18,252	5,021	13,231	—	—	—	—
2002-2003	19,041	1,931	17,110	—	—	—	—
2003-2004	16,036	7,764	8,272	—	—	—	—
2004-2005	16,323	5,840	10,483	—	—	—	—

Table 13, Continued

Table 13-3

CITY OF GLENDALE

Schedule of Revenue Bond Coverage - All Enterprise Funds

Last Ten Fiscal Years, continued

(In thousands)

Entity and fiscal year	Operating revenue	Operating expenses (1)	Net operating revenue (deficiency) available for debt service	Debt service requirement			Coverage (2)
				Principal	Interest	Total	
Refuse disposal:							
1995-1996	9,851	8,851	1,000	—	—	—	—
1996-1997	9,812	9,062	750	—	—	—	—
1997-1998	9,799	8,629	1,170	—	—	—	—
1998-1999	9,816	11,899	(2,083)	—	—	—	—
1999-2000	10,430	10,590	(160)	—	—	—	—
2000-2001	10,236	10,540	(304)	—	—	—	—
2001-2002	11,432	10,667	765	—	—	—	—
2002-2003	13,132	11,380	1,752	—	—	—	—
2003-2004	13,759	12,870	889	—	—	—	—
2004-2005	15,404	12,790	2,614	—	—	—	—
Fire paramedic: (3)							
1999-2000	1,524	2,022	(498)	—	—	—	—
2000-2001	5,660	4,783	877	—	—	—	—
2001-2002	4,201	3,647	554	—	—	—	—
2002-2003	6,068	6,425	(357)	—	—	—	—
2003-2004	6,390	7,196	(806)	—	—	—	—
2004-2005	6,887	7,690	(803)	—	—	—	—

Table 13, Continued

Table 13-4

CITY OF GLENDALE

Schedule of Revenue Bond Coverage - All Enterprise Funds

Last Ten Fiscal Years, continued

(In thousands)

Entity and fiscal year	Operating revenue	Operating expenses (1)	Net operating revenue (deficiency) available for debt service	Debt service requirement			Coverage (2)
				Principal	Interest	Total	
Electric:							
1995-1996	98,020	75,613	22,407	3,180	823	4,003	5.60
1996-1997	122,098	87,398	34,700	3,430	560	3,990	8.70
1997-1998	125,399	101,068	24,331	3,710	279	3,989	6.10
1998-1999	135,166	110,198	24,968	1,800	85	1,885	13.25
1999-2000	128,998	102,301	26,697	—	1,267	1,267	21.07
2000-2001	274,551	233,814	40,737	—	2,171	2,171	18.76
2001-2002	188,297	155,935	32,362	—	2,163	2,163	14.96
2002-2003	178,632	125,220	53,412	—	2,699	2,699	19.79
2003-2004	151,718	123,683	28,035	795	3,801	4,596	6.10
2004-2005	<u>148,799</u>	<u>125,466</u>	<u>23,333</u>	<u>795</u>	<u>3,628</u>	<u>4,423</u>	<u>5.28</u>
Water:							
1995-1996	26,163	20,653	5,510	—	—	—	—
1996-1997	27,399	20,613	6,786	—	—	—	—
1997-1998	25,222	19,629	5,593	—	—	—	—
1998-1999	25,863	20,943	4,920	—	—	—	—
1999-2000	28,119	20,477	7,642	—	—	—	—
2000-2001	27,758	22,069	5,689	—	—	—	—
2001-2002	28,468	21,254	7,214	—	—	—	—
2002-2003	31,633	20,426	11,207	—	—	—	—
2003-2004	31,377	22,430	8,947	—	—	—	—
2004-2005	<u>29,753</u>	<u>22,930</u>	<u>6,823</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

(1) Exclusive of depreciation and nonoperating revenues and expense.

(2) Net operating revenue divided by total debt service.

(3) This fund did not exist as enterprise activity prior to fiscal year 1999-2000.

Source: City of Glendale, Finance Division.

Not covered by independent auditors' report

Table 14

CITY OF GLENDALE

Building Permits Value and Bank Deposits

Last Ten Fiscal Years

(In thousands)

<u>Fiscal year</u>	<u>Commercial</u>		<u>Residential</u>		<u>Total (1)</u>		<u>(2) Bank Deposits</u>
	<u>Number of permits</u>	<u>Value</u>	<u>Number of permits</u>	<u>Value</u>	<u>Number of permits</u>	<u>Value</u>	
1995-1996	970	76,119	1,622	27,192	2,592	103,311	3,457,000
1996-1997	774	100,265	1,518	27,192	2,292	127,457	3,339,000
1997-1998	1,130	121,662	1,305	53,532	2,435	175,194	4,048,154
1998-1999	1,194	125,830	1,185	28,589	2,379	154,419	3,467,728
1999-2000	1,090	70,671	1,211	23,667	2,301	94,338	2,833,795
2000-2001	951	63,048	1,748	57,886	2,699	120,934	2,997,680
2001-2002	1,271	54,350	1,025	64,713	2,296	114,453	3,488,211
2002-2003	933	51,613	1,725	61,970	2,658	103,657	3,570,451
2003-2004	972	26,670	1,679	62,468	2,651	89,138	3,937,081
2004-2005	<u>969</u>	<u>51,194</u>	<u>1,758</u>	<u>113,869</u>	<u>2,727</u>	<u>165,063</u>	<u>3,960,146</u>

Source: (1) City of Glendale, Public Works Division.

(2) Federal Deposit Insurance Corporation

Not covered by independent auditors' report

Table 15
CITY OF GLENDALE
 Insurance in Force
 June 30, 2005

<u>Type of insurance</u>	<u>Policy number</u>	<u>Insurance carrier</u>	<u>Term of policy</u>	<u>Expiration date</u>	<u>Annual premium</u>	<u>Limits and deductible</u>
All Risk - Property	PPROP0506	Lexington Insurance	1 Year	7/1/2006	\$ 355,051	\$25,000 / 750,000,000 varies
Boiler and Machinery	PBOILER0506	Lexington Insurance	1 Year	7/1/2006	10,037	250,000 / varies
General Liability	42052868	Ins. Co. of PA.	1 Year	7/1/2006	297,438	\$15,000,000 / 2,000,000
Physical Damage-helicopter	AACN00986902001	Illinos Union Ins. Co.	1 Year	6/30/2006	76,066	\$30,000,000 / varies
Surety Bond - blanket	406CH2140	St Paul Fire & Marine	3 Year	3/1/2007	13,648	\$1,000,000 / 10,000
Surety Bond City Clerk	5714304	Safeco	1 Year	4/12/2006	850	\$500,000 / None
Surety Bond Treasurer	60001658	Safeco	2 Year	4/10/2007	4,383	\$1,000,000 / None
Art objects	MX198303466	Fireman's Fund	1 Year	9/25/2006	1,758	7,500
Medical	15A37A	Blue Cross - PPO	1 Year	6/1/2006	2,478,515	NA / NA
Medical	59P18A	Blue Cross - CA Care	1 Year	6/1/2006	2,345,846	NA / NA
Medical	3205080	CIGNA Health Plan	1 Year	6/1/2006	551,423	NA / NA
Medical	000-118461-0000/001	Kaiser Health Plan	1 Year	6/1/2006	1,985,038	NA / NA
Dental	00-385032	Guardian Dental - PPO	1 Year	6/1/2006	289,065	NA / NA
Dental	00-385032	Guardian Dental - HMO	1 Year	6/1/2006	92,501	NA / NA
Life, accidental death and dismemberment, LTD	OGL 674115	Hartford Life Insurance	1 Year	8/1/2006	449,975	Equal to annual salary up to 100,000
Disability - GCEA	GLT 674116	Hartford Life Insurance	1 Year	8/1/2006	141,640	66.3% of salary to 100,000
Vision care	00-385032	Guardian / VSP	1 Year	8/1/2006	47,811	NA / NA
Excess workers compensation	3484-SO-CA	CSAC Excess Insurance Auth.- CPEIA Program	1 Year	7/1/2005	271,924	\$25,000,000 / 3,000,000
Special Events	CL51047563	Scottsdale Insurance Co.	1 Year	7/1/2006	14,210	None / 1,000,000
SPARTA Program	CG0001(10-1)	Essex Insurance Co.	1 Year	7/1/2006	\$5,161	None / 1,000,000

Source: City of Glendale, Risk Management Division

Not covered by independent auditor's report

Table 16
CITY OF GLENDALE
 Demographic Statistics
 Last Ten Fiscal Years
 (In thousands)

<u>Fiscal year</u>	<u>Population (1)</u>	<u>School enrollment (2)</u>	<u>Unemployment rate (3)</u>
1995-1996	193	43	7.6%
1996-1997	196	44	7.4%
1997-1998	198	43	7.6%
1998-1999	199	45	6.1%
1999-2000	199	45	5.3%
2000-2001	199	46	4.6%
2001-2002	200	47	6.1%
2002-2003	203	46	5.8%
2003-2004	205	44	5.7%
2004-2005	<u>207</u>	<u>43</u>	<u>4.9%</u>

Source: (1) California State Department of Finance.
 (2) Glendale Unified School District and Glendale Community College District school attendance report.
 (3) Employment Development Department's Research Section.

Not covered by independent auditors' report

Table 17
CITY OF GLENDALE
 Miscellaneous Statistical Data
 June 30, 2005

Date of incorporation: February 16, 1906
 Date of charter adoption: March 29, 1921
 Form of government: Council/manager; five council members, elected at large
 Area: 30.59 square miles

Employees (authorized, full time):		Streets:		Library:	
Government	1,242	Miles of improved streets	350	Number of libraries	7
Enterprise	602	Miles of unimproved streets	5	Number of books checked out	<u>1,080,098</u>
Miscellaneous	<u>37</u>	Miles of freeways	<u>9</u>		
Total	<u>1,881</u>	Recreation:		Population:	
Fire protection:		Number of open space acres	5,129	1990 census	156,072
Number of stations	9	Number of parks and other facilities	36	2000 census	200,157
Number of employees	<u>218</u>	Number of swimming pools	—	2005 State	207,007
Police protection		Golf course	1	Retail sales:	
Number of sworn officers	245	Developed parkland (acres)	<u>275</u>	1995 calendar year	2,003,371,800
Number of vehicular patrol units	55	Sewer:		1996 calendar year	2,038,108,700
Number of helicopters	3	Number of miles	<u>358</u>	1997 calendar year	2,134,985,000
Number of motorcycles	<u>24</u>	Water:		1998 calendar year	2,331,011,700
Parking:		Number of water meters	32,955	1999 calendar year	2,540,705,300
Number of meters	2,168	Thousands of hundred cubic feet sold	<u>12,868</u>	2000 calendar year	2,744,827,700
Number of garages	6	Electric:		2001 calendar year	2,779,843,200
Number of lots	<u>24</u>	Number of electric meters	83,313	2002 calendar year	2,713,418,600
		Millions of kilowatt hours sold	<u>1,091</u>	2003 calendar year	2,849,091,520
				2004 calendar year	<u>2,862,762,800</u>
				Per capita income:	
				2000 Census	\$ <u>22,227</u>

Source: City of Glendale, Finance Division

Not covered by independent auditors' report