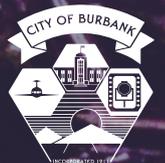


city of
BURBANK
california

comprehensive
annual financial report
year ended june 30, 2018



ABOUT THE COVER

The City of Burbank Fiscal Year 2017-18 Comprehensive Annual Financial Report features award winning photographs from the 2017 Friends of the Burbank Public Library Annual Photography Contest. This contest is open to amateur photographers of any age, and entries are judged by professional photographers who volunteer their time for the event. The photos were on display in the Central Library Auditorium during March and April of 2017. The exhibit featured over 200 entries from eleven categories, including Scenic, Architecture, Still Life, and Animals. The covers and tabs of this document highlight the award winners from the "Burbank" category, which includes images showcasing an aspect of life in the Burbank community.

The photography contest is just one of many outstanding programs, activities and services available at the Burbank Library's three locations, including book clubs, computer training classes, tutoring, story time, author visits, and performances. From babies to seniors, there is always something to see or learn at the Burbank Public Library, which is fully committed to encouraging all community members to become life-long learners.

Cover Layout:

Cassidy Allen (Graphic Media Designer - City of Burbank)

Photography:

Front/Inside Cover: Taegan Obermeyer-Loder; Back Cover: Ryan Eiklor

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

**CITY OF BURBANK
BURBANK, CALIFORNIA**

**FISCAL YEAR ENDED
June 30, 2018**

**Prepared by :
Financial Services Department
Cindy Giraldo
Financial Services Director**

City of Burbank
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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City of Burbank
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STATISTICAL SECTION

(Unaudited)

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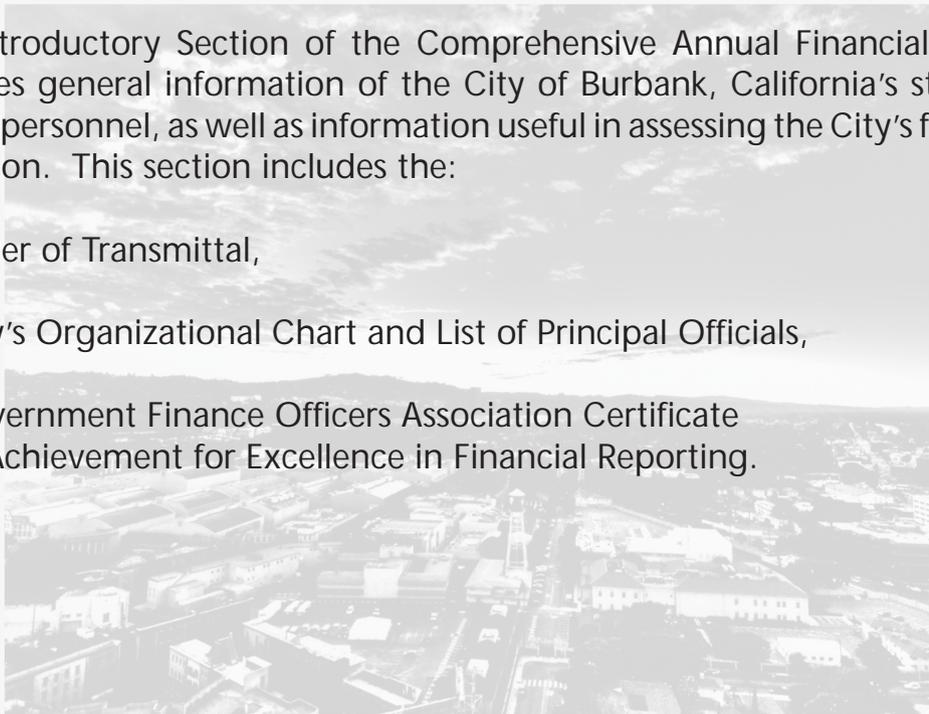
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INTRODUCTORY SECTION

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

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



BURBANK 2017 AMATEUR PHOTO CONTEST
1ST PLACE - COLOR PHOTO (TIE)
TAEGAN OBERMEYER-LODER

City of Burbank's Elected Officials and Principal Officers



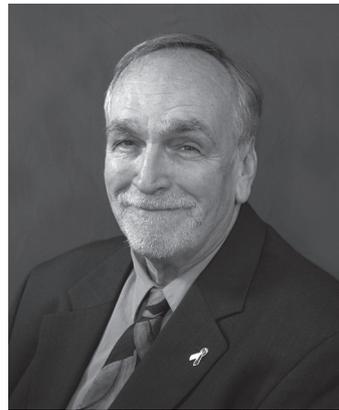
Emily Gabel-Luddy
Mayor



Sharon Springer
Vice Mayor



Bob Frutos
Council Member



Timothy M. Murphy
Council Member



Jess Talamantes
Council Member



Zizette Mullins
City Clerk



Debbie Kukta
City Treasurer



January 14, 2019

Honorable Mayor and Members of the City Council:

REPORT PURPOSE AND ORGANIZATION

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Burbank for the fiscal year ended June 30, 2018. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. In our opinion, the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of Burbank, California. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost should not outweigh their benefits, the City's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Audited Financial Statements

The City's financial statements have been audited by White Nelson Diehl Evans LLP, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Burbank, California, for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Burbank, California's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The

FINANCIAL SERVICES DEPARTMENT

Administration / Accounting / Audit / Budget / Revenue
(818) 238 – 5500

• Accounts Payable
(818) 238 – 5495

• Payroll
(818) 238 -5491

• Purchasing
(818) 238 – 5466

independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY OF BURBANK

The City of Burbank, incorporated in 1911 under the general laws of the State of California, is a long-established residential city and commercial center located within Los Angeles County in Southern California. The City of Burbank is a unique urban community located 12 miles northwest of downtown Los Angeles and nestled between the Hollywood Hills and the Verdugo Mountains near Highway 5 and Highway 134. The City occupies a land area of 17.16 square miles and serves a population of 107,149.

The City provides a full range of municipal services. Services provided include public safety (police and fire); street construction and maintenance; sanitation, refuse collection and disposal; electric, water and sewer utilities; cultural and recreational programs; public infrastructure improvements; planning and zoning; and general administrative and support services.

Form of Government

The City of Burbank is a full-service charter city that operates on a Council-Manager form of government. The Council has the authority to make and enforce all laws and regulations with respect to municipal affairs, subject only to the limitations of the City Charter and the State Constitution. The City Council consists of five members elected at-large for four year terms. The Mayor is selected from the City Council members and serves a one-year term. The City's other elected officials are the City Treasurer and City Clerk whose terms of office are four years. The City Council appoints the City Manager and City Attorney. All other department heads are hired by the City Manager.

Budgetary Policy and Control

The annual budget serves as the foundation for the City financial planning and control. The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The level of appropriated budgetary control is the total adopted budget, which is defined as the total budget for all funds and divisions and includes all revisions and amendments approved by the City Council subsequent to the initial budget adoption. The City Manager may authorize transfers of appropriations within the adopted budget. Supplemental appropriations during the year must be approved by the City Council. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are re-appropriated in the ensuing year's budget. The City utilizes an encumbrance accounting system, whereby commitments such as purchase orders and unperformed contracts are recorded as assigned fund balances at year-end per Governmental Accounting Standards Board (GASB) #54.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economic Environment

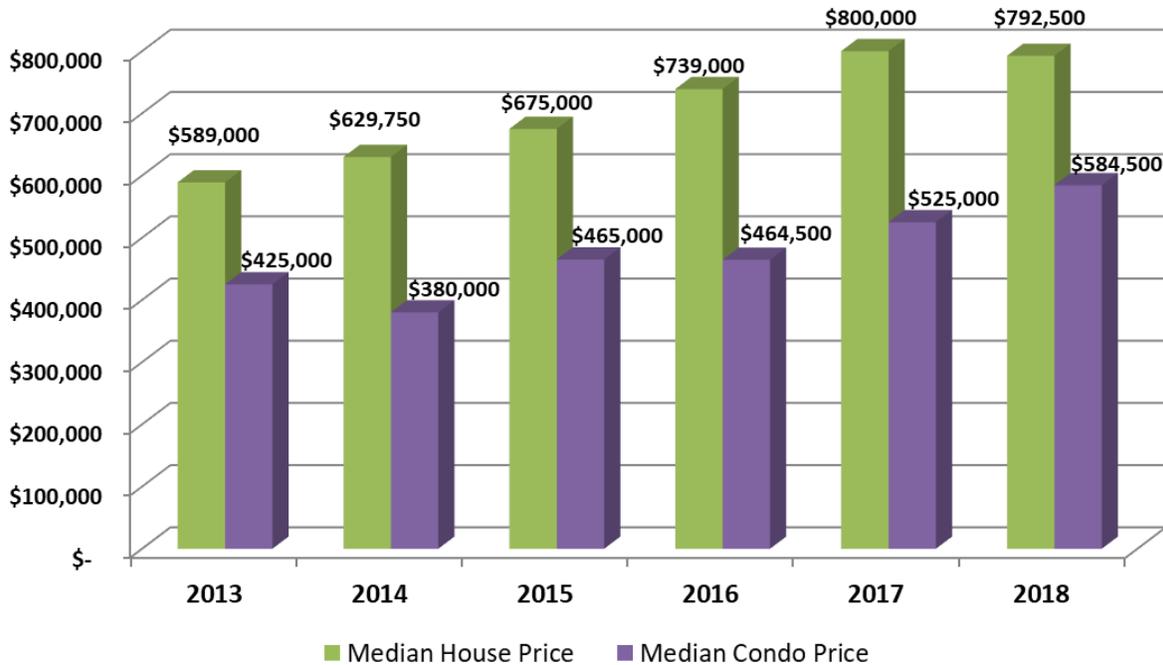
The City of Burbank's economic environment is showing strength in commercial, residential and retail development. The City continues to focus on projects promoting the beautification of our neighborhoods and business districts, the attraction of new retail stores and restaurants, the development of needed Class A office space, and the expansion of the citywide transportation system.

Retail sales in Downtown Burbank continue to thrive with activity anchored by AMC movie theaters and the Burbank Town Center. Downtown Burbank has several national retailers such as Urban Outfitter's, H&M, Cost Plus World Market, Macy's, Bed, Bath and Beyond and Old Navy. Downtown also features a desirable mix of local and national restaurants such as Wokcano, Yardhouse, Urban Press Winery, Guisados, The Carving Board, BJ's, Barney's Beanery, Gourmet 88, Gordon Biersch, Kabuki, Wood Ranch BBQ and Grill, and Granville Cafe.

Popular with millennial's and the emerging workforce of tomorrow occupies 75,000 square feet of shared co-working space in the vibrant Media District walking distance to Walt Disney Headquarters and the Burbank Studios. New businesses which opened up during the year include REI, Whole Foods Market, Target Express, Dunkin Donuts, Cost Plus World Market, and Shoe Palace.

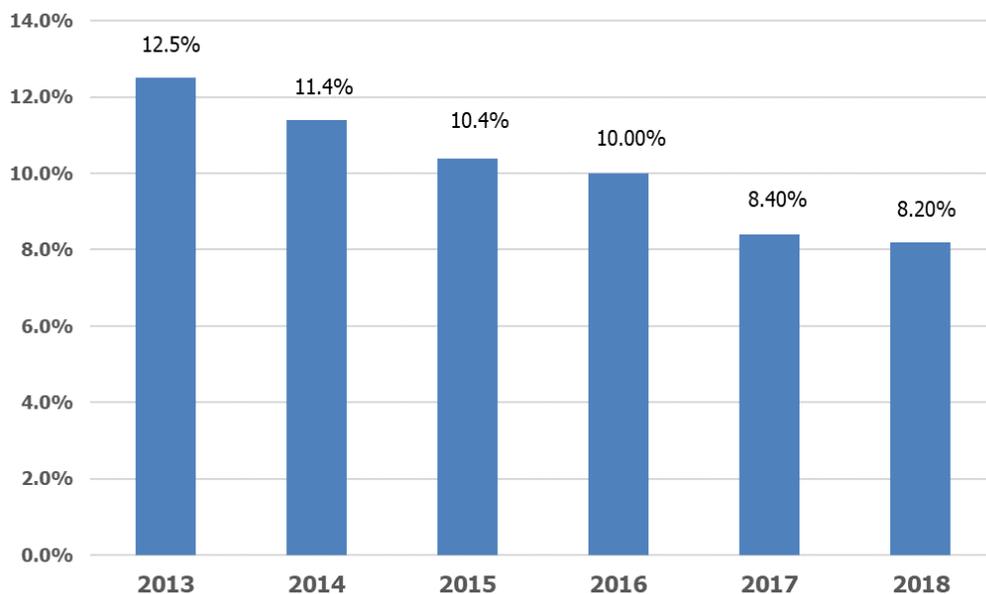
Burbank’s single-family home prices remained steady as reflected in a median home price of \$792,500 in June 2018, compared to \$800,000 in June 2017. The median value for condominium sales for June 2017 was \$525,000, and increased to \$584,500 in June 2018.

Burbank Median Housing Prices



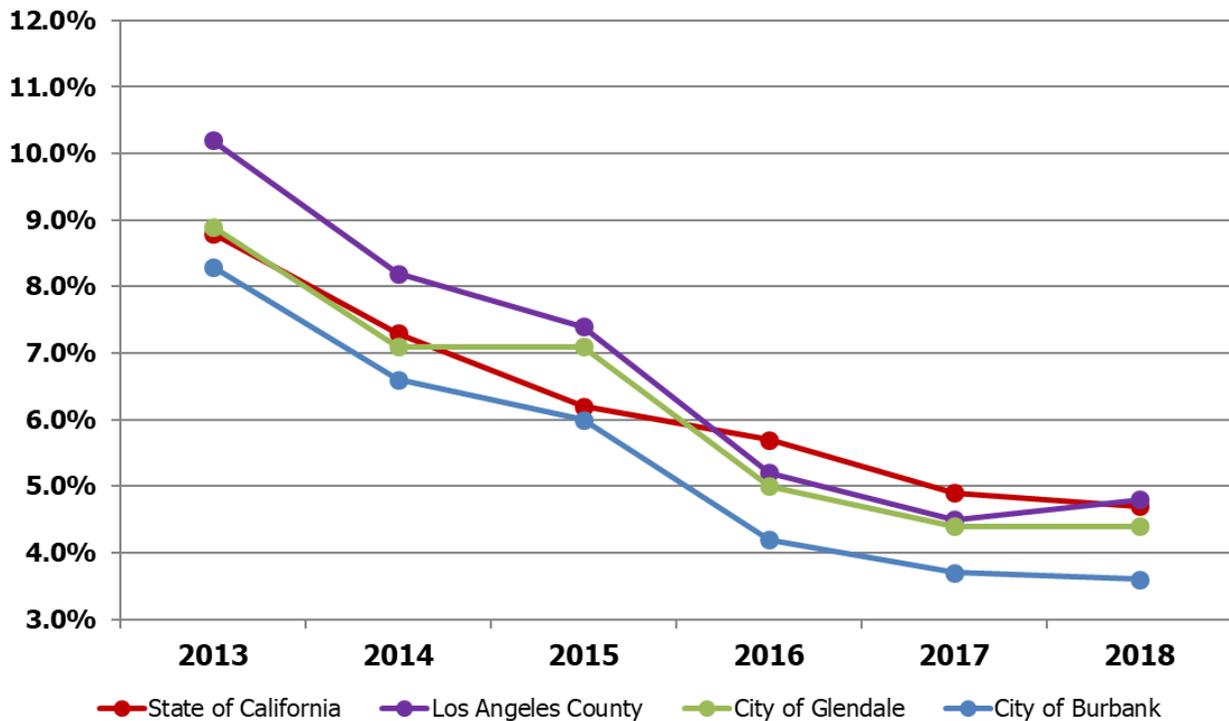
Burbank’s office space vacancy continued to improve ending 2018 at 8.20% compared to 8.40% in June 2017. Rental rates also showed continued growth averaging \$4.07 per square foot compared to \$2.77 per square foot in June 2017.

Office Vacancy Trend



Unemployment rates continue to decrease both locally and statewide. The City of Burbank's unemployment rate at 3.6% continues to be lower in comparison to the City of Glendale's 4.4%, Los Angeles County's 4.8% and State of California's rate of 4.7%.

Unemployment Rate Trend



Effectively utilizing the City of Burbank's resources for the benefit of the entire community is at the heart of the Mayor and City Council's commitment to wise fiscal management. Economic development efforts also seek to continue building Burbank's revenue base by bringing new jobs and businesses to the City. The City of Burbank's goals emphasize sustainability, investment, and reinvestment to continue building a strong, healthy community and improve the quality of life for Burbank residents, businesses, and visitors.

Long-Term Financial Planning

The City of Burbank engages in a number of activities focused on long-term financial planning, including:

Five-Year Financial Forecast. The City of Burbank perpetually maintains a five-year General Fund Financial Forecast to identify and focus on current and projected economic conditions. The purpose of the forecast is to identify the General Fund's ability over the next five years – on an order of magnitude basis – to continue current services, maintain existing assets and fund new initiatives or acquire new capital assets.

The Burbank City Council also annually reviews and adopts a five-year forecast of Capital Improvement Projects, grouping them by categories such as low-moderate housing, municipal

facilities, pedestrian access and roadways, transportation, and the various utilities. These investments reflect the City Council's commitment to maintain and improve the City of Burbank. In order to provide citizens with the highest possible service.

Major City Goals. As part of the City's budget process, the Council discloses major City goals as an integral part of the Financial Plan. The Financial Plan is the City's main tool for programming the implementation of these goals, by allocating the necessary resources. The following goals are intended to address the highest priority issues, community-wide concerns, and long-term needs.

- **Economic Development.** The City continues to focus on economic development with the commitment to advance job growth, increase retail/commercial vitality and maintain excellent quality of life for all. The components to this strategy are as follows: Strategically position Burbank as a competitive regional, statewide and national hub for business and residence; Focus on retail attraction, retention and expansion; Position Burbank as a travel destination; Continue to identify and encourage strategic, innovative opportunities and entrepreneurial development within the City; and enhance outreach, communications and community engagement.
- **Preservation of Essential Services and Fiscal Health.** Adopt a balanced budget that sustains the City's short and long term fiscal health, preserves public health and safety, and other essential services in line with residents' priorities, and includes cost efficiency strategies.
- **Municipal Government Leadership.** To provide municipal government leadership which is open and responsive to its residential and corporate constituents, characterized by stability, confidence in the future, and cooperative interaction among civic leaders, residents, business people, and City staff. The City is dedicated to recognizing and respecting legitimate differences of opinions on the critical issues facing the community.

MAJOR INITIATIVES

The City continued its efforts on a number of significant initiatives in fiscal year 2017-18 which will have a beneficial effect on the City's financial health and quality of life.

AC Hotel. The AC Hotel is a proposed six-story hotel project that consists of 196 rooms. Planning Board approved the project on October 23, 2017, and the entitlement is complete. The developer is in the process of preparing construction documents for submittal, and construction is expected to begin in winter 2019.

Burbank Common. A proposed dining and entertainment venue in Downtown Burbank that would include: a 33,000 SF event space; 19,000 SF of restaurant, café, brewpub, retail and special event space; and 47,000 SF of open space. The Development Review and Environmental Review processes are underway, and this project is slated to go to City Council in Summer 2019.

Construction is underway for the **Tesla Sales and Delivery Center**. Tesla Inc. is renovating and combining two tenant spaces within an existing 14,300 square foot building into a new Tesla center which includes a sales floor and an indoor vehicle pick-up area. The project will include façade renovations, new sidewalk landscaping on Cedar Avenue, and an updated parking lot. This location is for the sale of vehicles and initial vehicle pick-up/training for customers; Tesla will also maintain 811 S. San Fernando Blvd. as a service center for vehicle repair.

First Street Village This mixed-use project consists of three, six-story buildings with 275 multi-family apartments on the upper floors and up to 18,876 square-feet of retail and commercial space on the ground floors. The property is the first of its kind to include 14 affordable workforce housing units. On-site amenities and open space area will be included. Estimated completion date is 2021.

Warner Bros. Tour Center. Warner Bros. is moving forward with a new 79,800 sq. ft. building that will house space for a new studio tour center as well as guest and tour car parking. The new building is located on the studio's Main Lot on the south side of Warner Avenue between Avon and Lima Streets. Completion is anticipated for summer 2019.

AWARDS AND ACKNOWLEDGEMENTS

The Award Program

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burbank for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the 34th consecutive year that the City of Burbank has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement for Excellence in Financial Reporting from the GFOA is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement requirements, and it will be submitted to the GFOA in anticipation of receiving another certificate.

There are a number of benefits in participating in these programs beyond simply receiving recognition for our efforts. By striving to meet the program's standards and goals, the City continually strives to produce updated and enhanced reports. Additionally, as part of the review process, comments for improvement from other municipal finance professionals who review our reports from a "fresh" perspective are received. The City believes that this results in continuous improvements in reporting our financial results to elected officials, staff, and other interested parties such as bondholders, credit agencies, and the public at-large.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Financial Services Department. Each member of the department has our sincere appreciation for the contribution made in the preparation of this report. We also acknowledge the work and dedication of our team of Department Managers and their staffs.

Respectfully,



RON DAVIS
City Manager



CINDY GIRALDO
Financial Services Director

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burbank for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 34th consecutive year that the City of Burbank has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

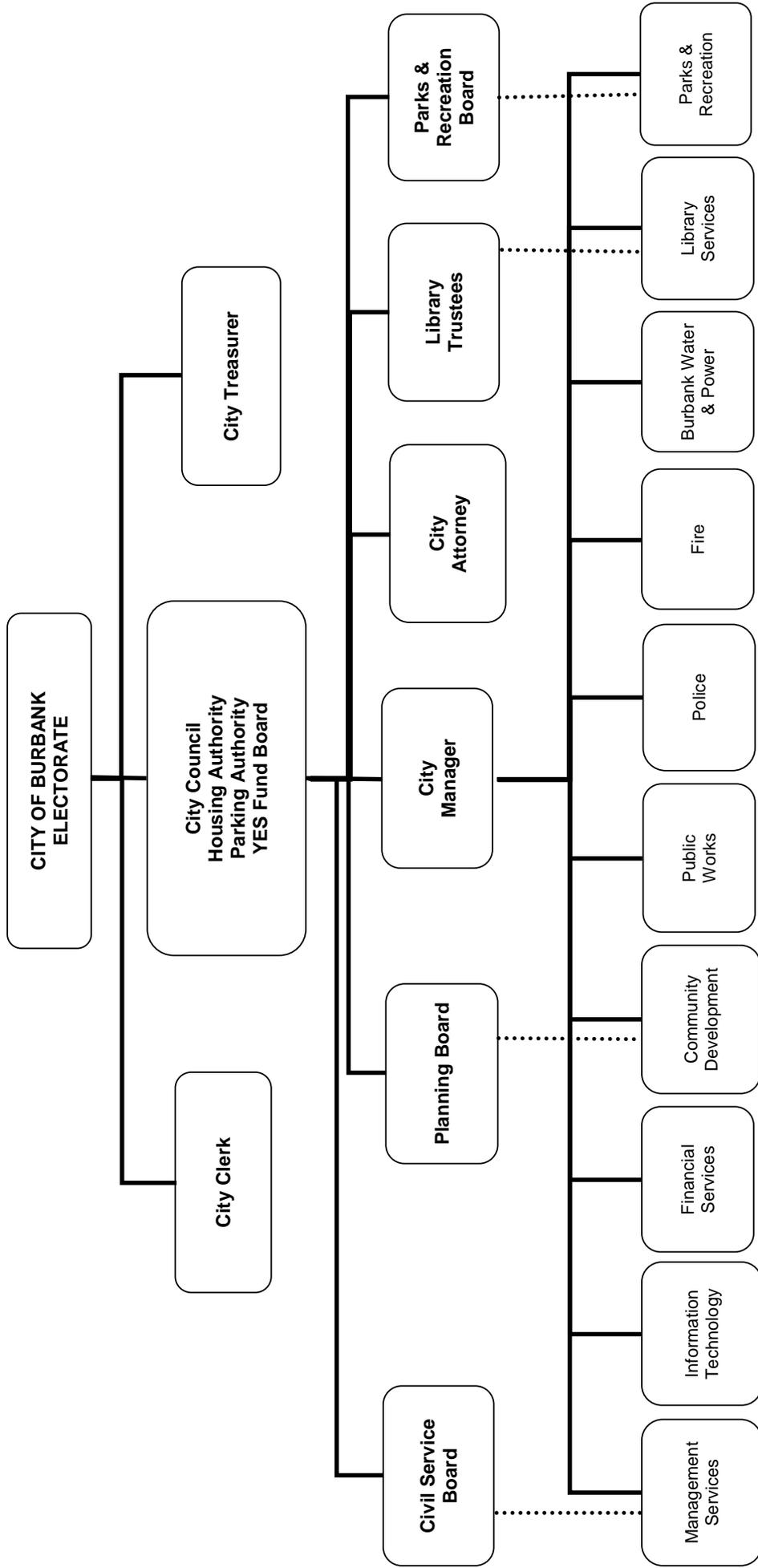
**City of Burbank
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



Boards, Committees and Commissions in Burbank Municipal Code (Not in City Charter)

- Art In Public Places Committee
- Board of Building and Fire Code Appeals
- Burbank Housing Corporation
- Burbank Water and Power Board
- Heritage Commission
- Landlord-Tenant Commission
- Senior Citizen Board
- Sustainable Burbank Commission
- Traffic and Transportation Commission
- Youth Board

FINANCIAL SECTION

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

- Independent Auditor's Report
- Required Supplementary Information – Management's Discussion and Analysis (MD and A)
- City's basic financial statement, which includes the following:
 - The Government-wide Financial Statements
 - Fund Financial Statements
 - Notes to Basic Financial Statements
- Required Supplementary Information – Schedule of Funding Progress of the City's Defined Benefit Pension Plan

BURBANK 2017 AMATEUR PHOTO CONTEST
1ST PLACE - COLOR PHOTO (TIE)
RYAN EIKLOR

INDEPENDENT AUDITORS' REPORT

City Council Members
City of Burbank
Burbank, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burbank (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burbank, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Low/Moderate Income Housing Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1M and 20 to the financial statements, the City adopted Governmental Accounting Standards Board's Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required retrospective application resulting in a reduction of previously reported net positions. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining fund financial statements and budget and actual schedules of revenues, expenditures and changes in fund balances (supplementary information), and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

White Nelson Dick Evans LLP

Irvine, California
January 14, 2019

City Of Burbank

Management's Discussion and Analysis

As management of the City of Burbank, California (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, 2018. 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 page I of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,154,182,000 (net position). Of this amount, \$63,406,000 (Unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$37,552,000 during the current fiscal year. This growth was driven by the Business-type Activities of the City, accounting for \$26,308,000 of the increase, and Governmental Activities accounting for \$11,244,000.
- As of June 30, 2018, the City's governmental funds reported combined fund balances of \$218,059,000, a decrease of \$37,630,000 from the prior year. Of fund balances, \$67,305,000 or approximately 31% of total fund balances are unassigned fund balances.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$67,319,000 or 44% of total General Fund expenditures.

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 comprise three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to basic financial statements. This report also contains required supplementary information and an unaudited statistical section in addition to the basic financial statements.

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the City include general government, police, fire, public works, community development, parks and recreation, library, and interest on long-term debt. The

City Of Burbank

Management's Discussion and Analysis

business-type activities of the City include operations of its electric, water, water reclamation and sewer, refuse collection and disposal.

The government-wide financial statements can be found on page 17 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 statements, governmental funds 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 the City's near-term financial 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 City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 23 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the General Capital Projects Fund, the Low and Moderate Income Housing Special Revenue Fund and the Public Financing Authority Debt Service Fund, each of which are considered to be major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *Non-major Governmental Funds* section of this report.

The City adopts an annual appropriated budget for all its funds. A budgetary comparison statement is provided for all funds with an annually adopted budget. The budgetary comparison statement for the General Fund is located in the basic financial statements. All other funds with legally adopted annual budgets are located in the supplementary information section.

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 electric, water, water reclamation and sewer, and refuse collection and disposal. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions.

City Of Burbank

Management's Discussion and Analysis

The City uses internal service funds to account for the following activities:

- Self-insurance activities, including:
 - General claims liability
 - Workers' compensation insurance
- Vehicle operation and maintenance
- Office equipment operation and maintenance
- Municipal building replacement, operation and maintenance
- Communication equipment operation and maintenance
- Computer equipment operation and maintenance

Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 electric, water, water reclamation and sewer, and refuse collection and disposal, all of which are considered major funds of the City. Conversely, the 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 in the *Internal Service Funds* section of this report.

The basic proprietary fund financial statements can be found on page 27 of this report.

Notes to the Basic Financial Statements. The notes to the basic financial statements 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 basic financial statements can be found on page 34 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. *Required Supplementary Information* can be found on page 90 of this report.

Supplementary information on non-major 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 page 99 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,154,182,000 at the close of the most recent fiscal year.

The largest portion of the City's net position (89%) reflects its net investment in capital assets (e.g., land, buildings, utility and general government infrastructure, machinery and equipment,

City Of Burbank

Management's Discussion and Analysis

etc.), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported 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.

TABLE 1- The City of Burbank's Net Position as of June 30, 2018 and 2017 (000's):

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets :						
Current and other assets	\$ 364,805	\$ 399,822	256,915	242,344	621,720	642,166
Capital assets	688,278	682,070	465,528	456,004	1,153,806	1,138,074
Total assets	1,053,083	1,081,892	722,443	698,348	1,775,526	1,780,240
Deferred Outflows of Resources	77,687	58,880	29,326	22,673	107,013	81,553
Liabilities :						
Current and other liabilities	347,841	284,845	154,747	132,238	502,588	417,083
Long-term liabilities	58,426	102,092	142,825	149,496	201,251	251,588
Total liabilities	406,267	386,937	297,572	281,734	703,839	668,671
Deferred Inflows of Resources	17,271	17,519	7,249	7,877	24,520	25,396
Net Position :						
Net Investment in capital assets	688,278	682,070	340,870	323,782	1,029,148	1,005,852
Restricted	61,628	63,610	-	-	61,628	63,610
Unrestricted	(42,672)	(9,364)	106,078	107,628	63,406	98,264
Total net position	\$ 707,234	\$ 736,316	446,948	431,410	1,154,182	1,167,726

At the end of the current fiscal year, the City is able to report positive balances in two of the three categories of net position, the unrestricted net position for the Governmental Activities was negative due to the GASB 68 implementation, the total net position was positive as a whole for the City, as well as for its separate governmental and business-type activities.

- The City's net position increased by \$37,552,000 during the current fiscal year. This increase was driven by the Business-type Activities of the City (which accounted for \$26,308,000 of the increase), and Governmental activities (which accounted for \$11,244 of the increase). Of the \$26,308,000 Business-type increase, the Electric Utility accounted for \$24,134,000 of that growth.

City Of Burbank
Management's Discussion and Analysis

TABLE 2-The City's Changes in Net Position (000's) for the years ended June 30, 2018 and 2017:

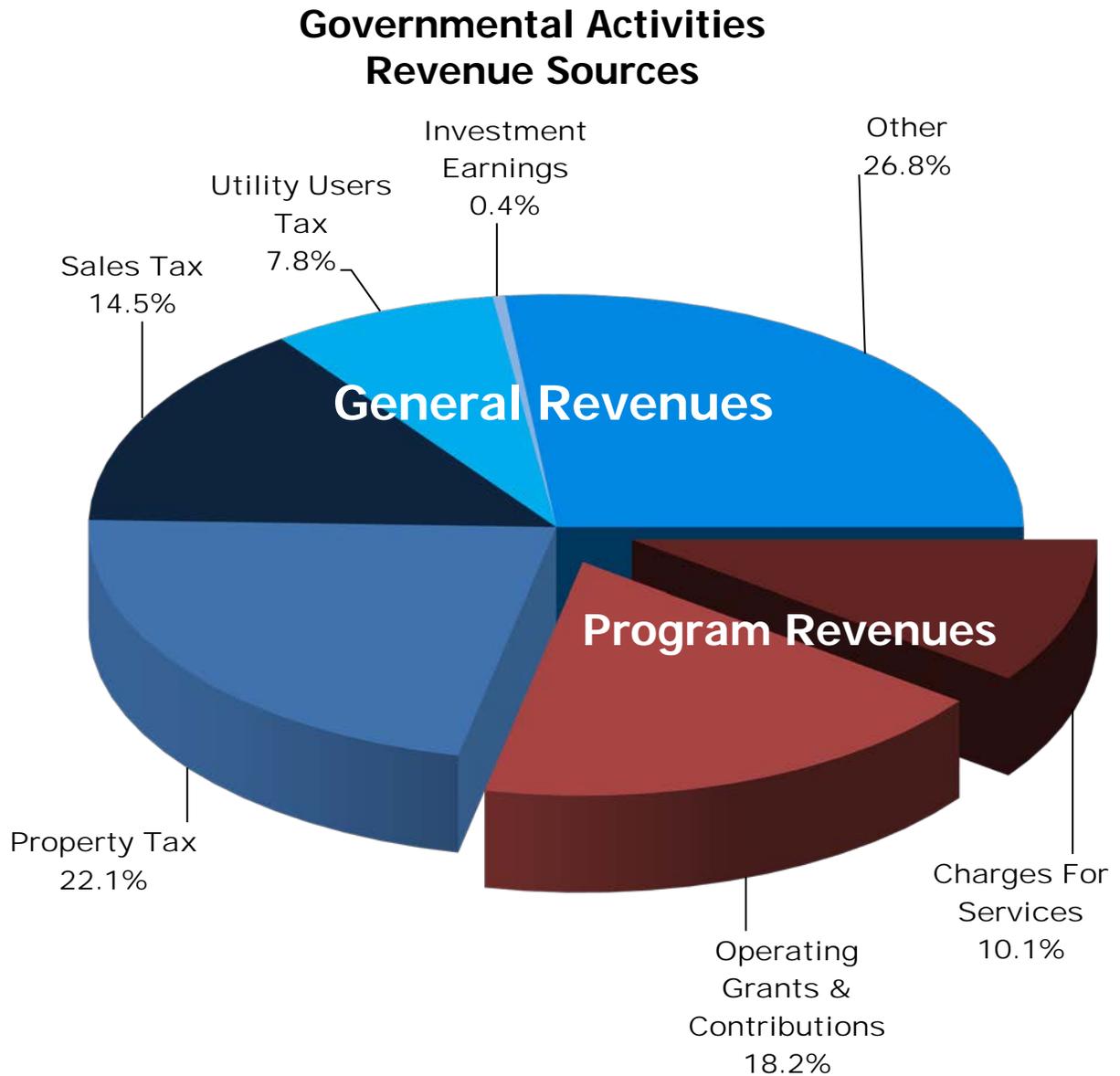
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues :						
Program revenues :						
Charges for services	\$ 24,162	\$ 21,502	273,294	270,771	297,456	292,273
Operating grants and contributions	43,547	41,238	119	269	43,666	41,507
Capital grants and contributions	77	-	7,338	1,648	7,415	1,648
General revenues :						
Property tax	52,848	48,924	-	-	52,848	48,924
Sales tax	34,605	35,197	-	-	34,605	35,197
Utility users tax	18,702	19,185	-	-	18,702	19,185
Investment earnings	1,005	5,445	986	5,167	1,991	10,612
Other	46,718	30,762	2,046	589	48,764	31,351
Total revenues	221,664	202,253	283,783	278,444	505,447	480,697
Expenses :						
General government	15,475	17,252	-	-	15,475	17,252
Police	59,865	55,824	-	-	59,865	55,824
Fire	41,417	36,504	-	-	41,417	36,504
Public works	35,468	30,064	-	-	35,468	30,064
Community Development	48,726	47,832	-	-	48,726	47,832
Parks & Recreation	18,790	19,613	-	-	18,790	19,613
Library	7,203	6,671	-	-	7,203	6,671
Interest on long-term debt	565	2,762	-	-	565	2,762
Water reclamation & sewer	-	-	14,832	13,925	14,832	13,925
Nonmajor funds	-	-	-	664	-	664
Electric utility	-	-	177,330	178,993	177,330	178,993
Water utility	-	-	32,525	28,969	32,525	28,969
Refuse collection & disposal	-	-	15,699	14,158	15,699	14,158
Total expenses	227,509	216,522	240,386	236,709	467,895	453,231
Increase (decrease) in net position before transfers	(5,845)	(14,269)	43,397	41,735	37,552	27,466
Transfers	17,089	10,265	(17,089)	(10,265)	-	-
Increase (decrease) in net positions	11,244	(4,004)	26,308	31,470	37,552	27,466
Net position, July 1, as previously stated	730,316	740,320	431,410	399,940	1,161,726	1,140,260
Prior period adjustment	(40,326)	-	(10,770)	-	(51,096)	-
Net position, June 30	\$ 701,234	\$ 736,316	446,948	431,410	1,148,182	1,167,726

City Of Burbank

Management's Discussion and Analysis

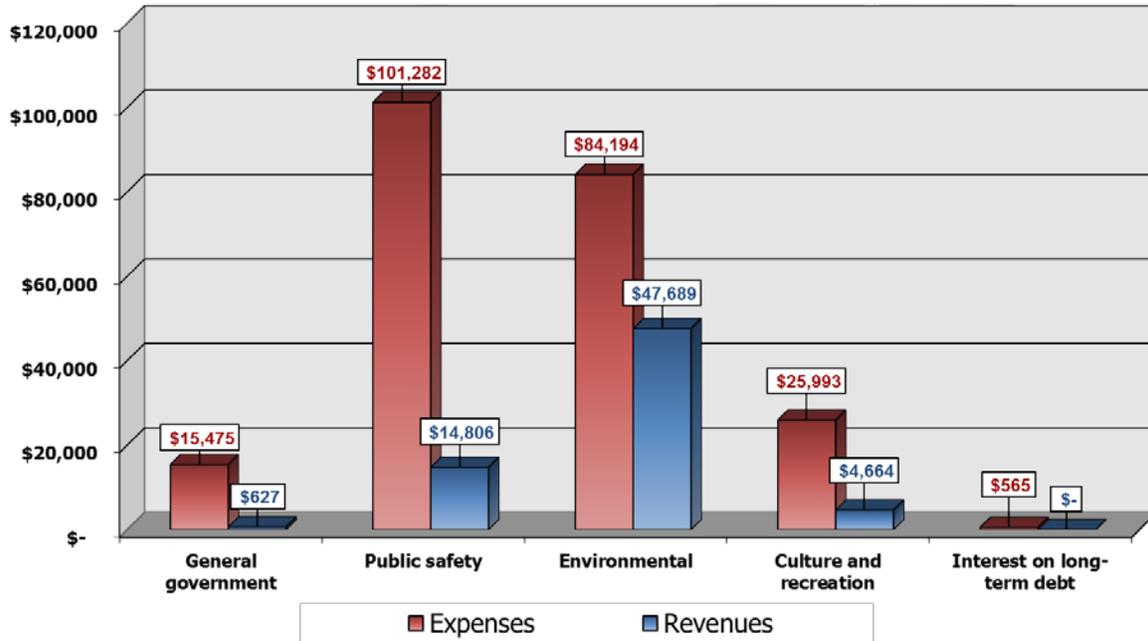
Governmental Activities. Governmental activities increased the City's net position by \$11,244,000. Total expenses increased by \$10,987,000 (5%), while general revenues and transfers increased by 14%.

- *General revenues such as property, business, and sales taxes are not shown by program, but are effectively used to support program activities Citywide. For governmental activities overall, property taxes are the largest single source of funds (23.4%), followed by sales tax (19.2%).*



City Of Burbank
Management's Discussion and Analysis

**Governmental Activities
Expenses and Program Revenues**
(In \$1,000's)



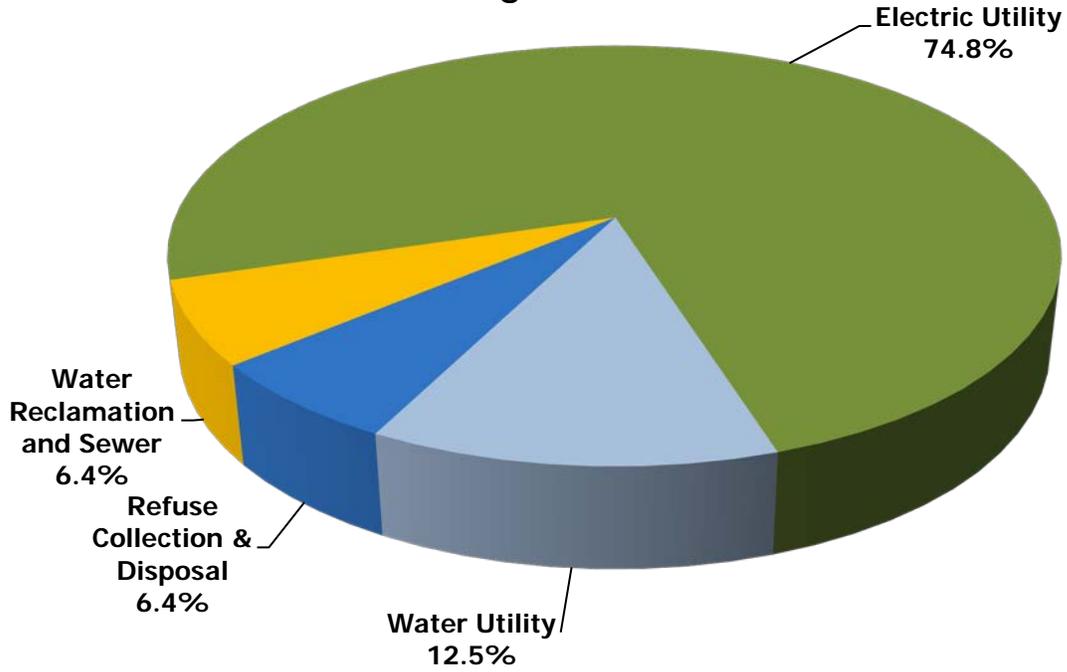
- *The chart above illustrates the City's governmental expenses and revenues by source. Public Safety (Police and Fire departments, 44.5%) is the largest function in expense, followed closely by Environmental (Public Works and Community Development departments, 37.0%), with Culture and Recreation third (Library, and Parks and Recreation departments, 11.4%).*

Business-type Activities. Business-type activities increased the City's net position by \$26,308,000, demonstrating that business-type activities had revenues sufficient to cover operations. The key elements of this increase are as follows:

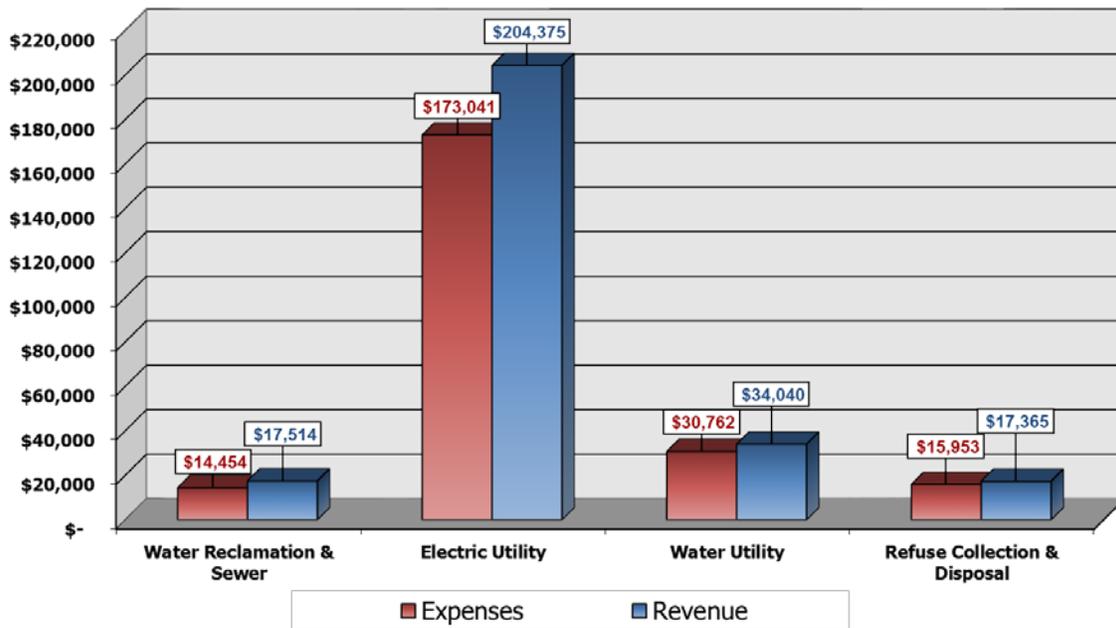
- *Improved cost management was the primary factor leading to an increase in net position of \$26,308,000. The Electric utility fund had an increased net position of \$24,134,000; mainly due to improved expense management.*

City Of Burbank
Management's Discussion and Analysis

**Business-Type Activities
Charges for Services**



**Business-Type Activities
Expenses and Program Revenues**
(In \$1,000's)



City Of Burbank

Management's Discussion and Analysis

Financial Analysis of the City'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 *spendable* resources. Such information may be useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$218,059,000. Approximately 31% of fund balances (\$67,306,000) constitute *unassigned fund balances*. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed or assigned:

- 1) To liquidate contracts and purchase orders of the prior period (\$31,262,000)
- 2) Committed for transportation purposes (\$20,177,000)
- 3) Reflect amounts due from other funds that are long term in nature and thus do not represent available spendable resources (\$31,413,000)
- 4) To show amounts related to long-term notes (\$49,952,000)
- 5) For a variety of other restricted purposes (\$17,363,000)

The General Fund is the chief operating fund of the City. During the current fiscal year, the total fund balance of the General Fund increased \$1,508,000. At the end of FY 2018 the total General Fund balance was \$102,033,000, while the unassigned fund balance was \$67,319,000. As a measure of General Fund liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 44% of total General Fund expenditures of \$154,115,000, while total fund balance represents 66% of that same amount.

The Low and Moderate Income Housing Special Revenue (Low/Mod) fund holds all capital project housing activities. At the end of the current fiscal year, the unassigned fund balance was \$0, while total fund balance of \$50,134,000 is restricted for specific uses. The unassigned fund balance represents 0% of total Low/Mod fund expenditures of \$576,000. The fund balance of the Low/Mod fund increased by \$35,000 during the current fiscal year.

The General Capital Projects fund holds all general City capital project activity. At the end of the current fiscal year, the unassigned fund balance was \$0, while total fund balance was \$29,523,000. Total fund balance represents 242% of General capital projects fund expenditures of \$12,221,000. The fund balance of the General capital projects fund decreased by \$1,830,000 during the current fiscal year.

The Public Financing Authority (PFA) debt service fund held investments in Golden State and City Centre tax allocation bonds and recorded the debt service activity of its outstanding bonded indebtedness. At the end of the current fiscal year, both the unassigned fund balance, and fund balance restricted for specific uses is zero. The fund has been closed as of June 30, 2018 due to a refunding of the 1993 and 2003 Redevelopment Bonds, which eliminated all remaining assets and liabilities previously held in the fund.

City Of Burbank

Management's Discussion and Analysis

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

Enterprise Funds. As of June 30, 2018, the unrestricted net position of the enterprise funds totaled \$106,078,000 and the total decrease in unrestricted net position was \$1,550,000.

The Water Reclamation and Sewer fund holds the City's sewer system enterprise. At the end of the current fiscal year, the unrestricted net position was \$44,229,000, while total net position was \$101,592,000. The unrestricted net position represents 306% of total Water Reclamation and Sewer fund operating expenses of \$14,454,000, while total net position represents 703% of that same amount. The net position of the Water Reclamation and Sewer fund increased by \$2,847,000 during the current fiscal year.

The Electric Utility fund holds the City's Electric power and distribution system. At the end of the current fiscal year, the unrestricted net position was \$49,364,000, while total net position was \$265,559,000. The unrestricted net position represents 29% of total Electric Utility fund operating expenses of \$173,041,000, while total net position represents 153% of that same amount. The net position of the Electric Utility fund increased by \$24,134,000 during the current fiscal year.

The Water Utility fund holds the City's water system enterprise. At the end of the current fiscal year, the unrestricted net position was \$3,011,000, while total net position was \$58,338,000. The unrestricted net position represents 9.8% of total Water Utility fund expenses of \$30,762,000, while total net position represents 190% of that same amount. The net position of the Water Utility fund increased by \$2,876,000 during the current fiscal year.

The Refuse Collection and Disposal fund holds the City's refuse collection and disposal enterprise. At the end of the current fiscal year, the unrestricted net position was \$9,474,000, while total net position was \$21,459,000. The unrestricted net position represents 59% of total Refuse Collection and Disposal fund expenses of \$15,953,000, while total net position represents 135% of that same amount. The net position of the Refuse Collection and Disposal fund increased by \$1,918,000 during the current fiscal year.

Internal Service Funds. The City's 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 self-insurance activities, including liability insurance, and workers' compensation insurance, vehicle operations and maintenance, office equipment operations and maintenance, building replacement and maintenance, communication equipment operation and maintenance, and computer equipment operation and maintenance. As of June 30, 2018, unrestricted net position of the internal service funds were \$68,792,000 and the total increase in net position for these funds was \$10,318,000. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

City Of Burbank

Management's Discussion and Analysis

General Fund Budgetary Process

The City adopts an annual appropriated operating budget for its General fund and reports the results of operations on a budget comparison basis.

In preparing its budget, the City projects its revenues using realistic but conservative methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the year, the City Council amended the originally adopted budget to re-appropriate prior years approved projects and expenditures, as well as approving other adjustments for the current year.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities amounts to \$1,153,806,000 (net of accumulated depreciation of \$842,106,000) as of June 30, 2018, and \$1,138,074,000 (net of accumulated depreciation of \$801,828,000) as of June 30, 2017. This investment in capital assets includes land, buildings, utility systems, improvements other than buildings, infrastructure (roads, sidewalks, land held under easement, streetlights, etc.), machinery and equipment, and construction in progress.

The City has adopted a multi-year capital improvement program totaling \$460 million over the next five years including FY 2018-19 appropriations of \$46 million and prior year appropriation of \$293 million. Approximately \$121 million in future year appropriations will be required to complete all of the projects included in this year's capital improvement program budget. The City budgets these projects in 11 major categories: housing and economic development, municipal facilities, park and recreation, refuse collection and disposal, traffic transportation and pedestrian access, wastewater, communications, electric utility, SCPPA, street lighting, and water utility. Among these categories, the major projects that are planned for the fiscal year 2017-18 include \$0.7 million for municipal facilities, \$12.8 million for transportation improvements and \$33 million for various projects in the electric, water, wastewater, and refuse funds.

City Of Burbank

Management's Discussion and Analysis

Table 3-The City's capital assets (net of accumulated depreciation) for June 30, 2018 and 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Capital assets not being depreciated :						
Land	\$ 53,036	\$ 52,168	11,813	11,824	64,849	63,992
Land held under easements	345,277	345,277	-	-	345,277	345,277
Construction in progress	20,529	11,712	50,670	28,229	71,199	39,941
Internal service fund assets						
Construction in progress	741	451	-	-	741	451
Total capital assets not being depreciated :	419,583	409,608	62,483	40,053	482,066	449,661
Capital assets being depreciated :						
Land improvements	9,767	8,694	12,146	13,199	21,913	21,893
Rights to purchased power	-	-	1,335	1,335	1,335	1,335
Buildings & improvements	218,758	208,189	749,011	747,121	967,769	955,310
Infrastructure	339,582	335,264	-	-	339,582	335,264
Machinery & other	6,994	6,333	93,344	89,078	100,338	95,411
Internal service fund assets	82,909	80,171	-	-	82,909	80,171
Accumulated depreciation	(389,315)	(367,045)	(452,791)	(434,782)	(842,106)	(801,827)
Total capital assets being depreciated, net	268,695	271,606	403,045	415,951	671,740	687,557
Total net capital assets	\$ 688,278	\$ 681,214	465,528	456,004	1,153,806	1,137,218

Additional information on the City's capital assets can be found in note 5 to the basic financial statements.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$126,638,000, including current portion of \$8,515,000. Of this amount, \$8,805,000 represents pension obligation bonds, issued to pay for police and fire unfunded accrued actuarial liability, and \$117,833,000 represents revenue bonds issued for various business type activities.

Table 4-The City's outstanding bonded debt for June 30, 2018 and 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Pension Obligation bonds	\$ 8,805	\$ 10,440	-	-	8,805	10,440
Revenue bonds	-	44,325	117,833	124,988	117,833	169,313
Total long-term debt	\$ 8,805	\$ 54,765	117,833	124,988	126,638	179,753

City Of Burbank

Management's Discussion and Analysis

Ratings on outstanding debt (not including debt considered fully defeased) are provided below. The ratings below are from Moody's Investor Services and Standard and Poor's. (Note that the insured rating is given rather than the underlying rating on insured issues.

Table 5-The City's Debt Ratings:

<u>Debt Issue</u>	<u>Moody's</u>	<u>S & P</u>
▪ 2012 Waste Disposal (taxable)	-	AAA
▪ 2004 Pension Obligation	-	-
▪ 2007A Golden State	WR	A+
▪ 2010A Electric Revenue	Aa3	AA-
▪ 2010B Electric Revenue	Aa3	AA-
▪ 2010A Water Revenue	-	AAA
▪ 2010B Water Revenue	-	AAA
▪ 2012A Electric Revenue	-	AAA
▪ 2014 Wastewater	Aa2	AA+
▪ 2015 Refunding Bonds	-	AA

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

Request for Information

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Additional financial information is available on our website at <http://www.ci.burbank.ca.us>. Questions concerning any of the information in this report or request for additional financial information should be addressed the Director of Financial Services, 301 E. Olive Avenue, Burbank, CA 91502.

City of Burbank
STATEMENT OF NET POSITION
June 30, 2018
(in thousands)

	Governmental Activities	Business-type Activities	Total
Assets :			
Pooled cash and cash investments (note 4)	\$ 268,860	161,941	430,801
Receivables, net (note 9)	18,652	24,325	42,977
Internal balances (note 7)	(670)	670	-
Intergovernmental receivables	1,509	-	1,509
Inventories	679	9,787	10,466
Prepaid items and deposits (note 14)	422	31,400	31,822
Regulatory assets - deferred charges	-	475	475
Restricted cash and investments (note 4)	-	28,317	28,317
Advances receivable from Burbank Successor Agency (note 7)	37,811	-	37,811
Developer loans receivable (Note 9)	37,541	-	37,541
Capital assets not being depreciated (note 5)	419,583	62,483	482,066
Capital assets, net of accumulated depreciation (note 5)	268,695	403,045	671,740
Total assets	<u>1,053,082</u>	<u>722,443</u>	<u>1,775,525</u>
Deferred Outflows of Resources :			
Deferred amounts from OPEB (note 18)	3,240	873	4,113
Deferred amounts from pension (note 17)	74,447	28,453	102,900
Total deferred outflows	<u>77,687</u>	<u>29,326</u>	<u>107,013</u>
Liabilities :			
Accounts payable	14,178	11,717	25,895
Accrued liabilities (note 12)	7,449	2,668	10,117
Intergovernmental payables	77	-	77
Unearned revenue	-	11,257	11,257
Deposits	3,370	10,984	14,354
Advances payable to Burbank Successor Agency (note 7)	1,327	-	1,327
Bond interest payable	44	553	597
Net pension liability (note 17)	273,692	102,473	376,165
Net OPEB liability (note 18)	32,237	7,561	39,798
Current portion of long-term liabilities (note 8)	15,464	7,534	22,998
Long-term liabilities, net of current portion (note 8)	58,426	142,825	201,251
Total liabilities	<u>406,264</u>	<u>297,572</u>	<u>703,836</u>
Deferred Inflows of Resources:			
Deferred amounts from OPEB (note 18)	623	394	1,017
Deferred amounts from pension (note 17)	16,648	6,855	23,503
Total deferred inflows	<u>17,271</u>	<u>7,249</u>	<u>24,520</u>
Net Position :			
Net investment in capital assets (Note 2)	688,278	340,870	1,029,148
Restricted for :			
Public education	1,126	-	1,126
Public safety	516	-	516
Environmental	59,986	-	59,986
Unrestricted	(42,672)	106,078	63,406
Total net position	<u>\$ 707,234</u>	<u>446,948</u>	<u>1,154,182</u>

See accompanying notes to basic financial statements

City of Burbank
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018
(in thousands)

Functions / Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities :							
General government	\$ 15,475	526	101	-	(14,848)	-	(14,848)
Police	59,865	4,242	1,996	-	(53,627)	-	(53,627)
Fire	41,417	5,053	3,515	-	(32,849)	-	(32,849)
Public works	35,468	1,643	2,002	-	(31,823)	-	(31,823)
Community development	48,726	8,392	35,575	77	(4,682)	-	(4,682)
Parks and recreation	18,790	4,158	305	-	(14,327)	-	(14,327)
Library	7,203	148	53	-	(7,002)	-	(7,002)
Interest on long-term debt	565	-	-	-	(565)	-	(565)
Total Governmental Activities	227,509	24,162	43,547	77	(159,723)	-	(159,723)
Business-Type Activities :							
Water Reclamation and Sewer	14,832	17,514	-	-	-	2,682	2,682
Electric Utility	177,330	204,375	95	6,601	-	33,741	33,741
Water Utility	32,525	34,040	8	737	-	2,260	2,260
Refuse Collection & Disposal	15,699	17,365	16	-	-	1,682	1,682
Total Business-Type Activities	240,386	273,294	119	7,338	-	40,365	40,365
Total	\$ 467,895	297,456	43,666	7,415	(159,723)	40,365	(119,358)
General revenues :							
Taxes:							
Property Tax					52,848	-	52,848
Sales Tax					34,605	-	34,605
Utility Users Tax					18,702	-	18,702
Franchise Tax					5,470	-	5,470
Transient Occupancy Tax					11,734	-	11,734
Transient Parking Tax					3,353	-	3,353
Other taxes					2,359	3	2,362
Unrestricted investment earnings					1,005	986	1,991
Grants/contributions not restricted to specific programs					5,119	-	5,119
Other					18,683	2,043	20,726
Transfers (note 7)					17,089	(17,089)	-
Total general revenues, contributions, and transfers					170,967	(14,057)	156,910
Change in net position					11,244	26,308	37,552
Net position, July 1, 2017 as restated					695,990	420,640	1,116,630
Net position, June 30, 2018					\$ 707,234	446,948	1,154,182

See accompanying notes to basic financial statements

City of Burbank

BALANCE SHEET GOVERNMENTAL FUNDS

June 30, 2018
(in thousands)

	General	Special Revenue Low/Mod Income Housing	Debt Service Public Fin. Authority	Capital Projects General Cap. Proj.	Nonmajor Govern- mental Funds	Total Govern- mental Funds
Assets :						
Pooled cash and cash investments (note 4)	\$ 72,136	5,083	-	31,027	41,185	149,431
Receivables, net (note 9)	14,172	37,568	-	774	2,628	55,142
Interfund receivables (note 7)	177	-	-	-	103	280
Intergovernmental receivables	1,509	-	-	-	-	1,509
Inventories	42	-	-	-	144	186
Prepaid items and deposits (note 14)	188	-	-	-	17	205
Advances receivable-general city (note 7)	1,164	-	-	-	-	1,164
Advances receivable-successor agency (note 7)	30,249	7,562	-	-	-	37,811
Total assets	\$ 119,637	50,213	-	31,801	44,077	245,728
Liabilities :						
Accounts payable	4,529	58	-	2,117	5,310	12,014
Accrued liabilities (note 12)	7,449	-	-	-	-	7,449
Interfund payable (note 7)	81	21	-	-	861	963
Intergovernmental payables	77	-	-	-	-	77
Deposits	2,997	-	-	-	373	3,370
Advances payable-general city (note 7)	-	-	-	-	1,164	1,164
Advances payable-successor agency (note 7)	1,327	-	-	-	-	1,327
Total liabilities	16,460	79	-	2,117	7,708	26,364
Deferred inflows of resources :						
Unavailable revenue	1,144	-	-	161	-	1,305
Fund balances :						
Nonspendable:						
Advances	31,413	-	-	-	-	31,413
Inventories	42	-	-	-	144	186
Change and imprest	195	-	-	-	-	195
Prepaid items and deposits	188	-	-	-	17	205
Restricted :						
Transportation	-	-	-	-	11,305	11,305
Federal and state grants	-	-	-	-	2,538	2,538
Public education in government	1,126	-	-	-	-	1,126
Public safety	149	-	-	-	515	664
Redevelopment	-	49,952	-	-	-	49,952
Capital projects	44	-	-	-	1,686	1,730
Committed :						
Transportation	-	-	-	-	20,177	20,177
Assigned (continuing appropriations)	1,557	182	-	29,523	-	31,262
Unassigned	67,319	-	-	-	(13)	67,306
Total fund balances	102,033	50,134	-	29,523	36,369	218,059
Total liabilities, deferred inflow of resources and fund balances	\$ 119,637	50,213	-	31,801	44,077	245,728

See accompanying notes to basic financial statements

City of Burbank

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

June 30, 2018
(in thousands)

Fund balances of governmental funds			\$ 218,059
Amounts reported for governmental activities in the statement of net position are different because :			
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds (Excluding internal service funds capital assets of \$24,513).			663,765
Long term liabilities are not due and payable in the current period and therefore are not reported in governmental funds.			(23,643)
Accrued interest payable for the period between the final interest payment date and the end of the fiscal year is not reported as a payable in the governmental funds.			(44)
OPEB related debt applicable to the City's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. Deferred outflows of resources related to OPEB are only reported in the statement of net position, as the changes in these amounts affect only the government-wide statements for governmental activities.			
Deferred outflows of resources		3,240	
Deferred inflows of resources		(623)	
Net OPEB liability		<u>(32,237)</u>	<u>(29,620)</u>
Unavailable revenue is recognized on the governmental funds balance sheet for certain notes, which do not meet the criteria for availability, and are thus reported as deferred inflows of resources under modified accrual. This criteria is not applicable on the statement of net position.			1,305
Internal service funds are used by management to charge the costs of the City's self-insurance programs and equipment rental and replacement operations to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Net position, including capital assets, is shown here.			93,305
Pension related debt applicable to the City's government activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in these amounts affects only the government-wide statements for governmental activities:			
Deferred outflows of resources		\$ 74,447	
Deferred inflows of resources		(16,648)	
Pension liability		<u>(273,692)</u>	<u>(215,893)</u>
Net position of governmental activities			<u>\$ 707,234</u>

See accompanying notes to basic financial statements

City of Burbank
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018
(in thousands)

	General	Special Revenue Low/Mod Income Housing	Debt Service Public Fin. Authority	Capital Projects General Cap. Proj.	Nonmajor Govern- mental Funds	Total Govern- mental Funds
Revenues :						
Taxes	\$ 113,175	-	-	-	4,895	118,070
Licenses & permits	5,907	-	-	-	-	5,907
Fines, forfeitures and penalties	2,529	-	-	-	-	2,529
Use of money or property	1,037	41	3,115	158	1,952	6,303
Intergovernmental	13,990	-	-	5,119	18,916	38,025
Charges for services	15,592	570	-	-	21,360	37,522
Other revenues	-	-	-	22	-	22
Total revenues	<u>152,230</u>	<u>611</u>	<u>3,115</u>	<u>5,299</u>	<u>47,123</u>	<u>208,378</u>
Expenditures :						
General government :						
City council	217	-	-	-	-	217
City attorney	3,186	-	-	-	-	3,186
City clerk	204	-	-	-	-	204
City treasurer	187	-	-	-	-	187
City manager	2,363	-	-	-	-	2,363
Financial services	2,696	-	-	-	-	2,696
Management services	2,341	-	-	-	-	2,341
Administrative services	-	576	-	-	607	1,183
Information technology	3,816	-	-	-	-	3,816
Non-departmental	115	-	-	-	-	115
Total general government	<u>15,125</u>	<u>576</u>	<u>-</u>	<u>-</u>	<u>607</u>	<u>16,308</u>
Public safety :						
Police	55,094	-	-	-	481	55,575
Fire	37,124	-	-	-	-	37,124
Total public safety	<u>92,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>481</u>	<u>92,699</u>
Environmental :						
Community development	7,879	-	-	-	38,714	46,593
Public works	11,764	-	-	-	-	11,764
Total environmental	<u>19,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,714</u>	<u>58,357</u>
Culture and recreation :						
Library	6,345	-	-	-	-	6,345
Parks and recreation :						
Parks	8,405	-	-	-	-	8,405
Recreation	7,984	-	-	-	-	7,984
Special community activities	2,141	-	-	-	-	2,141
Total parks and recreation	<u>18,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,530</u>
Total culture and recreation	<u>24,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,875</u>

See accompanying notes to basic financial statements

(Continued)

City of Burbank

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

**For the Year Ended June 30, 2018
(in thousands)**

	General	Special Revenue Low/Mod Income Housing	Debt Service Public Fin. Authority	Capital Projects General Cap. Proj.	Nonmajor Govern- mental Funds	Total Govern- mental Funds
Capital outlay :						
Street improvements	-	-	-	-	5,610	5,610
General capital improvements	-	-	-	12,221	537	12,758
Total capital outlay	-	-	-	12,221	6,147	18,368
Debt service :						
Principal retirement	1,635	-	44,325	-	-	45,960
Interest and finance charges	619	-	121	-	-	740
Total debt service	2,254	-	44,446	-	-	46,700
 Total expenditures	 154,115	 576	 44,446	 12,221	 45,949	 257,307
 Excess (deficiency) of revenues over expenditures	 (1,885)	 35	 (41,331)	 (6,922)	 1,174	 (48,929)
Other financing sources (uses) :						
Transfers in (note 7)	9,101	-	-	5,092	3,000	17,193
Transfers out (note 7)	(5,708)	-	-	-	(186)	(5,894)
Total other financing sources (uses)	3,393	-	-	5,092	2,814	11,299
 Net change in fund balances	 1,508	 35	 (41,331)	 (1,830)	 3,988	 (37,630)
 Fund balances, July 1, 2017	 100,525	 50,099	 41,331	 31,353	 32,381	 255,689
 Fund balances, June 30, 2018	 \$ 102,033	 50,134	 -	 29,523	 36,369	 218,059

See accompanying notes to basic financial statements

City of Burbank

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

(in thousands)

Net change in fund balances - total governmental funds \$ (37,630)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives, and reported as depreciation expense. This is the amount by which depreciation (\$15,478) was exceeded by capital outlay (\$15,025) and transfers from the Golf fund (\$5,187) in the current period. 4,734

The issuance of long-term debt such as bonds provides current financial resources to governmental funds, while the repayment of the principal (\$45,960) of long-term debt consumes current financial resources. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In addition, compensated absences expenses (\$338) reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items. 45,622

Accrued interest payable for the period between the final interest payment date and the end of the fiscal year is not reported as an expense in the governmental fund statements. This difference between the prior year's accrued interest expense and the current year's accrued interest expense is reported in the statement of activities. 175

Other Post Employment Benefit (OPEB) expense reported in the governmental funds includes the changes in the net OPEB liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources. (64)

Some revenues reported in the statement of activities do not increase current financial resources in the fund financial statements and therefore are not reported as revenues in governmental funds. (516)

Internal service funds are used by management to charge the costs of the City's self-insurance programs and equipment rental and replacement operations to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities. 10,318

Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the changes in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources. (11,395)

Change in net position of governmental activities \$ 11,244

See accompanying notes to basic financial statements

City of Burbank

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL GENERAL FUND

For the Year Ended June 30, 2018
(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues :				
Taxes	\$ 111,149	111,817	113,175	1,358
Licenses & permits	5,410	5,410	5,907	497
Fines, forfeitures and penalties	2,408	2,297	2,529	232
Use of money or property	1,664	1,708	1,037	(671)
Intergovernmental	10,929	14,607	13,990	(617)
Charges for services	7,423	12,706	15,592	2,886
Total revenues	138,983	148,545	152,230	3,685
Expenditures :				
General government :				
City council	301	280	217	63
City attorney	3,317	3,254	3,186	68
City clerk	647	544	204	340
City treasurer	197	252	187	65
City manager	1,114	2,656	2,363	293
Financial services	2,764	3,023	2,696	327
Management services	1,932	3,294	2,341	953
Information technology	4,590	4,119	3,816	303
Non-departmental	1,974	1,106	115	991
Total general government	16,836	18,528	15,125	3,403
Public safety :				
Police	57,912	57,961	55,094	2,867
Fire	34,273	37,306	37,124	182
Total public safety	92,185	95,267	92,218	3,049
Environmental :				
Community development	8,852	9,969	7,879	2,090
Public works	9,302	12,602	11,764	838
Total environmental	18,154	22,571	19,643	2,928
Culture and recreation :				
Library	6,999	7,051	6,345	706
Parks	9,194	9,347	8,405	942
Recreation	8,054	8,101	7,984	117
Special community activities	2,320	2,323	2,141	182
Total culture and recreation	26,567	26,822	24,875	1,947

See accompanying notes to basic financial statements

(Continued)

City of Burbank

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL GENERAL FUND

**For the Year Ended June 30, 2018
(in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt service :				
Principal retirement	\$ 1,635	1,635	1,635	-
Interest expense	619	619	619	-
Total debt service	<u>2,254</u>	<u>2,254</u>	<u>2,254</u>	<u>-</u>
 Total expenditures	 <u>155,996</u>	 <u>165,442</u>	 <u>154,115</u>	 <u>11,327</u>
 Excess (deficiency) of revenues over expenditures	 <u>(17,013)</u>	 <u>(16,897)</u>	 <u>(1,885)</u>	 <u>15,012</u>
Other financing sources (uses) :				
Transfers in	1,411	1,411	9,101	7,690
Transfers out	<u>(1,559)</u>	<u>(5,708)</u>	<u>(5,708)</u>	<u>-</u>
Total other financing sources (uses)	<u>(148)</u>	<u>(4,297)</u>	<u>3,393</u>	<u>7,690</u>
 Net change in fund balances (deficits)	 <u>(17,161)</u>	 <u>(21,194)</u>	 <u>1,508</u>	 <u>22,702</u>
 Fund balance, July 1, 2017	 <u>100,525</u>	 <u>100,525</u>	 <u>100,525</u>	 <u>-</u>
 Fund balance, June 30, 2018	 <u>\$ 83,364</u>	 <u>79,331</u>	 <u>102,033</u>	 <u>22,702</u>

See accompanying notes to basic financial statements

City of Burbank

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL LOW/MODERATE INCOME HOUSING SPECIAL REVENUE FUND

**For the Year Ended June 30, 2018
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ 35	35	41	6
Charges for services	210	337	570	233
Total revenues	<u>245</u>	<u>372</u>	<u>611</u>	<u>239</u>
Expenditures :				
General government:				
Administrative services	515	1,289	576	713
Capital outlay:				
General capital improvements	4,651	4,003	-	4,003
Total expenditures	<u>5,166</u>	<u>5,292</u>	<u>576</u>	<u>4,716</u>
Excess (deficiency) of revenues over expenditures	(4,921)	(4,920)	35	4,955
Fund balance, July 1, 2017	<u>50,099</u>	<u>50,099</u>	<u>50,099</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ 45,178</u>	<u>45,179</u>	<u>50,134</u>	<u>4,955</u>

See accompanying notes to basic financial statements

City of Burbank
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018
(in thousands)

	Business-type activities - Enterprise funds					Total	Governmental
	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Fund		Internal Service Funds
Assets :							
Current assets :							
Pooled cash and investments (note 4)	\$ 45,767	89,425	13,145	13,604	-	161,941	119,429
Accounts receivable (note 9)	1,678	16,459	3,335	2,033	-	23,505	531
Interest receivable (note 9)	200	403	58	159	-	820	520
Interfund receivable (note 7)	-	670	-	-	-	670	13
Inventories	-	6,300	3,487	-	-	9,787	493
Prepaid expenses (note 14)	14	31,341	34	11	-	31,400	217
Restricted pooled cash and investments (note 4)	-	-	-	22,451	-	22,451	-
Restricted non-pooled investments (note 4)	-	5,682	184	-	-	5,866	-
Total current assets	47,659	150,280	20,243	38,258	-	256,440	121,203
Non-current assets :							
Regulatory assets - deferred charges	-	206	269	-	-	475	-
Capital assets (note 5) :							
Land	5,316	2,734	309	3,454	-	11,813	-
Land improvements	6,096	-	-	6,050	-	12,146	-
Rights to purchased power	-	1,335	-	-	-	1,335	-
Buildings and improvements	134,974	456,386	149,979	7,672	-	749,011	6,268
Machinery and equipment	2,537	70,342	6,639	13,826	-	93,344	76,641
Construction in progress	290	43,225	6,511	644	-	50,670	741
Less accumulated depreciation	(83,409)	(283,207)	(69,423)	(16,752)	-	(452,791)	(59,137)
Total capital assets, net of accumulated depreciation	65,804	290,815	94,015	14,894	-	465,528	24,513
Total non-current assets	65,804	291,021	94,284	14,894	-	466,003	24,513
Total assets	113,463	441,301	114,527	53,152	-	722,443	145,716
Deferred outflows of resources:							
Deferred amounts from pensions	741	21,779	3,410	2,523	-	28,453	-
Deferred amounts from OPEB	20	660	92	101	-	873	-
Total deferred outflows	761	22,439	3,502	2,624	-	29,326	-

See accompanying notes to basic financial statements

(Continued)

City of Burbank
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018
(in thousands)

	Business-type activities - Enterprise funds					Total	Governmental
	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Fund		Internal Service Funds
Liabilities :							
Current liabilities :							
Accounts payable	\$ 974	8,425	1,974	344	-	11,717	2,164
Accrued expenses (note 12)	-	2,324	344	-	-	2,668	-
Compensated absences payable (note 8)	1	357	36	29	-	423	15
Unearned revenue	-	8,367	2,890	-	-	11,257	-
Interfund payable (note 7)	-	-	-	-	-	-	-
Customer deposits	-	9,302	658	1,024	-	10,984	-
Bond interest payable	28	361	150	14	-	553	-
Current portion of revenue bonds (note 8)	885	4,280	860	665	-	6,690	-
Current portion of loan payable (note 8)	-	-	421	-	-	421	-
Outstanding claims self insurance (note 15)	-	-	-	-	-	-	11,485
Total current liabilities	1,888	33,416	7,333	2,076	-	44,713	13,664
Long-term liabilities (net of current portion) (note 8) :							
Revenue bonds	7,556	70,340	31,003	2,244	-	111,143	-
Landfill closure & post (note 8)	-	-	-	18,773	-	18,773	-
Loan payable (note 8)	-	-	6,404	-	-	6,404	-
Compensated absences (note 8)	130	4,794	854	727	-	6,505	320
Net pension liability	2,674	78,580	12,340	8,879	-	102,473	-
Net OPEB liability	201	5,441	914	1,005	-	7,561	-
Outstanding claims - self insurance (note 15)	-	-	-	-	-	-	38,427
Total long-term liabilities (net of current portion)	10,561	159,155	51,515	31,628	-	252,859	38,747
Total liabilities	12,449	192,571	58,848	33,704	-	297,572	52,411
Deferred inflows of resources :							
Deferred amounts from pensions	179	5,257	825	594	-	6,855	-
Deferred amounts from OPEB	4	353	18	19	-	394	-
Total deferred inflows	183	5,610	843	613	-	7,249	-
Net position :							
Net investment in capital assets	57,363	216,195	55,327	11,985	-	340,870	24,513
Unrestricted	44,229	49,364	3,011	9,474	-	106,078	68,792
Total net position	\$ 101,592	265,559	58,338	21,459	-	446,948	93,305

See accompanying notes to basic financial statements

City of Burbank

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended June 30, 2018

(in thousands)

	Business-type activities - Enterprise funds					Total	Governmental
	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds		Activities- Internal Service Funds
Operating revenues :							
Sales of water and power	\$ -	197,703	30,565	-	-	228,268	-
Charges for services	17,514	6,672	3,475	17,365	-	45,026	32,834
Total operating revenues	<u>17,514</u>	<u>204,375</u>	<u>34,040</u>	<u>17,365</u>	<u>-</u>	<u>273,294</u>	<u>32,834</u>
Operating expenses :							
Operations and maintenance	6,645	49,510	565	9,818	-	66,538	22,977
Purchased water and power	-	106,139	26,514	-	-	132,653	-
Inspection and investigation	2,190	-	-	-	-	2,190	-
Design and permits	1,581	-	-	-	-	1,581	-
Refuse disposal	-	-	-	2,898	-	2,898	-
Recycling	-	-	-	2,262	-	2,262	-
Depreciation	4,038	17,392	3,683	975	-	26,088	4,087
Total operating expenses	<u>14,454</u>	<u>173,041</u>	<u>30,762</u>	<u>15,953</u>	<u>-</u>	<u>234,210</u>	<u>27,064</u>
Operating income (loss)	<u>3,060</u>	<u>31,334</u>	<u>3,278</u>	<u>1,412</u>	<u>-</u>	<u>39,084</u>	<u>5,770</u>
Nonoperating income (expense) :							
Interest income	81	720	43	142	-	986	227
Intergovernmental	-	95	8	16	-	119	-
Other local taxes	-	-	3	-	-	3	1,752
Gain/(loss) on disposal of capital assets	-	217	-	354	-	571	455
Interest expense	(378)	(4,506)	(1,763)	(100)	-	(6,747)	-
Other income/(expense) - net	84	1,315	570	74	-	2,043	1,511
Total nonoperating income (expense)	<u>(213)</u>	<u>(2,159)</u>	<u>(1,139)</u>	<u>486</u>	<u>-</u>	<u>(3,025)</u>	<u>3,945</u>
Income (loss) before capital contributions and transfers	2,847	29,175	2,139	1,898	-	36,059	9,715
Transfers in (note 7)	-	-	-	20	-	20	603
Capital contributions	-	6,601	737	-	-	7,338	-
Transfers out (note 7)	-	(11,642)	-	-	(5,467)	(17,109)	-
Change in net position	2,847	24,134	2,876	1,918	(5,467)	26,308	10,318
Net position, July 1, 2017, as restated	98,745	241,425	55,462	19,541	5,467	420,640	82,987
Net position, June 30, 2018	<u>\$ 101,592</u>	<u>265,559</u>	<u>58,338</u>	<u>21,459</u>	<u>-</u>	<u>446,948</u>	<u>93,305</u>

See accompanying notes to basic financial statements

City of Burbank
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Year Ended June 30, 2018
(in thousands)

	Business-type activities - Enterprise funds					Total	Governmental
	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds		Activities- Internal Service Funds
Cash flows from operating activities :							
Cash received from customers	\$ 17,468	202,128	33,915	17,420	-	270,931	32,736
Cash paid to suppliers	(9,218)	(118,348)	(21,130)	(8,120)	-	(156,816)	(19,787)
Cash paid to employees	(1,518)	(25,756)	(6,107)	(5,881)	-	(39,262)	(2,985)
Net cash provided by (used in) operating activities	6,732	58,024	6,678	3,419	-	74,853	9,964
Cash flows from noncapital financing activities :							
Payments received from other funds	-	95	8	-	-	103	-
Proceeds from other funds	-	-	-	-	-	-	3,263
Other income (expense)	84	1,315	573	74	-	2,046	-
Transfers from other funds	-	-	-	20	-	20	603
Transfers to other funds	-	(11,642)	-	16	(278)	(11,904)	-
Net cash provided by (used in) noncapital financing activities	84	(10,232)	581	110	(278)	(9,735)	3,866
Cash flows from capital and related financing activities :							
Contributed capital	-	6,601	737	-	-	7,338	-
Proceeds from sales of capital assets	-	-	-	354	-	354	455
Acquisition and construction of assets	(1,103)	(36,312)	(3,637)	(4,816)	-	(45,868)	(5,531)
Principal payments - bonds	(965)	(4,100)	(830)	(714)	-	(6,609)	-
Principal payments - loan payable	-	-	(409)	-	-	(409)	-
Interest paid	(382)	(4,522)	(1,763)	(103)	-	(6,770)	-
Net cash used in capital and related financing activities	(2,450)	(38,333)	(5,902)	(5,279)	-	(51,964)	(5,076)
Cash flows from investing activities :							
Interest received	36	612	30	121	-	799	115
Sales of restricted investments	-	(532)	-	-	-	(532)	-
Net cash provided by investing activities	36	80	30	121	-	267	115
Net increase (decrease) in cash and cash equivalents	4,402	9,539	1,387	(1,629)	(278)	13,421	8,869
Cash and cash equivalents, July 1, 2017	41,365	85,568	11,942	37,684	278	176,837	110,560
Cash and cash equivalents, June 30, 2018	\$ 45,767	95,107	13,329	36,055	-	190,258	119,429

See accompanying notes to basic financial statements

(Continued)

City of Burbank
STATEMENT OF CASH FLOWS, (concluded)
ALL PROPRIETARY FUND TYPES
For the Year Ended June 30, 2018
(in thousands)

	Business-type activities - Enterprise funds					Total	Governmental Activities- Internal Service Funds
	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities :							
Operating income (loss)	\$3,060	31,334	3,278	1,412	-	39,084	5,770
Adjustments to reconcile operating income (loss) to net cash provided by operating activities :							
Depreciation	4,038	17,392	3,683	975	-	26,088	4,087
Gain/(loss) on sale of fixed assets	-	217	-	-	-	217	-
(Increase) decrease in accounts receivable	(46)	(2,247)	125	55	-	(2,113)	(22)
(Increase) decrease in due to/from City of Burbank	-	551	375	-	-	926	
(Increase) decrease in inventories	-	240	(478)	-	-	(238)	63
(Increase) decrease in prepaid items	29	(3,375)	(2)	(10)	-	(3,358)	(157)
(Increase) decrease in deferred outflows from pension	(351)	(1,389)	(754)	(692)	-	(3,186)	-
(Increase) decrease in deferred bond issuance cost	-	(359)	(47)	-	-	(406)	-
Increase in outstanding claims payable	-	-	-	-	-	-	(566)
Increase (decrease) in accounts payable	(445)	30	(326)	(50)	-	(791)	804
Increase (decrease) in net pension liability	448	12,716	1,271	934	-	15,369	-
Increase (decrease) in deferred inflows from pension		(429)	(106)	(70)	-	(605)	-
Increase (decrease) in compensated absences	22	(490)	(18)	84	-	(402)	62
Increase (decrease) in customer deposits	-	(1,314)	(204)	174	-	(1,344)	-
Increase (decrease) in bond premium	(23)	-	-	-	-	(23)	-
Increase (decrease) in deferred revenue		5,147	(119)	-	-	5,028	(77)
Increase in landfill closure and postclosure liabilities	-	-	-	607	-	607	-
Total adjustments	3,672	26,690	3,400	2,007	-	35,769	4,194
Net cash provided by (used in) operating :	\$6,732	58,024	6,678	3,419	-	74,853	9,964
Noncash investing, capital, and financing activities :							
Increase (decrease) in fair value of investments	\$ (888)	(1,723)	(255)	(700)	-	(3,566)	(1,703)

See accompanying notes to basic financial statements

City of Burbank
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2018
(in thousands)

	Private - Purpose Trust Fund Successor Agency
Assets :	
Pooled cash and investments (note 4)	\$ 17,980
Restricted non-pooled cash and cash equivalents (note 4)	-
Accounts receivable (note 9)	2
Receivables from the City of Burbank (note 7)	1,327
Capital assets	2,350
Total assets	21,659
Deferred outflows of resources:	
Deferred amount on refunding	3,069
Liabilities :	
Interest payable	214
Current portion of long term liabilities (note 8)	6,525
Long term liabilities, net of current portion (note 8)	61,212
Payable to the City of Burbank (note 7)	37,811
Total liabilities	105,762
Net position	
Unrestricted	(81,034)
Total net position	\$ (81,034)

See accompanying notes to basic financial statements

City of Burbank
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year Ended June 30, 2018
(in thousands)

	Private - Purpose Trust Fund
	Successor Agency
ADDITIONS :	
Receipts from County	\$ 18,746
Use of money or property	160
Other	118
	19,024
DEDUCTIONS :	
Administrative expenses	864
Interest expense	2,602
Payment to County	127
	3,593
Total deductions	3,593
Change in net position	15,431
Net position, July 1, 2017	(96,465)
Net position, June 30, 2018	\$ (81,034)

See accompanying notes to basic financial statements

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A - Reporting Entity

Included within the financial reporting entity, "City of Burbank" (the City), the Burbank Parking Authority (the Parking Authority), the Public Facilities Financing Authority (PFFA), the Burbank Public Financing Authority (PFA), the Burbank Community Services Fund (BCSF), the Burbank Youth Endowment Services (YES) Fund, and the Burbank Housing Authority (Housing Authority). Although these entities are legally separate from each other, the City Council acts as the governing board of each entity and these entities are so intertwined with the City they are, in substance, part of the City operations. Accordingly, the financial activities of these component units are blended in the accompanying basic financial statements. A description of the entities follows.

City of Burbank

The City was incorporated in July 1911, under the general laws of the State of California. The City Charter was adopted in January 1927, and most recently amended in April 2007. The City provides a full range of municipal services as contemplated by statute or charter. Services provided include public safety (police and fire), street construction and maintenance, sanitation, refuse collection, electric, water and sewer utilities, culture and recreation, public improvements, planning and zoning, housing and community development, and general administrative and support services.

Burbank Parking Authority

The Burbank Parking Authority is a public financing agency established by the City in May 1970, under the State of California Parking Law of 1949 to provide public parking facilities on a citywide basis. The Parking Authority's financial data and transactions are included in the accompanying basic financial statements within the capital projects funds category. Separate financial statements are not available for the Parking Authority.

Public Facilities Financing Authority

The Public Facilities Financing Authority (PFFA) was established in May 1987 by the City Council. The formation of the PFFA creates a financing entity through which Certificates of Participation can be issued for the proposed remodeling of various City buildings, the construction of a parking facility in the City Centre area, and various other additions or improvements to the City's infrastructure. Separate financial statements for the PFFA are not available. At June 30, 2018, the PFFA had no assets, liabilities or fund equity, nor did it enter into any financial transactions during the fiscal year.

Burbank Public Financing Authority

The Burbank Public Financing Authority (PFA) was established in March 1993, as a joint exercise of powers agreement (JPA) between the City of Burbank and the Redevelopment Agency. The purpose of the JPA is to provide for the financing of public capital improvements and for working capital requirements of the members, through the acquisition by the PFA of such capital improvements and for the purchase by the PFA of obligations of either of the members. Separate financial statements for the PFA are not available; financial data is presented in the basic financial statements as the Public Financing Authority debt service fund.

Burbank Community Services Fund

The Burbank Community Services Fund (Special revenue fund) was established in July 1998 as a 501 (C) (3) corporation. The purpose of this fund is to assist with support services, volunteer services, and educational services related to the development and maintenance of public facilities in the City of Burbank. Separate financial statements are not available for this fund; financial data is presented in the nonmajor funds column of the basic financial statements.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Burbank Youth Endowment Services Fund

The Youth Endowment Services (YES) capital projects fund was established in January 1991 as a 501 (C) (3) nonprofit corporation. The purpose of the YES fund is to provide youth-oriented facilities and programs. The YES fund financial data and transactions are included in the accompanying basic financial statements as a capital projects fund. Separate financial statements are not available for the YES fund.

Burbank Housing Authority

The Housing Authority, established by the City Council in June 1975, is responsible for the administration of a federally funded housing assistance payments project undertaken by the City.

The Housing Authority created the City's housing assistance payments and affordable housing programs by separate agreements with the Department of Housing and Urban Development (HUD) in November 1975, as amended December 1976, March 1982, and May 1987.

The agreements state that HUD and the Housing Authority will provide 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 within the City. The Housing Authority's financial data and transactions are included in the accompanying basic financial statements as special revenue funds. Separate financial statements are not available for the Housing Authority. The Housing Authority has become the Successor Housing Agency administrator of the Low and Moderate Income Housing fund.

B - Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. All fiduciary activities are reported only in the fund financial 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 statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues, and are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are internal service fund charges to business-type activities and other charges between business-type activities and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Low / Moderate Income Housing Special Revenue Fund – This fund is used for funds received for the affordable housing program.

Public Financing Authority Debt Service – This fund is used to account for all debt service within the Public Financing Authority.

General Capital Projects – This fund is used to account for all multiple-year capital projects undertaken by the City.

The City reports the following major proprietary funds:

Water Reclamation and Sewer – This fund is used to account for the operation and maintenance of the Water Reclamation Plant and Sewage System.

Electric Utility – To account for the production, distribution, and transmission of electric energy to residents and businesses located within the City.

Water Utility – To account for the transmission of potable water, and reclaimed water to residents and businesses in the City.

Refuse Collection and Disposal – To account for the activities involved in the collection and disposal of refuse throughout the City.

Additionally the City reports the following fund types:

Governmental Fund Types – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major facilities.

Fiduciary Fund Types – The private purpose trust fund accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

Proprietary Fund Types – Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. These services include liability insurance, workers' compensation insurance, and maintenance and financing of office equipment, vehicles, municipal buildings, communication equipment, and computer equipment.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C - Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund 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 nonexchange transactions are recognized as revenue as soon as all eligibility requirements 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, susceptible to accrual. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period (e.g., charges for services, intergovernmental revenue, sales tax, property taxes, franchise taxes, motor vehicle fees, utility users taxes, etc). 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, pension, OPEB, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes when levied, taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), net of estimated refunds and uncollectible amounts, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered measurable and available only when cash is received by the City.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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

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

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The City's electric and water utility funds are subject to the provisions of GASB No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. GASB No. 62 addresses accounting rules for regulated operations. This statement recognizes the economic ability of regulators, through the ratemaking process, to create future economic benefits and obligations affecting rate-regulated companies. Accordingly, the electric and water utility funds record these future economic benefits and obligations as regulatory assets or regulatory liabilities, respectively.

Regulatory assets represent probable future revenues associated with previously incurred costs that are expected to be recovered from customers. Regulatory liabilities represent probable future reductions in revenues associated with amounts that are expected to be refunded to customers through the ratemaking process.

In order for a rate-regulated entity to continue to apply the provisions of GASB No. 62, it must meet the following three criteria; (i) the enterprise's rates for regulated services provided to its customers must be established by an independent third-party regulator or its own governing board empowered by a statute to establish rates that bind customers; (ii) the regulated rates must be designed to recover the specific enterprise's costs of providing the regulated services; and (iii) in view of the demand for the regulated services and the level of competition, it is reasonable to assume that rates set at levels that will recover the enterprise's costs can be charged to and collected from customers.

Based upon the City's evaluation of the three criteria discussed above in relation to its operations, and the effect of competition on its ability to recover its costs, the City believes that GASB No. 62 continues to apply.

The City regularly assesses whether regulatory assets and liabilities are probable of recovery or refund. If recovery or refund is not approved by the City Council, which sets rates charged to customers, or if it becomes no longer probable that these amounts will be realized or refunded, they would need to be written-off and recognized in the current period results of operations.

D - Inventories and prepaid items

All inventories are valued at cost, using the standard cost method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

E - Capital Assets

Capital assets, which include property, plant, equipment, easements, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, including land held under easements. Donated capital assets are recorded at acquisition 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.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

	<u>Estimated useful life</u>
Buildings and improvements	20 to 40 years
Infrastructure	20 to 65 years
Machinery and equipment (except vehicles)	5 to 20 years
Production plant	30 years
Boiler plant	20 years
Transmission structures	40 years
Transmission equipment	20 to 40 years
Poles, towers and fixtures	20 to 40 years
Distribution stations	30 to 40 years
Transformers	20 to 40 years
Meters	15 to 20 years
Water services	40 years
Vehicles	5 to 20 years
Office equipment	3 to 15 years

F - Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick, universal and in-lieu leave pay benefits. The maximum accumulation of vacation leave is limited to the total number of hours accruable for two years, unless approved otherwise by the department head and City Manager. The maximum accumulation of in-lieu time is between 200 to 300 hours, depending upon the employee's bargaining unit. There is no limitation as to the number of sick leave hours accumulated.

Executives, unrepresented managers and Burbank Management Association (BMA) employees do not earn vacation or sick leave. They instead receive universal leave which has an accrual cap of 1040 hours. Universal leave is reported as part of the compensated absences accrual.

Employees are paid 100% of their accumulated vacation, universal and in-lieu time when they terminate for any reason. Accumulated sick leave is only paid out under one of the following conditions (a) at retirement or death, provided the employee has been employed by the City for over five years and is over 50 years of age; (b) at time of layoff. Accumulated sick leave is paid at 50% of the total value, except for Burbank Police Officers Association (BPOA) and Burbank Fire Fighters (BFF) employees in which sick leave is paid at 70% and respecting of the total value.

All vacation, universal, in-lieu and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in government funds only if they employees have separated from the City.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

G - Net Position and Fund Equity

The governmental funds report nonspendable, restricted, committed, assigned and unassigned fund balances to show the level of constraint governing the use of the funds. Nonspendable fund balances include amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Restricted fund balances are restricted for specific purposes by third parties or enabling legislation. Committed fund balances include amounts that can be used only for specific purposes determined by formal action of the Council. Council must have at least a 3 to 2 vote to pass a resolution for the specific purpose. Assigned fund balances comprise amounts intended to be used by the City for specific purposes as determined by the Council such as PERS retirement set-aside funds, prior years carryovers and various capital projects. Unassigned fund balance is the remaining fund balance after all of the above classifications and should only be reported in the general fund or resulting deficit fund balance in any other governmental funds. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and the unrestricted resources as necessary. When committed and assigned resources are available for use, it is the City's policy to use committed resources first and then assigned resources, as they are needed.

In the government-wide financial statements and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets; restricted and unrestricted. Restricted net position represent net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments including enabling legislation).

H - Cash and Investments

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

Interest earned on pooled cash and investments is allocated monthly to the various funds based on average daily balances. Interest income from cash and investments with fiscal agents and in the deferred compensation plan is credited directly to the related funds. The City manages its pooled idle cash and investments under a formal investment policy that is reviewed and adopted annually by the City Council and that follow the guidelines of the State of California Government Code. The City's investment policy specifically authorizes the City to invest in treasury bills, treasury notes, federal agency securities, bankers' acceptances, negotiable and nonnegotiable certificates of deposit, commercial paper, the California Local Agency Investment Fund (LAIF), the Los Angeles County Pooled Investment Fund, and money market mutual funds.

The City's investments are reported at fair value. LAIF operates in accordance with the state laws and regulation of California. The reported value of the pool is the same as the fair value of the pool shares.

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

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

I - Receivables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due. Estimated allowances for uncollectible accounts for enterprise fund customer accounts receivables are adjusted to the 90 days and over receivables balances.

Assessed values are determined on an annual basis by the Los Angeles County Assessor as of January 1. Taxes are levied annually and become a lien on real property at July 1. Taxes are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively.

The Low and Moderate Income Housing fund has outstanding developer notes receivable with the Burbank Housing Corporation (BHC). The terms of the notes are fifty-five years with a stated annual interest rate of 3%. At the end of each notes' term, the City will receive either; A) the outstanding principal and interest on the loans or, b) as first lien holder on the underlying land and buildings, will receive the properties back. If the City receives the properties, after their respective fifty-five year term is over, in lieu of full payment of unpaid principal and interest from the BHC, those properties can then be used for any purpose the City chooses. The City records notes receivable at the lesser of a) the aggregate outstanding principal and interest balances on the notes receivable, or b) the estimated aggregate values of the underlying properties at the end of their respective note receivable term. (i.e.; estimated value fifty-five years after the start of each loan, not present valued back to June 30, 2018). The City reports the notes receivable balance in restricted fund balance in the governmental funds statements and in restricted net position in governmental activities in the entity-wide statements.

The Community Development and Block Grant (CDBG) and HOME funds give loans to the BHC and to individuals meeting eligibility criteria. The loans have various term lengths with stated interest rates ranging from 0% to 6%. The loans are scheduled to be forgiven at the end of their respective terms.

J - Interfund Advances

Advances between funds, as reported in the fund statements, are classified as either restricted or non spendable fund balance in the applicable governmental funds available.

K - Self-Insurance Program

The City has self-insurance programs to provide for general liability and workers' compensation claims. These activities are accounted for in the Self-Insurance internal service fund, a proprietary fund type. Fund revenues are primarily premium charges to other funds and are planned to match estimated payments, including both reported and incurred but not reported claims, operating expenses, and reinsurance premiums. The fund expenses the estimated liability for claims in cases where such amounts are reasonably determinable and where the liability is likely.

The City is self-insured for individual claims up to \$2,000 for worker's compensation, and \$1,000 for general liability. Losses in excess of these amounts are covered through commercial insurance policies, up to statutory limits, for individual claims. See note 15, Self-insurance, for additional information on the City's self-insurance programs.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

L - Current Year Standards

GASB 75

In fiscal year 2017-2018 the City implemented GASB 75 "*Accounting and Financial Reporting for Postemployment Benefit Other Than Pension Plans*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for postemployment benefits other than pensions. Accounting changes adopted to conform to the provisions of this statement should be applied retroactively. The result of the implementation of this statement decreased net positions at July 1, 2017 (See Note 20).

GASB 82

"*Pension Issues*", effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017 and did not impact the City.

GASB 85

"*Omnibus 2017*", effective for periods beginning after June 15, 2017 and did not impact the City.

GASB 86

"*Certain Debt Extinguishment Issues*", effective for periods beginning after June 15, 2017 and did not impact the City.

M - Pending Accounting Standards

GASB has issued the following statements which may impact the City's financial reporting requirements in the future:

GASB 83

"*Certain Asset Retirement Obligations*", effective for periods beginning after June 15, 2018.

GASB 84

"*Fiduciary Activities*", effective for periods beginning after December 15, 2018.

GASB 87

"*Leases*", effective for periods beginning after December 15, 2019.

GASB 88

"*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*", effective for periods

GASB 89

"*Accounting for Interest Cost Incurred before the End of a Construction Period*", effective for periods beginning

GASB 90

"*Majority Equity Interests*", effective for periods beginning after December 15, 2018.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

N - Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheets will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions and OPEB equal to employer contributions made after the measurement date of the net pension and OPEB liabilities.
- Deferred outflows related to pensions and OPEB resulting from the difference in projected and actual earnings on investments of the pension plan and OPEB fiduciary net position. These amounts are amortized over five years.
- Deferred outflows related to pension resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the plans.
- Deferred gain or loss refunding reported. A deferred gain or loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and governmental funds balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from taxes and grants. These amounts are reported as unavailable and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows related to pensions for differences between expected and actual experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans.
- Deferred inflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expecting remaining service lives of all employees that are provided with pensions through the Plans.

O - Pensions

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

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

P - Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

Q - Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB plan and additions to/deductions from the OPEB plans' fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the City's OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of computation of certain items on statement of net position

The statement of net position includes an element titled "Net investment in capital assets". The details of this computation are explained below :

Governmental activities :

Capital assets of internal service funds, net of accumulated depreciation	\$ 24,513
Governmental assets, net of accumulated depreciation	663,765
Net investment in capital assets	\$ 688,278

Business-type activities :

Capital assets, net of accumulated depreciation	\$ 465,528
All revenue bonds, current and long term portions	(117,833)
Loan payable	(6,825)
Net investment in capital assets	\$ 340,870

(3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Appropriations

During the year, several supplemental budget appropriations were adopted by the City Council as amendments to the annual budget. Some significant appropriations are as follows: \$2,500 for debris flow mitigation, \$1,292 for forestry fire appropriated through mutual aid, \$537 for La Tuna fire, and \$485 for Burbank town center EIR/Traffic.

Appropriated Budget and Budgetary Control

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General, Special Revenue (except for the Drug Asset Forfeiture fund), Debt Service and Capital Projects funds (except for Public Improvement Funds). The budgets are presented for reporting purposes on a budgetary basis consistent with accounting principles generally accepted in the United States of America. Certain multi-year capital improvements and other projects are budgeted on a project-length basis. Additionally, appropriations for the Drug Asset Forfeiture fund occur based on actual cash receipts and do not lapse at year end. A comparison of these budgets with current year expenditures would not be meaningful, due to the multi-year nature of these projects. As a result, budgetary schedules are not presented for the Public Improvements capital projects fund, the Drug Asset Forfeiture special revenue fund, and the General City Capital Projects fund.

The level of appropriated budgetary control is at the functional departmental level. The City Manager may authorize transfers of appropriations within a departmental function. Expenditures may not legally exceed total departmental appropriations. Supplemental appropriations during the year must be approved by the City Council by a 3/5 vote. These appropriations, representing amendments to the budget during the year, were significant in relationship to the original budget as adopted and are more fully described above. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.

The City uses an "encumbrance system". Under this procedure, commitments such as purchase orders and contracts at year-end are recorded as "committed" or "assigned" fund balance.

The City Council adopts budgets for the Enterprise and Internal Service funds. All Proprietary fund types are accounted for on the economic resources measurement focus and the accrual basis of accounting. Additionally, the City is not legally mandated to report the results of operations for these Proprietary fund types on a budget comparison basis; therefore, budgetary data related to these funds has not been presented.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(4) CASH AND INVESTMENTS

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows :

	Governmental	Business Type	Fiduciary Fund	Total
Pooled cash and investments	\$ 268,860	161,941	17,980	448,781
Restricted pooled cash and investments	-	22,451	-	22,451
Restricted non-pooled cash and cash equivalents	-	5,866	-	5,866
Total	<u>\$ 268,860</u>	<u>190,258</u>	<u>17,980</u>	<u>477,098</u>
Demand deposits				277
Cash overdraft				(56)
Investments				476,877
Total				<u>\$ 477,098</u>

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (Code) (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the Code or the City's investment policy.

Authorized Investment Type	Authorized By City Policy	Maximum Maturity **	Maximum Percentage of Portfolio	Maximum Investment One Issuer
Agency-U.S. Federal Agency	Yes	5 years	90%	None
Corporate-medium term notes	Yes	5 years	30%	5%
LAIF-Local Agency Invest. Fund	Yes	N/A	None	\$65 million per account
U.S. Treasury obligations	Yes	5 years	None	None
Non-negotiable Certificates of Deposit	Yes	5 years	40%	None
Certificates of deposit	Yes	5 years	30%	\$250,000
Money market mutual funds	Yes	90 days	20%	None
State and Local Agency Obligations	Yes	5 years	15%	5%
Banker's acceptances	No	N/A	N/A	N/A
Commercial paper	Yes	270 days	25%	5%
Repurchase agreements	Yes	90 days	25%	None
Supranational Obligations	Yes	5 years	15%	None
Reverse repurchase agreements	No	N/A	N/A	N/A
Mutual funds	No	N/A	N/A	N/A
Mortgage pass-through securities	No	N/A	N/A	N/A
County pooled investment funds	No	N/A	N/A	N/A

** No investment shall be made in any security that, at the time of the investment, has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment, with the maximum allowed not to exceed 5% of the portfolio from over five years to ten year maturities.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(4) CASH AND INVESTMENTS, (continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment One Issuer</u>
Investment Agreements	N/A	None	None
LAIF-Local Agency Invstmt Fund	N/A	None	None
Money Market	N/A	None	None
Pledge Bonds	N/A	None	None
U.S. Treasury Obligations	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will 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 changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is 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.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

	<u>Remaining Maturity (in Months)</u>				
	<u>Total</u>	<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
Agency-U.S. Federal Agency	\$ 157,358	14,324	14,776	128,258	-
U.S. Treasury obligations	19,575	2,994	-	16,581	-
Commercial Paper	24,945	24,945	-	-	-
Corporate-Medium Term Notes	71,451	17,160	15,822	38,469	-
Municipal Bonds	42,021	6,575	13,462	21,984	-
Negotiable Certificates of Deposit	90,450	21,264	20,879	48,307	-
LAIF-Local Agency Invst Fund	65,211	65,211	-	-	-
Held by bond trustee:	-	-	-	-	-
Investment Agreements	3,801	-	-	-	3,801
Money Market	2,065	2,065	-	-	-
Totals	\$ 476,877	154,538	64,939	253,599	3,801

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(4) CASH AND INVESTMENTS, (continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Code, the City's investment policy, or debt agreements, and the Moody's actual rating as of year end for each investment type.

	Total	Minimum Legal	
		Rating	Not Rated
Agency-U.S. Federal Agency	\$ 157,358	N/A	-
U.S. Treasury obligations	19,575	N/A	-
Commercial Paper	24,945	Aaa	-
Corporate-Medium Term Notes	71,451	A	-
Municipal Bonds	42,021	A	-
Negotiable Certificates of Deposit	90,450	N/A	90,450
LAIF-Local Agency Invstmt Fund	65,211	N/A	65,211
Held by bond trustee:			
Investment Agreements	3,801	A	-
Money Market	2,065	Aaa	-
U.S. Treasury Obligations	-	N/A	-
Totals	\$ 476,877		155,661

	Rating as of year end			Not required to be rated
	Aaa	Aa	A	
Agency-U.S. Federal Agency	\$ 157,358	-	-	-
U.S. Treasury obligations	-	-	-	19,575
Commercial Paper	24,945	-	-	-
Corporate-Medium Term Notes	8,327	19,591	43,533	-
Municipal Bonds	6,424	35,597	-	-
Held by bond trustee:				
Investment Agreements	-	-	3,801	-
Money Market	2,065	-	-	-
Totals	\$ 199,119	55,188	47,334	19,575

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Code. Investments in any one issuer (other than US Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows :

- Federal Home Loan Bank - U.S. Federal Agency - \$45,583
- FHLMC Debentures - U.S. Federal Agency - \$32,977
- FNMA - U.S. Federal Agency - \$59,254

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(4) CASH AND INVESTMENTS, (continued)

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 amount of deposits are covered by FDIC insurance or collateralized under California law.

The Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits : The 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.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the Code, section 16429 under the oversight of the Treasurer of the State of California. The fair 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). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value Measurements

The City categorizes its fair values measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted, quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The City has the following recurring fair value measurements as of June 30, 2018:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Investments Not Subject to Hierarchy	Total
Agency-U.S. Federal Agency	-	157,358	-	-	157,358
Commercial Paper	-	24,945	-	-	24,945
Corporate-medium term notes	-	71,451	-	-	71,451
LAIF-Local Agency Invest. Fund	-	-	-	65,211	65,211
U.S. Treasury obligations	-	19,575	-	-	19,575
Negotiable Certificates of Deposit	-	90,450	-	-	90,450
Municipal Bonds	-	42,021	-	-	42,021
Held by Bond Trustee:					
Investment Agreements	-	-	3,801	-	3,801
Money Market	-	-	-	2,065	2,065
	<u>\$ -</u>	<u>\$ 405,800</u>	<u>\$ 3,801</u>	<u>\$ 67,276</u>	<u>\$ 476,877</u>

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 is as follows:

Governmental activities	Balance July 1 2017	Additions	Deletions	Transfers	Balance June 30 2018
Capital assets not being depreciated :					
Land	\$ 53,025	-	-	11	53,036
Land held under easements	345,277	-	-	-	345,277
Construction in progress	11,712	16,846	(8,029)	-	20,529
Internal service fund assets :					
Construction in progress	451	345	(55)	-	741
Total capital assets not being depreciated	410,465	17,191	(8,084)	11	419,583
Capital assets being depreciated :					
Land Improvements	8,694	20	-	1,053	9,767
Accumulated depreciation	(6,199)	(313)	-	(734)	(7,246)
Buildings and improvements	208,189	1,725	(10)	8,854	218,758
Accumulated depreciation	(143,132)	(5,879)	10	(4,091)	(153,092)
Infrastructure	335,264	4,192	(7)	133	339,582
Accumulated depreciation	(155,411)	(8,773)	7	(73)	(164,250)
Machinery and other	6,333	271	-	390	6,994
Accumulated depreciation	(4,721)	(513)	-	(356)	(5,590)
Internal service fund assets :					
Buildings and improvements	6,267	1	-	-	6,268
Accumulated depreciation	(2,222)	(264)	-	-	(2,486)
Machinery and other	73,904	8,241	(5,504)	-	76,641
Accumulated depreciation	(55,360)	(3,823)	2,532	-	(56,651)
Total capital assets being depreciated, net	271,606	(5,115)	(2,972)	5,176	268,695
Total net capital assets - Governmental activities	\$ 682,071	12,076	(11,056)	5,187	688,278

Depreciation charged to governmental functions on the statement of activities during the year is as follows; \$829 General Government, \$111 to Police, \$39 to Fire, \$13,012 to Public Works, \$2,232 to Community Development, \$2,607 to Parks and Recreation and \$735 to Library.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(5) CAPITAL ASSETS, (continued)

Total Enterprise fund type capital assets are as follows :

All Business-type activities	Balance July 1 2017	Additions	Deletions	Transfers	Balance June 30 2018
Capital assets not being depreciated :					
Land	\$ 11,824	-	-	(11)	11,813
Construction in progress	28,229	31,692	(9,251)	-	50,670
Total capital assets not being depreciated	<u>40,053</u>	<u>31,692</u>	<u>(9,251)</u>	<u>(11)</u>	<u>62,483</u>
Capital assets being depreciated :					
Land improvements	13,199	-	-	(1,053)	12,146
Accumulated depreciation	(10,757)	(393)	-	734	(10,416)
Rights to purchased power	1,335	-	-	-	1,335
Accumulated depreciation	(756)	(43)	-	-	(799)
Buildings and improvements	747,121	11,232	(488)	(8,854)	749,011
Accumulated depreciation	(362,339)	(20,191)	17	4,091	(378,422)
Machinery and other	89,078	9,236	(4,447)	(523)	93,344
Accumulated depreciation	(60,930)	(5,461)	2,808	429	(63,154)
Total capital assets being depreciated, net	<u>415,951</u>	<u>(5,620)</u>	<u>(2,110)</u>	<u>(5,176)</u>	<u>403,045</u>
Total net capital assets - business type activities	<u>\$ 456,004</u>	<u>26,072</u>	<u>(11,361)</u>	<u>(5,187)</u>	<u>465,528</u>

Water Reclamation and Sewer fund capital assets are as follows :

	Balance July 1 2017	Additions	Deletions	Transfers	Balance June 30 2018
Capital assets not being depreciated :					
Land	\$ 5,316	-	-	-	5,316
Construction in progress	131	1,103	(944)	-	290
Total capital assets not being depreciated	<u>5,447</u>	<u>1,103</u>	<u>(944)</u>	<u>-</u>	<u>5,606</u>
Capital assets being depreciated :					
Land improvements	6,096	-	-	-	6,096
Accumulated depreciation	(4,640)	(316)	-	-	(4,956)
Buildings and improvements	134,030	944	-	-	134,974
Accumulated depreciation	(72,476)	(3,598)	-	-	(76,074)
Machinery and other	2,537	-	-	-	2,537
Accumulated depreciation	(2,255)	(124)	-	-	(2,379)
Total capital assets being depreciated, net	<u>63,292</u>	<u>(3,094)</u>	<u>-</u>	<u>-</u>	<u>60,198</u>
Total net capital assets - Water Reclamation and Sewer	<u>\$ 68,739</u>	<u>(1,991)</u>	<u>(944)</u>	<u>-</u>	<u>65,804</u>

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(5) CAPITAL ASSETS, (continued)

Electric Utility fund capital assets are as follows :

	Balance July 1 2017	Additions	Deletions	Transfers	Balance June 30 2018
Capital assets not being depreciated :					
Land	\$ 2,734	-	-	-	2,734
Construction in progress	21,828	26,855	(5,458)	-	43,225
Total capital assets not being depreciated	<u>24,562</u>	<u>26,855</u>	<u>(5,458)</u>	<u>-</u>	<u>45,959</u>
Capital assets being depreciated :					
Rights to purchased power	1,335	-	-	-	1,335
Accumulated depreciation	(756)	(43)	-	-	(799)
Buildings and improvements	448,536	8,337	(487)	-	456,386
Accumulated depreciation	(218,205)	(13,039)	16	-	(231,228)
Machinery and other	68,428	2,392	(478)	-	70,342
Accumulated depreciation	(46,938)	(4,310)	68	-	(51,180)
Total capital assets being depreciated, net	<u>252,400</u>	<u>(6,663)</u>	<u>(881)</u>	<u>-</u>	<u>244,856</u>
Total net capital assets - Electric Utility	<u>\$ 276,962</u>	<u>20,192</u>	<u>(6,339)</u>	<u>-</u>	<u>290,815</u>

Water Utility fund capital assets are as follows :

	Balance July 1 2017	Additions	Deletions	Transfers	Balance June 30 2018
Capital assets not being depreciated :					
Land	\$ 309	-	-	-	309
Construction in progress	5,697	3,663	(2,849)	-	6,511
Total capital assets not being depreciated	<u>6,006</u>	<u>3,663</u>	<u>(2,849)</u>	<u>-</u>	<u>6,820</u>
Capital assets being depreciated :					
Buildings and improvements	148,029	1,951	(1)	-	149,979
Accumulated depreciation	(61,236)	(3,475)	1	-	(64,710)
Machinery and other	5,766	873	-	-	6,639
Accumulated depreciation	(4,505)	(208)	-	-	(4,713)
Total capital assets being depreciated, net	<u>88,054</u>	<u>(859)</u>	<u>-</u>	<u>-</u>	<u>87,195</u>
Total net capital assets - Water Utility	<u>\$ 94,060</u>	<u>2,804</u>	<u>(2,849)</u>	<u>-</u>	<u>94,015</u>

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(5) CAPITAL ASSETS, (continued)

Refuse Collection & Disposal fund capital assets are as follows :

	Balance July 1 2017	Additions	Deletions	Transfers	Balance June 30 2018
Capital assets not being depreciated :					
Land	\$ 3,454	-	-	-	3,454
Construction in progress	573	71	-	-	644
Total capital assets not being depreciated	<u>4,027</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>4,098</u>
Capital assets being depreciated :					
Land improvements	6,050	-	-	-	6,050
Accumulated depreciation	(5,383)	(77)	-	-	(5,460)
Buildings and improvements	7,672	-	-	-	7,672
Accumulated depreciation	(6,331)	(79)	-	-	(6,410)
Machinery and other	11,824	5,971	(3,969)	-	13,826
Accumulated depreciation	(6,803)	(819)	2,740	-	(4,882)
Total capital assets being depreciated, net	<u>7,029</u>	<u>4,996</u>	<u>(1,229)</u>	<u>-</u>	<u>10,796</u>
Total net capital assets - Refuse Collection & Disposal	<u>\$ 11,056</u>	<u>5,067</u>	<u>(1,229)</u>	<u>-</u>	<u>14,894</u>

(6) DEFINED CONTRIBUTION PLANS

Defined Contribution Plans

Welfare Benefit Plan (VEBA)

The VEBA is a defined contribution plan established by the City of Burbank to provide post retirement medical benefits primarily to members of the Burbank Police Officers' Association. At June 30, 2018, there were 148 active participants and 99 retired participants. VEBA members are required to contribute their final vested sick pay at retirement. The City is required to contribute \$36.13 dollars per month per active participant and 1.5% of the Burbank Police Officers' Association annual covered salary. VEBA provisions and contribution requirements are established and may be amended by the City Council of the City. Investments are self directed by each VEBA participant.

Separate financial statements are not available for the VEBA. The employer contributions are recognized in the period that the contributions are made; contributions totaled \$407 for the fiscal year ended June 30, 2018. At June 30, 2018, the fair value of assets was \$8,017.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(6) DEFINED CONTRIBUTION PLANS, (continued)

Post Employment Health Plan (PEHP)

The PEHP is a defined contribution plan established by the City of Burbank in February 2006 to provide retirement medical benefits primarily to members of the Burbank Fire Fighters' Association (BFF) and the Burbank Fire Fighters' Chief Officers' Unit (BFF-COU). The PEHP is a multi-employer trust comprised of over 800 public sector entities across the United States and is administered by Nationwide Retirement Solutions. At June 30, 2018 there were 114 active and 47 retired participants. BFF and BFF-COU PEHP members are required to contribute the balance of their accumulated leave balance upon retirement or separation to their individual plan accounts. The BFF and BFF-COU take a vote of the membership annually in October to ascertain the dollar amount to be deposited from their accumulated leave balance into the Universal Reimbursement Account, and any remaining balance is deposited into the Insurance Reimbursement Premium Account.

PEHP provisions and contribution requirements are established and may be amended by the City Council of the City to the extent allowed by the Internal Revenue Code. Participants may elect to have their contributions and earnings directed to an investment option of their choice and these investments are self directed by each PEHP participant. The City has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The City contributed \$391 to the PEHP during the year ended June 30, 2018.

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES, AND TRANSFERS

The composition of interfund balances as of June 30, 2018 is as follows :

Fund	Interfund		Transfers	
	Receivable	Payable	In	Out
General fund	\$ 177	81	9,101	5,708
Low / Mod housing	-	21	-	-
General capital projects	-	-	5,092	-
Electric utility	670	-	-	11,642
Refuse collection & disposal	-	-	20	-
Nonmajor proprietary fund	-	-	-	5,467
Nonmajor governmental funds	103	861	3,000	186
Internal service funds	13	-	603	-
Total interfund receivable / payable / transfers	\$ 963	963	17,816	23,003

Composition and purpose of interfund transfers is as follows :

Nonmajor governmental funds transfers in of \$3,000 includes \$2,822 from the Street Lighting fund transferred from Electric Utility fund for in-lieu of taxes payments.

General fund transfers in of \$9,101 includes \$8,821 from the Electric Utility fund for in-lieu of taxes payments.

General Capital Projects fund transfers in of \$5,092 includes \$5,084 from the General fund; \$2,500 for debris basin mitigation, and \$2,539 for additional capital projects and street improvements per resolution 17-28946.

Nonmajor fund (Golf) transfer out of \$5,467 includes \$5,187 transfer of capital assets to governmental asset group as part of the process of closing the Golf fund.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES, AND TRANSFERS, (continued)

The composition of interfund advances as of June 30, 2018 is as follows :

Advances from City :

From 1997 to 1999, the General fund advanced \$1,118 to the Public Improvements fund, to pre-fund the development impact activity for the Police/Fire facility construction per Resolution 25174 and 25176 on November 4, 1997 and Resolution 25270 on May 5, 1998. As revenue is accumulated within Public Improvements, repayments are made on this advance; there is no interest charged, nor is there a specified repayment schedule.

\$ 233

The General fund advanced \$931 to the Street Lighting fund, to fund operations while the in-lieu of taxes revenue source was being voted upon, as per resolution 17-28973 on November 14, 2017. The advance will be repaid during FY 18/19.

931

\$ 1,164

Advances to Successor Agency :

The City and the Agency entered into a cooperation agreement through which the City agreed to advance funds to the City Centre project necessary for land acquisition and related expenses. Transferred to Successor Agency February 1, 2012. AB 1484 specifies the actions to be taken and the method of repayment for advances by the Successor Agency to the various funds of the City. Upon application and approval by the Successor Agency and approval by the oversight board, loan agreements (advances) entered into by former redevelopment agency and the City shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the advances were for legitimate redevelopment purposes. The accumulated interest on the remaining amount of advances will be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund. The advances are to be repaid with a defined schedule over a reasonable term of years at an interest rate not to exceed the 3%. The annual advances repayments are subject to certain limitations. Advance repayments are subject to a formula distribution, and have a lower priority for repayment as described in AB 1484 (Health and Safety Code Section 34191.4(2)(A)). The advances related to the borrowing for the SERAF payment have a priority over repayment of the other advances. 20% of the repayment of the other advances not related to the SERAF advances shall be deducted and transferred to the Low and Moderate Income Housing Fund (Housing Authority).

37,545

From 1977 through 1979, the City and the Agency entered into agreements to loan funds aggregating \$225 to the West Olive Project.

144

The City and the Agency entered into an agreement through which the City agreed to advance funds to the South San Fernando project necessary for formation costs.

122

\$ 37,811

Advances from Successor Agency :

In 2015, it was deemed by the State Controllor's Office during the final asset transfer review that the prior asset transfers from the Agency to the City were unallowable and must be turned over to the Agency. A receivable has been booked on the Agency's Statement of Net Position as of June 30, 2018.

\$ 1,327

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES, AND TRANSFERS, (continued)

A breakdown of all items as stated on the statement of net position and statement of activities:

Fund	Internal Balances		Transfers	
	Governmental	Business-Type	Governmental	Business-Type
Governmental funds				
interfund receivable	\$ -	-	\$ -	-
transfers in	-	-	17,193	-
interfund payable	(670)	-	-	-
transfers out	-	-	(5,894)	-
Internal service funds				
interfund receivable	-	-	-	-
transfers in	-	-	603	-
interfund payable	-	-	-	-
transfers out	-	-	-	-
Proprietary funds				
interfund receivable	-	670	-	-
transfers out	-	-	-	(17,109)
interfund payable	-	-	-	-
transfers in	-	-	-	20
Totals	<u>\$ (670)</u>	<u>670</u>	<u>\$ 11,902</u>	<u>(17,089)</u>

(8) LONG-TERM LIABILITIES

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within one year
Fiduciary activities:					
Tax allocation bonds	\$ 78,263	35,260	(45,786)	67,737	6,525
Total fiduciary activities	<u>\$ 78,263</u>	<u>35,260</u>	<u>(45,786)</u>	<u>67,737</u>	<u>6,525</u>
Governmental activities :					
Revenue bonds	\$ 44,325	-	(44,325)	-	-
Pension obligation bonds	10,440	-	(1,635)	8,805	1,825
Compensated absences*	14,500	8,450	(8,112)	14,838	1,433
Total non-internal service debt	<u>69,265</u>	<u>8,450</u>	<u>(54,072)</u>	<u>23,643</u>	<u>3,258</u>
Claims payable from self-insurance funds (Note 15)	50,478	11,625	(12,191)	49,912	12,191
Compensated absences - payable from internal service funds	<u>273</u>	<u>295</u>	<u>(233)</u>	<u>335</u>	<u>15</u>
Total governmental activities	<u>\$ 120,016</u>	<u>20,370</u>	<u>(66,496)</u>	<u>73,890</u>	<u>15,464</u>

*Compensated absences liability for governmental activities will be liquidated by the following funds: general fund, section 8, HOME, CDBG and street lighting.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within one year
Business-type activities :					
Water Reclamation & Sewer :					
Revenue bonds	\$ 9,406	-	(965)	8,441	885
Compensated absences - payable from enterprise funds	109	125	(104)	130	1
Subtotal	9,515	125	(1,069)	8,571	886
Refuse Collection & Disposal :					
Revenue bonds	3,623	-	(714)	2,909	665
Other long-term liabilities	18,166	607	-	18,773	-
Compensated absences - payable from enterprise funds	672	397	(313)	756	29
Subtotal	22,461	1,004	(1,027)	22,438	694
Electric Utility :					
Revenue bonds	79,190	-	(4,570)	74,620	4,280
Compensated absences - payable from enterprise funds	4,771	3,765	(3,384)	5,152	357
Subtotal	83,961	3,765	(7,954)	79,772	4,637
Water Utility :					
Revenue bonds	32,769	-	(906)	31,863	860
Other long-term liabilities	7,234	-	(409)	6,825	421
Compensated absences - payable from enterprise funds	860	492	(462)	890	36
Subtotal	40,863	492	(1,777)	39,578	1,317
Total business-type activities :					
Revenue bonds	124,988	-	(7,155)	117,833	6,690
Other long-term liabilities	25,400	607	(409)	25,598	421
Compensated absences - payable from enterprise funds	6,412	4,779	(4,263)	6,928	423
Total business-type activities	<u>\$ 156,800</u>	<u>5,386</u>	<u>(11,827)</u>	<u>150,359</u>	<u>7,534</u>

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

FIDUCIARY ACTIVITIES

Tax Allocation Bonds

2015 Successor Agency Tax Allocation Refunding Bonds, Series 2015

The bonds are due in annual installments from \$210 to \$4,680 through December 1, 2033. Interest at various rates ranging from 2.00% to 5.00% is payable semiannually on June 1 and December 1. The bonds provided funds for (a) to refinance certain outstanding bonds and a loan and note entered into by the former Redevelopment Agency to the City of Burbank; (b) to fund a reserve account bond insurance policy; and, (c) provide for the costs of issuing the Bonds. The refunding was undertaken to reduce annual debt service payments averaging \$1.229 over the 19 years for a total savings of \$23.358, and the net present value gain was \$8.575. As of June 30, 2018, the defeased bonds have been redeemed.

\$ 27,890

2017 Successor Agency Tax Allocation Refunding Bonds, Series 2017

The bonds are due in annual installments from \$720 to \$2,265 through December 1, 2043. Interest at various rates ranging from 2.00% to 5.00% is payable semiannually on June 1 and December 1. The bonds provided funds for (a) to refinance certain outstanding bonds issues by the former Redevelopment Agency of the City of Burbank, (b) purchase a debt service reserve policy to be issued by Build America Mutual Assurance Company ("BAM"), and (c) pay for the costs of issuing the 2017 Bonds. The refunding was undertaken to reduce annual debt service payments averaging \$618 over the 27 years for a total savings of \$16.697, and the net present value gain was \$5.377. As of June 30, 2018, the defeased bonds have been redeemed.

33,020

Plus original issue premium

6,827

Total tax allocation bonds

67,737

Total fiduciary activities

\$ 67,737

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

GOVERNMENTAL ACTIVITIES

Pension Obligation Bonds (POB)

The bonds are due in annual installments from \$260 to \$2,510 through June 1, 2023. Interest is fixed at 5.93%. The bonds provided funds to pay the City's unfunded pension obligation related to increased safety salaries, in lieu of reducing this obligation over a number of years directly through PERS.

\$ 8,805

Compensated absences - Governmental activities:

Governmental funds accumulated vacation, universal, in-lieu and sick leave accrual is reported in the government-wide statement of net assets. For the fiscal Year Ended June 30, 2018, the noncurrent portions of the accrual consist of vacation leave of \$10,284, sick leave of \$3,164, and in-lieu time of \$1,390.

\$ 14,838

Outstanding Claims Payable - Self-Insurance

The Risk Management fund total outstanding claims are \$6,620. The current portion of the outstanding claims are reported in the current liability section of the statement of net position and the remainder is included in long-term liabilities.

\$ 6,620

The Workers' Compensation fund total outstanding claims are \$43,292. The current portion of the outstanding claims are reported in the current liability section of the statement of net position and the remainder is included in long-term liabilities.

\$ 43,292

Total long-term liabilities for self-insurance

\$ 49,912

Compensated absences - Internal service funds:

All the Internal Service fund types' accumulated vacation and sick leave accrual is reported in the respective Internal Service fund. At June 30, 2018, the accrual consists of vacation leave of \$223, sick leave of \$74 and in-lieu time of \$38 and the current portion of \$15.

\$ 335

Total governmental activities

\$ 73,890

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

BUSINESS-TYPE ACTIVITIES - REVENUE BONDS

Wastewater Treatment

\$10,575 Wastewater Treatment Revenue Bonds of 2014 Series

The bonds are due in annual installments ranging from \$90 to \$1,130 from June 1, 2015 to June 1, 2033, with interest rates ranging from 2% to 5%, payable semiannually on June 1 and December 1. The purpose of these bonds was to refund, on a current basis, the City's Wastewater Treatment Refunding Revenue Bonds, 2004 Series A and to pay all costs of issuance. The difference in the debt service payments totaled \$3,338 and the net present value gain was \$2,479.

\$ 7,395

Plus original issue premium

\$ 1,046

Total Wastewater Revenue bonds

\$ 8,441

Waste Disposal

\$6,315 Waste Disposal Refunding Revenue Bonds of 2012 Series

These bonds are due in installments ranging from \$480 to \$725 from May 1, 2013, to May 1, 2022, with an interest rate of 3.00%, payable semiannually on May 1 and November 1. The bonds are special obligations of the City payable solely from the net revenues of the City's waste collection and disposal system and other funds specified in the indenture.

\$ 2,785

Plus original issue premium

\$ 124

Total Waste Disposal revenue bonds

\$ 2,909

Burbank Water and Power

\$35,825 Burbank Water and Power Electric Revenue/Refunding Bonds 2010 Series A

These bonds were issued to partially advance refund the 1998 Bonds and the 2001 Bonds and to pay the costs of issuance of the Series 2010A Bonds. Payable in installments ranging from \$2,290 to \$3,530. Interest rates range from 3.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2023. The bonds are secured by a pledge of net revenues of the electric enterprise fund as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.

\$ 16,815

\$52,665 Burbank Water and Power Electric Revenue Bonds 2010 Series B

These bonds were issued to finance a portion of the costs of certain improvements to the Electric System, including the conversion of certain residential and commercial distribution circuits and to fund a deposit in the Parity Reserve Fund and to pay the costs of issuance. Payable in installments ranging from \$2,210 to \$4,195. Interest rates range from 3.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2040. The bonds are secured by a pledge of net revenues of the electric enterprise fund as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.

\$ 52,665

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

<u>\$8,795</u>	<u>Burbank Water and Power Water Revenue/Refunding and New Bonds 2010 Series A</u>		
	These bonds were issued to refund on a current basis all of the outstanding 1998 Water Bonds, finance the costs of certain improvements to the City's water system and to pay the costs of issuance of the Series 2010A Bonds. Payable in installments ranging from \$165 to \$970. Interest rates range from 2.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2023. The bonds are secured by a pledge of net revenues of the water enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	\$	3,820
<u>\$27,945</u>	<u>Burbank Water and Power Water Revenue Bonds 2010 Series B (Taxable Build America Bonds)</u>		
	These bonds were issued to finance the costs of the 2010 Water Project and to pay the costs of issuance of the Series 2010B Bonds. Payable in installments ranging from \$850 to \$2,275. Interest rates range from 4.89% to 5.79%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2040. The bonds are secured by a pledge of net revenues of the water enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account. The City expects to receive a direct cash subsidy from the United States Department of Treasury equal to 35% of the interest on the Series 2010B Bonds.	\$	27,945
<u>\$9,810</u>	<u>Burbank Water and Power Electric Revenue Refunding Bonds, 2012 Series A</u>		
	These bonds were issued to refund on a current basis all of the outstanding 2002 Electric Bonds and to pay the costs of issuance of the Series 2012A Bonds. Payable in installments ranging from \$375 to \$1,145. Interest rates range from 2.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2022. The bonds are secured by a pledge of net revenues of the electric enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	\$	4,275
	Plus original issue premium		1,302
	Less original issue discount		<u>(339)</u>
	Total Burbank Water and Power revenue bonds	\$	<u>106,483</u>
	Total Enterprise revenue bonds	\$	<u>117,833</u>

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

Other long-term liabilities :

Landfill Closure and Post-Closure Care Costs

State laws and regulations require the City to place a final cover on the Burbank Landfill No. 3 site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports portions of these costs as operating expenses in each period, as required by GASB 18, and based on landfill capacity used as of each balance sheet date.

The landfill closure and postclosure care liability at June 30, 2018 represents the cumulative amount reported to date based on the use of 48 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of \$23,595 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. Using the 2018 inflation factor of 1.018 percent, the total estimated adjusted closure and postclosure costs as of 2018 are \$38,415. The City expects to close the landfill in the year 2066. Actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in regulations.

The City is required by state laws and regulations to make annual contributions to a trust fund to finance closure and postclosure care. The City is in compliance with these requirements, and at June 30, 2018, \$18,216 was reported as restricted cash. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws and regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

\$ 18,773

State Water Resources Control Board Loan (SWRCB) #2:

This loan was issued for the purpose of upgrading the Recycled Water Pumping Station PS-1 project to create capacity needed to distribute recycled water to new users. The cost of the project is \$1,916, of which \$521 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than November 2030.

\$ 381

State Water Resources Control Board Loan (SWRCB) #3:

This loan was issued for the purpose of constructing the Valhalla Recycled Water Main Extension. This pipeline extends the existing recycled water distribution system to Valhalla Memorial Park and Cemetery and other recycled water customers in its vicinity. The cost of the project is \$5,062, of which \$3,709 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than June 2031.

\$ 2,669

State Water Resources Control Board Loan #4:

This loan was issued for the purpose of constructing the Studio District Recycled Water Main Extension. This pipeline extends the existing recycled water distribution system to Warner Brothers, Disney and NBC Studios and other recycled water customers in its vicinity. The cost of the project is \$5,161, of which \$3,240 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than June 2032.

\$ 2,379

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(8) LONG-TERM LIABILITIES (continued)

State Water Resources Control Board Loan #5:

This loan was issued for the purpose of constructing the Northern Burbank Main Extension. This pipeline extends the existing recycled water distribution system to Brace Park, Woodbury University and I-5 landscaping and other recycled water customers in its vicinity. The cost of the project is estimated to be \$1,934, of which \$1,784 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than June 2033.

\$ 1,396

Total other long-term liabilities

\$ 25,598

Compensated absences - All Enterprise fund types :

All the Enterprise fund types' accumulated vacation, universal, in-lieu and sick leave accrual is reported in the respective Enterprise fund. For the fiscal year ended June 30, 2018, the total of the accrual consist of vacation leave of \$5,178, sick leave of \$1,057 and in-lieu time of \$693.

\$ 6,928

Total business-type activities

\$ 150,359

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

The annual requirements to amortize all bonded indebtedness and other long-term liabilities outstanding at June 30, 2018 are as follows :

Fiduciary activities

Year ending June 30

	Fiduciary Tax Allocation	
	Principal	Interest
2019	\$ 6,525	2,462
2020	6,850	2,203
2021	7,145	1,887
2022	4,985	1,595
2023	5,725	1,327
2024-2028	10,615	4,084
2029-2033	5,695	2,704
2034-2038	5,640	1,744
2039-2043	6,335	784
2044-2045	1,395	24
Premium	6,827	-
Totals	\$ 67,737	\$ 18,814

Governmental activities

Year ending June 30

	POB Bond	
	Principal	Interest
2019	\$ 1,825	522
2020	2,035	414
2021	2,260	294
2022	2,510	160
2023	175	10
Totals	\$ 8,805	1,400

Business-type activities

Year ending June 30

	Revenue Bonds		Other Liabilities	
	Principal	Interest	Principal	Interest
2019	\$ 6,690	4,924	\$ 421	177
2020	6,985	4,622	432	166
2021	6,905	4,299	442	155
2022	7,220	3,976	454	143
2023	5,615	5,198	467	133
2024-2028	19,265	22,384	2,518	470
2029-2033	22,610	16,546	2,091	135
2034-2038	27,715	9,114	-	-
2039-2040	12,695	1,177	-	-
Discount	(339)	-	-	-
Premium	2,472	-	-	-
Totals	\$ 117,833	72,240	\$ 6,825	1,379

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

Pledged Revenue

The City and its component units have a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses where so required by the debt agreement) are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment:

Description of Pledged Revenue	Annual Amount of Pledged Revenue (net of expenses, where required)	Annual Debt Service Payments (of all debt secured by this revenue)	Debt Service as a Percentage of Pledged Revenue
Water Reclamation and Sewer	\$ 7,098	\$ 1,217	17.15%
Electric	\$ 48,726	\$ 7,239	14.86%
Water	\$ 6,961	\$ 2,596	37.29%
Refuse Collection and Disposal	\$ 2,387	\$ 748	31.34%

(9) RECEIVABLES

Receivables at June 30, 2018 consist of the following :

	General Fund	Low/Mod Housing	General Capital Projects	Public Finance. Authority	Nonmajor Govt'l Funds	Internal Service Funds	Total Governmental
Governmental activities :							
Accounts receivable, net	\$ 13,848	5	629	-	2,456	531	17,469
Interest receivable	324	22	145	-	172	520	1,183
Taxes receivable, net	-	-	-	-	-	-	-
Developer notes receivable	-	37,541	-	-	-	-	37,541
Total	\$ 14,172	37,568	774	-	2,628	1,051	56,193
Business-type activities :							
Accounts receivable, net	\$ 1,678	16,459	3,335	2,033	-	23,505	
Interest receivable	200	403	58	159	-	820	
Total	\$ 1,878	16,862	3,393	2,192	-	24,325	

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(9) RECEIVABLES, (continued)

The low and moderate income housing fund has outstanding developer notes receivable with the Burbank Housing Corporation (BHC). The terms of the notes are fifty-five years from date of issuance with a stated interest rate of 3%. At the end of each notes' term, the City will receive either the outstanding principal and interest on the loans, or as first lien holder on the underlying land and buildings, will receive the properties back. If the City receives the properties in lieu of payment from the BHC, those properties can then be used for any purpose the City chooses. The City records notes receivable at the lesser of a) the aggregate outstanding principal and interest balances on the notes receivable, or b) the estimated aggregate values of the underlying properties at the end of their respective note receivable term (i.e.; fifty-five years after the start of each loan, not present valued back to June 30, 2018). The City reports the notes receivable balance in restricted fund balance in the governmental funds statements and in restricted net position in governmental activities in the entity-wide statements. As of June 30, 2018, the notes receivable balance was \$37,541, net of an allowance for doubtful accounts of \$22,349. For the fiscal year ended June 30, 2018, the allowance for doubtful accounts increased \$1,368.

The Community Development and Block Grant (CDBG) and HOME funds provide loans to the BHC and to individuals. The loan terms for each loan are various lengths with stated interest rates ranging from 0% to 6% and are scheduled to be forgiven at the end of their respective term. The City records the notes receivable balance, and an allowance for doubtful accounts equal to 100% of the outstanding note balance. The notes receivable balance for CDBG as of June 30, 2018 was \$0, net of an allowance for doubtful accounts of \$2,515, in both the governmental activities and the governmental funds. The notes receivable balance for HOME as of June 30, 2018 is \$0, net of an allowance for doubtful accounts of \$10,868, in both the governmental activities and the governmental funds.

(10) COMMITMENTS AND CONTINGENCIES

Litigation

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact to the City over and above the amounts recorded as claims liability. City management believes that the claims liability recorded within the self-insurance internal service fund is sufficient to cover any potential losses, should an unfavorable outcome result and that any overage would be covered by the City's excess insurance pool, ACCEL.

Construction commitments

Some of our significant outstanding construction commitments include \$8,959 C-184 Ontario Distribution Station; \$2,029 Media District Traffic Sig Imp and \$1,325 for Fleet Facility Upgrades.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(11) POWER SUPPLY EXPENSES

A - RETAIL ENERGY SUPPLY

The City receives electricity through firm contracts, local generation and market purchases. The majority of electricity is delivered through firm contracts, which include "take or pay", "take and pay" and term purchases. Local generation and market purchases supplement firm contracts to meet the City's retail load requirements.

B - JOINT POWERS AGENCY CONTRACTS

The City, through its Electric Utility Fund, has entered into several "take or pay" contracts and "take and pay" contracts through its participation in two joint power agencies, the Intermountain Power Agency (IPA) and the Southern California Public Power Authority (SCPPA) in order to meet the electric needs of its customers. These contracts are not considered joint ventures since the City has no interest in the assets, liabilities, or equity associated with any of the projects to which these contracts refer. Under the "take or pay" contract, the City is obligated to pay its share of the indebtedness regardless of the ability of the contracting agency to provide electricity or the City's need for the electricity. The City is only obligated to pay its share of the indebtedness upon delivery of energy under the "take and pay" contracts. However, in the opinion of management, the City does not have a financial responsibility for purposes of GASB Statement No. 14, "Financial Reporting Entity", because the IPA and SCPPA do not depend on revenue from the City to continue in existence.

These contracts constitute an obligation of the Electric Utility Fund to make debt service payments from its operating revenues. The Electric Utility Fund's share of debt service is not recorded as an obligation on the accompanying basic financial statements; however, it is included as a component of its power supply expenses.

During the fiscal years ended June 30, 2018 and 2017, the Electric Fund made payments totaling \$66,072 and \$69,399 for "take or pay" contracts, respectively, and \$2,636 and \$2,220 for the "take and pay" contract, respectively.

(a) Intermountain Power Agency (IPA)

In 1980, the City, along with the California Cities of Los Angeles, Anaheim, Glendale, Pasadena and Riverside, entered into a power sales contract with IPA, which obligates each purchaser to purchase, on a "take or pay" basis, a percentage share of capacity and energy generated by the Intermountain Power Project (IPP) in Utah. The City, through contract, is entitled to 60 MW of 3.371% of the 1,800 MW of generation at the plant. In addition, the City entered into an Excess Power Sales Agreement, also on a "take or pay" contract, with Utah municipal and cooperative IPP purchasers, which provides for the City to obtain up to an additional 0.797% (14 MW) when not used by the Utah municipal or cooperative IPP purchasers.

(b) Southern California Public Power Authority (SCPPA)

SCPPA membership consists of 10 Southern California cities and one public irrigation district of the State of California, which serves the electric power needs of its Southern California electricity customers. SCPPA, a public entity organized under the laws of the State of California, was formed by a joint powers agreement dated November 1, 1980, pursuant to the Joint Exercise of Powers Act of the State of California. SCPPA was created for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation and transmission of electric energy for sale to its participants. The joint power agreement has a term of 50 years.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(11) POWER SUPPLY EXPENSES, (continued)

Southern Transmission System Project (STS)

Pursuant to an agreement dated May 1, 1983 with the IPA, SCPPA made payments-in-aid of construction to IPA to defray all costs of acquisition and construction of the STS, which provides for the transmission of energy from the Intermountain Generating Station in Utah to Southern California. STS commenced commercial operations in July 1986. The Department of Water and Power of the City of Los Angeles (LADWP), a member of SCPPA, serves as project manager and operating agent of IPP. The STS consists of a 488 mile transmission line and the associated converter station on each end. The 500 kV DC bi-pole transmission lines are currently rated at 2,400 megawatts (MW) as a result of an upgrade completed in December 2010. The City's ownership share of this project is 4.498%.

Magnolia Power Project (MPP)

In March 2003, the City, along with the Cities of Anaheim, Cerritos, Colton, Glendale and Pasadena, entered into a power sales agreement with SCPPA for MPP. MPP commenced commercial operations in Burbank, California in September 2005. MPP is a combined-cycle natural gas-fired generation plant with a nominal rate net base capacity of 242 MW, but can boost its output to 310 MW, if needed. The City has entitlement up to 97.6 MW or 30.992% of its output. The City's share of outstanding debt is 32.350% which excludes debt relating solely to the City of Cerritos. The City is also MPP's operating agent.

Prepaid Natural Gas Project (PNGP)

The PNGP primarily consists of the acquisition by SCPPA of the right to receive an aggregate amount of approximately 135 billion cubic feet of natural gas, which subsequently was reduced to approximately 90 billion cubic feet as a result of restructuring to accelerate a portion of the long-term savings, reduce the remaining volumes of gas to be delivered, and shorten the overall duration of five prepaid agreements (with the City, and the Cities of Anaheim, Colton, Glendale and Pasadena).

The City's natural gas supply agreement with SCPPA is expected to provide approximately one-fourth of the City's gas requirements for MPP. The City has no obligation under the natural gas supply agreement to pay for gas not delivered.

Milford I Wind Project (M1WP)

M1WP is located near Milford, Utah and began commercial operations in November 2009. The facility is a 200 MW nameplate capacity wind farm comprised of 97 wind turbine generators, delivered by a 90 mile transmission line, 345 kV, extending from the generation site to the IPP switchyard in Delta, Utah. This plant generates enough capacity to supply electricity to power more than 60,000 homes and offset over 366,000 tons per year of carbon dioxide that would otherwise be emitted from a coal-powered plant. SCPPA (on behalf of project participants LADWP, the City and the City of Pasadena, California) acquired 100.000% of this facility and issued bonds in 2010 to finance the purchase by prepayment of a specified quantity of energy from this facility over the 20-year delivery term, with a guaranteed annual quantity in each year. The City's share of this project is 5.000% of the total capacity of 10 MW, energy, and environmental attribute rights produced at this facility.

Mead-Adelanto Project (MA)

SCPPA also entered into an agreement dated December 17, 1991 to acquire a 67.917% interest in the MA, a transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada. Funding for these projects was provided by a transfer from the Multiple Projects Fund, and commercial operations commenced in April 1996. LADWP serves as the operations manager of MA. The project is a 202 mile, 500 kV AC transmission line with a rating of 1,200 MW. The City's ownership share of MA is 11.534%.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(11) POWER SUPPLY EXPENSES, (continued)

Palo Verde Project (PV)

Pursuant to an assignment agreement dated August 14, 1981 with the Salt River Project, SCPPA purchased a 5.910% interest in the Palo Verde Nuclear Generating Station, a 3,810 MW nuclear-fueled generating station near Phoenix, Arizona, a 5.44% ownership interest in the Arizona nuclear power project high voltage switchyard (ANPP HVS), and a 6.550% share of the right to use certain portions of the Arizona nuclear power project valley transmission system (collectively, the PV). Units 1, 2 and 3 of PV began commercial operations in January 1986, September 1986 and January 1988, respectively. The City's ownership share of this project is 4.400% (9.7 MW).

Tieton Hydro Project (THP)

This facility was acquired by SCPPA in November 2009 with 100.000% of entitlement shares. Each of the two project participants, the City and the City of Glendale, California, have an equal 50.000% entitlement share of this project. THP is a run of the reservoir hydroelectric facility, comprised of a powerhouse constructed at the base of the United States Bureau of Reclamation (USBR) Tieton Dam on the Tieton River in the State of Washington, on a 21 mile, 115 kV transmission line from the plant substation to the interconnection of the electrical grid. The powerhouse has a maximum capacity of 20 MW, with a nameplate capacity of 13.6 MW. USBR owns and operates the dam and controls the flows into the Tieton River from the Rimrock Lake reservoir, which was created by the dam. Average annual generation from this plant is approximately 48,000 megawatt hours (MWh). The City is also Tieton's operating agent.

Mead-Phoenix Project (MP)

SCPPA entered into an agreement dated December 17, 1991 to acquire an interest in the MP, a transmission line extending between the West Wing substation in Arizona and the Marketplace substation in Nevada. The agreement provides SCPPA with an 18.308% interest in the West Wing-Mead project, a 17.756% interest in the Mead substation project component and a 22.408% interest in the Mead-Marketplace component. The project is a 256 mile, 500 kV AC transmission line with a rating of 1,300 MW. The City's ownership share of MP is 15.400%.

Natural Gas Project (NGP)

The NGP was acquired by SCPPA in 2005 and 2006 and is being developed for the primary purpose of providing the participants with stable long-term supplies of gas for the purpose of fueling their electric generation needs.

SCPPA issued 2008 Bonds to provide monies for the refinancing of the City's share of the costs of acquisition and development of the NGP through the redemption of a portion of SCPPA's draw down bonds previously issued for the NGP.

SCPPA has sold entitlements to 100.000% of the production capacity of the NGP pursuant to separate gas sales agreements with the five participants - the City, and the Cities of Anaheim, Colton, Glendale and Pasadena. The participants are obligated to pay for such production capacity, including amounts required to pay debt service on bonds issued to finance their respective share of the NGP, on a "take or pay" basis. The City has 14.286% of entitlement shares in the Pinedale, Wyoming Subproject (2005 purchase), and 27.273% of entitlement shares in the Barnett, Texas Subproject (2006 purchase).

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(11) POWER SUPPLY EXPENSES, (continued)

Hoover Upgrading Project (HU)

On March 1, 1986, SCPPA and the City, and eight participants including the Cities of Anaheim, Azusa, Banning, Colton, Glendale, Pasadena, Riverside and Vernon entered into an agreement pursuant to which each participant assigned its entitlement to capacity and associated firm energy to SCPPA in return for SCPPA's agreement to make advance payments to the USBR on behalf of such participants. SCPPA has an 18.680% interest in the contingent capacity of the HU. All 17 "uprated" generators of the HU have commenced commercial operations. The City has a 15.957% (15 MW) ownership interest in this project.

Ameresco/Chiquita Landfill Gas Project

Ameresco/Chiquita Landfill Gas Project is located in Valencia, California near Lake Castaic and began commercial operations in November 2010. The renewable energy is generated using landfill gas produced at the Chiquita Canyon Landfill. This plant has a total generating capacity of 10 MW and SCPPA members receive 100.000% of the project output. The project participants are the City and the City of Pasadena. The City contracted to purchase approximately 16.700% or 1.7 MW.

Don A. Campbell Geothermal (aka Wild Rose)

In November 2013, the City began to receive geothermal energy output from the Wild Rose Geothermal (aka Don A. Campbell) Project, located in Mineral County, Nevada. The term of this agreement is 20 years. This is a geothermal power generating facility with a generating nameplate capacity of 25 MW and a projected capacity of 16.2 MW. The City and the City of Los Angeles are project participants. The City contracted to purchase approximately 15.380% (3.845 MW).

Pebble Springs Wind Project

Pebble Springs is located in Gilliam County, Oregon, near the town of Arlington and began commercial operations in early 2009. The term of this agreement is 18 years. The City, and the Cities of Los Angeles and Glendale receive the entire energy output of 99 MW. The City contracted to purchase approximately 10.000% (10 MW).

Copper Mountain 3 Solar Project

Copper Mountain 3 Solar Project is located near Boulder City, Nevada, approximately 25 miles southeast of Las Vegas, Nevada. The facility is the third phase of one of the largest photovoltaic solar facilities in the U.S. situated on about 1,400 acres of land. The City and the City of Los Angeles entered into a 20-year power sales agreement through SCPPA. The City's share of this project is 16.000% (40 MW) of the total capacity of 250 MW. The purchase of 40 MW of renewable energy output per year, or approximately 90,000 megawatt hours (MWh) annually, will enable Burbank to meet approximately 7 percent of BWP's resource requirements. In May 2014, ahead of schedule, the City began to receive solar energy output from Copper Mountain 3. The plant went from partial commercial operations to full commercial operations in 2015.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(11) POWER SUPPLY EXPENSES, (continued)

A summary of the City's contracts and related projects and its commitments at June 30, 2018 are shown below:

	City of Burbank portion*	City of Burbank share of bonds	City of Burbank obligation relating to total debt service
Intermountain Power Project	3.371%	\$ 30,751	\$ 31,111
SCPPA: ⁽¹⁾			
Southern Transmission System	4.498%	21,878	26,381
Magnolia Power Project (Project A)	32.350%	92,016	114,668
Prepaid Natural Gas Project #1	33.000%	97,898	152,423
Milford I Wind Project	5.000%	8,879	12,046
Mead-Adelanto	11.534%	6,304	6,730
Tieton Hydropower Project	50.000%	23,525	40,358
Mead-Phoenix	15.400%	2,544	2,695
Natural Gas Project - Barnett	100.000%	14,159	19,726
Natural Gas Project - Pinedale	100.000%	4,571	6,369
SCPPA Total		271,775	381,395
Total		\$ 302,526	\$ 412,507

* Burbank shares in % and amounts are estimated based on weighted average.

⁽¹⁾ All SCPPA listed obligations are "take or pay" contracts except the Prepaid Natural Gas Project #1, a "take and pay" contract, and the Milford I Wind Project, a prepaid purchase power agreement.

The following schedule details the amount of principal and interest that is due and payable by the City as part of the joint power agency contracts, by project, in the fiscal year indicated (year ending June 30).

	2018/19		2019/20		2020/21	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	\$ 6,824	870	7,350	293	7,302	(281)
SCPPA:						
Southern Transmission System	2,523	970	2,204	855	2,758	750
Magnolia Power Project (Project A)	2,229	2,627	2,337	2,517	37,235	2,053
Prepaid Natural Gas Project #1	1,777	4,943	2,127	4,843	2,549	4,720
Milford I Wind Project	504	427	529	402	555	375
Mead-Adelanto	2,213	250	2,306	137	1,785	39
Tieton Hydropower Project	475	1,193	500	1,168	525	1,142
Mead-Phoenix	905	85	929	50	711	16
Natural Gas Project - Barnett	1,342	776	1,240	705	1,160	639
Natural Gas Project - Pinedale	433	251	400	228	375	206
Total	\$ 19,225	12,391	19,922	11,199	54,955	9,659

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(11) POWER SUPPLY EXPENSES, (continued)

	2021/22		2022/23		2023/28	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	\$ 5,198	(393)	3,707	(132)	371	2
SCPPA:						
Southern Transmission System	3,567	614	2,747	465	8,078	850
Magnolia Power Project (Project A)	2,573	1,582	2,169	1,470	10,938	6,278
Prepaid Natural Gas Project #1	2,950	4,576	3,203	4,414	23,862	18,792
Milford I Wind Project	582	348	610	318	3,531	1,100
Mead-Adelanto	-	-	-	-	-	-
Tieton Hydropower Project	553	1,113	583	1,082	4,333	4,745
Mead-Phoenix	-	-	-	-	-	-
Natural Gas Project - Barnett	1,096	577	1,036	518	4,479	1,789
Natural Gas Project - Pinedale	354	186	334	167	1,446	578
Total	<u>\$ 16,873</u>	<u>8,603</u>	<u>14,389</u>	<u>8,303</u>	<u>57,037</u>	<u>34,133</u>

	2028/33		2033/38		2038/43	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	\$ -	-	-	-	-	-
SCPPA:						
Southern Transmission System	-	-	-	-	-	-
Magnolia Power Project (Project A)	13,349	4,386	21,185	1,738	-	-
Prepaid Natural Gas Project #1	39,498	10,789	21,932	1,450	-	-
Milford I Wind Project	2,570	197	-	-	-	-
Mead-Adelanto	-	-	-	-	-	-
Palo Verde	-	-	-	-	-	-
Tieton Hydropower Project	4,640	3,582	5,923	2,268	5,995	541
Mead-Phoenix	-	-	-	-	-	-
Natural Gas Project - Barnett	3,806	562	-	-	-	-
Hoover Uprating Project	-	-	-	-	-	-
Natural Gas Project - Pinedale	1,229	182	-	-	-	-
Total	<u>\$ 65,092</u>	<u>19,698</u>	<u>49,039</u>	<u>5,456</u>	<u>5,995</u>	<u>541</u>

	Total	
	Principal	Interest
Intermountain Power Project	\$ 30,751	360
SCPPA:		
Southern Transmission System	21,878	4,503
Magnolia Power Project (Project A)	92,016	22,652
Prepaid Natural Gas Project #1	97,898	54,525
Milford I Wind Project	8,879	3,167
Mead-Adelanto	6,304	426
Tieton Hydropower Project	23,525	16,833
Mead-Phoenix	2,544	151
Natural Gas Project - Barnett	14,159	5,567
Natural Gas Project - Pinedale	4,571	1,797
Total	<u>\$ 302,526</u>	<u>109,981</u>

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(12) ACCRUED LIABILITIES

Accrued liabilities for Governmental and Business Type Activities June 30, 2018, consist of the following:

	<u>Govern- mental</u>	<u>Business Type</u>
Accrued expenditures	\$ 549	\$ 2,668
Accrued payroll	3,569	-
Other liabilities	3,331	-
Total	<u>\$ 7,449</u>	<u>\$ 2,668</u>

(13) DEFERRED COMPENSATION PLANS

The City has adopted a deferred compensation plan in accordance with Internal Revenue Code Section 457 and 457p for its eligible full-time and part-time employees respectively.

Pursuant to changes in August, 1966 of IRC section 457, the City formally established a trust in which all assets and income of the 457 plans were placed. The assets, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are no longer the property of the City, and as such are not subject to the claims of the City's general creditors, thus the assets of these plans are not reflected in the accompanying basic financial statements.

As of June 30, 2018, the City's deferred compensation plan had accumulated assets of \$171,345 under the 457 plan, and \$686 under the 457p plan.

(14) PREPAID ITEMS AND DEPOSITS

The City shows a total of \$31,823 in prepaid items and deposits. \$31,341 of the prepaid items are in the Electric Utility, \$14 are in Water Rec and Sewer, \$34 are in Water Utility, \$11 are in Refuse Collection and Disposal and \$206 in the Governmental activities (\$188 in the general fund), with \$217 in internal service funds.

(15) SELF-INSURANCE

The City is self-insured for the first \$1,000 on each general liability claim against the City. The City also self-insures for the first \$2,000 for each workers compensation claim. At June 30, 2018, \$6,620 was accrued for general liability claims, and \$43,292 accrued for workers compensation claims. These amounts were determined by an actuarial study, performed annually. These accruals represent estimates of amounts to be paid for incurred and reported claims as well as incurred but unreported claims based upon past experience and modified for current trends and information. See the end of this note for a table showing changes in the aggregate liabilities for the past two years.

While the ultimate amounts of losses incurred through June 30, 2018, are dependent on future developments, based upon information provided from the City Attorney, outside legal counsel and others involved with the administration of the programs, City management believes that the aggregate accrual is adequate to cover such losses. The City is insured with outside insurance carriers for \$1,000 for general liability claims and \$2,000 in excess of self-insurance limits per claim. There have been no reductions during the fiscal year in insurance coverage, nor have there been any settlements in excess of insurance coverage for the past three years.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
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(in thousands)

(15) SELF-INSURANCE, (continued)

The City participated in California Authority for Municipal Excess Liability (CAMEL), which is a joint insurance purchasing arrangement, from July 1998 to June 2004. The City rejoined ACCEL (Authority for California Cities Excess Liability) on July 1, 2004.

Authority for California Cities Excess Liability (ACCEL)

Since July 1, 2004, the City has been a member in ACCEL, which is a risk sharing pool for municipal excess liability. Each individual member self-insures all general liability losses for the first \$1,000 and the members of the pool share losses between \$1,000 and \$5,000. The members jointly purchase additional layers of coverage beyond the pooled layer, with Burbank purchasing an additional \$45,000 of excess coverage, for total coverage of \$50,000. The layers of coverage above \$5,000 are not pooled, but rather jointly purchased.

Changes in the self-insurance liability for the last two fiscal years were as follows :

	Fiscal year	
	<u>2016-17</u>	<u>2017-18</u>
Beginning liability, July 1	\$ 47,913	50,478
Claims and changes in estimates	14,614	11,625
Claims payments during the year	<u>(12,049)</u>	<u>(12,191)</u>
Ending liability, June 30	<u>\$ 50,478</u>	<u>49,912</u>

The claims liability is reported as a long-term liability in the self-insurance internal service funds and in long term liabilities in the Governmental Activities.

(16) LEASE OBLIGATIONS

Operating Leases

The City is lessee under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected as assets or liabilities in the City's statement of net position.

Prepaid Leases

Warner Brothers

In June 2000, the City of Burbank made a prepaid lease payment of \$1,500 to Warner Brothers Studios for the use of land to locate a new switching station. The terms of the agreement was an advance payment of \$1,500 for a twenty-year lease term, with the City's right to renew for ten years at an annual base payment of \$50 in year 21, with a 3% increase in years 22-30. The lease began in January 2002. For the fiscal year ended June 30, 2018, the electric fund amortized \$75 on this prepaid lease, leaving a balance of \$263.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(17) PENSION PLANS

A - General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily defined benefits. For classic miscellaneous employees hired into a plan with the 2.5% at 55 formula, eligibility for service retirement is age 50 with at least 5 years of services. PEPPA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	2.5%@55	2%@62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	5.75%
Required employer contribution rates	8.468%	8.468%
Payment of unfunded liability	\$ 12,068,592	\$ -
	Police	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	3%@50	2.7%@57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	12.75%
Required employer contribution rates	22.807%	22.807%
Payment of unfunded liability	\$ 4,118,888	\$ -

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(17) PENSION PLANS, (continued)

	Fire	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date	3%@55	2.7%@57
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50 - 55	50 - 57
Retirement age	2.4% to 3.0%	2.0% to 2.7%
Monthly benefits, as a % of eligible compensation	9.00%	10.25%
Required employee contribution rates	15.316%	15.316%
Required employer contribution rates	\$ 2,280,268	\$ -
Payment of unfunded liability		

Employees Covered

At the June 30, 2017 measurement date, the following employees were covered by the benefit terms :

	Miscellaneous	Police	Fire
Inactive employees or beneficiaries currently receiving benefits	1,256	242	191
Inactive employees entitled to but not yet receiving benefits	875	37	25
Active employees	1,056	143	116
Total	3,187	422	332

Contributions

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

B - Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(17) PENSION PLANS, (continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Police	Fire
Valuation Date	June 30, 2016	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:			
Discount Rate	7.15%	7.15%	7.15%
Inflation	2.75%	2.75%	2.75%
Payroll Growth	3.00%	3.00%	3.00%
Projected Salary Increase	3.2% - 12.2% (1)	3.7% - 15.0% (1)	3.4% - 20.0% (1)
Mortality	(2)	(2)	(2)

(1) Varies by entry age and service.

(2) The probabilities of mortality are derived using CalPERS membership data for all funds. The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011 including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

Change of Assumptions

In fiscal year 2017/2018, the financial reporting discount rate was reduced from 7.65% to 7.15%. Deferred outflows of resources and deferred inflows of resources for changes of assumptions represent the unamortized portion of this assumption change and the unamortized portion of the changes of assumptions related to prior measurement periods.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for each plan, and reflects the long term expected rate of return for each plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(17) PENSION PLANS, (continued)

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

In determining the long-term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected Public Employees Retirement Funds (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF, A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	<u>100.00%</u>		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

Subsequent events

There were no subsequent events that would materially affect the results.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(17) PENSION PLANS, (continued)

C - Changes in the Net Pension Liability

The changes in the net pension liability for the **Miscellaneous Plan** are as of the measurement date are as follows (actual amounts):

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2016	\$ 810,328	606,366	203,962
Changes in the Year:			
Service cost	13,740	-	13,740
Interest on the total pension liability	59,537	-	59,537
Differences between actual and expected experience	(12,763)	-	(12,763)
Changes in assumptions	49,266	-	49,266
Changes in benefit terms	-	-	-
Contribution - employer	-	16,774	(16,774)
Contribution - employee (paid by employer)	-	-	-
Contribution - employee	-	6,161	(6,161)
Net investment income	-	66,930	(66,930)
Plan to Plan Resource Movement	-	-	-
Administrative expenses	-	(895)	895
Benefit payments, including refunds of employee contributions	(42,023)	(42,023)	-
Net Changes	<u>67,757</u>	<u>46,947</u>	<u>20,810</u>
Balance at June 30, 2017	<u>\$ 878,085</u>	<u>653,313</u>	<u>224,772</u>

The changes in the net pension liability for the **Police Plan** are as of the measurement date are as follows (actual amounts):

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2016	\$ 278,992	195,946	83,046
Changes in the Year:			
Service cost	5,939	-	5,939
Interest on the total pension liability	20,594	-	20,594
Differences between actual and expected experience	(3,062)	-	(3,062)
Changes in assumptions	16,968	-	16,968
Changes in benefit terms	-	-	-
Contribution - employer	-	7,665	(7,665)
Contribution - employee (paid by employer)	-	-	-
Contribution - employee	-	1,816	(1,816)
Net investment income	-	21,724	(21,724)
Plan to Plan Resource Movement	-	-	-
Administrative expenses	-	(289)	289
Benefit payments, including refunds of employee contributions	(15,692)	(15,691)	(1)
Net Changes	<u>24,747</u>	<u>15,225</u>	<u>9,522</u>
Balance at June 30, 2017	<u>\$ 303,739</u>	<u>211,171</u>	<u>92,568</u>

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(17) PENSION PLANS, (continued)

The changes in the net pension liability for the **Fire Plan** are as of the measurement date are as follows (actual amounts):

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2016	\$ 218,745	166,908	51,837
Changes in the Year:			
Service cost	3,855	-	3,855
Interest on the total pension liability	16,106	-	16,106
Differences between actual and expected experience	(2,465)	-	(2,465)
Changes in assumptions	13,011	-	13,011
Changes in benefit terms	-	-	-
Contribution - employer	-	3,998	(3,998)
Contribution - employee (paid by employer)	-	-	-
Contribution - employee	-	1,354	(1,354)
Net investment income	-	18,413	(18,413)
Administrative expenses	-	(246)	246
Benefit payments, including refunds of employee contributions	(11,914)	(11,914)	-
Net Changes	<u>18,593</u>	<u>11,605</u>	<u>6,988</u>
Balance at June 30, 2017	<u>\$ 237,338</u>	<u>178,513</u>	<u>58,825</u>

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

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

	Miscellaneous	Police	Fire
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 343,306	\$ 133,540	\$ 89,993
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 224,772	\$ 92,568	\$ 58,825
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 127,245	\$ 59,006	\$ 33,090

Pension Plan Fiduciary Net Position

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

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(17) PENSION PLANS, (continued)

D - Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the City recognized pension expense of \$25,552 for Miscellaneous, \$12,511 for Police and \$8,092 for Fire. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the three City Plans: Miscellaneous, Police and Fire.

Miscellaneous Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 19,043	\$ -
Differences between actual and expected experience	-	(13,778)
Change in assumptions	33,870	(1,258)
Net differences between projected and actual earnings on plan investments	9,026	-
Total	\$ 61,939	\$ (15,036)

\$19,043 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2019	\$ 5,701
2020	20,958
2021	6,083
2022	(4,882)
2023	-
Thereafter	-

Police plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 8,548	\$ -
Differences between actual and expected experience	-	(3,454)
Change in assumptions	12,382	(890)
Net differences between projected and actual earnings on plan investments	2,968	-
Total	\$ 23,898	\$ (4,344)

\$8,548 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2019	\$ 1,837
2020	6,888
2021	3,872
2022	(1,590)
2023	-
Thereafter	-

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(17) PENSION PLANS, (continued)

Fire plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,516	\$ -
Differences between actual and expected experience	-	(3,084)
Change in assumptions	9,985	(1,039)
Net differences between projected and actual earnings on plan investments	<u>2,562</u>	<u>-</u>
Total	<u>\$ 17,063</u>	<u>\$ (4,123)</u>

\$4,516 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2019	\$ 929
2020	4,779
2021	3,324
2022	(609)
2023	-
Thereafter	-

E - Payable to the Pension Plan

At June 30, 2018, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The City contributes to three post retirement medical benefit plans:

PEMHCA

The CalPERS Public Employees' Medical and Hospital Care Act (PEMHCA) plan under the authority of section 22750 to 22948 of the state of California's government code, is an agent multiple employer plan. The City pays the required PEMHCA minimum contribution for all miscellaneous and safety employees retiring directly from the City who enroll in a CalPERS medical plan. The current PEMHCA minimum contribution amount is \$133 per month. In addition, the City pays retiree health contribution amounts of \$88.24 per month for 17 management retirees, and \$188 per month for 9 IBEW retirees. For these management/IBEW retirees, the PEMHCA minimum required contribution of \$133 is paid in addition to the retiree health contribution amounts. The PEMHCA benefit provisions are established and amended through negotiations between the City and its unions.

BERMT

The Burbank Employees Retiree Medical Trust (BERMT) is a single employer, defined benefit plan. The BERMT was established in April 2003 by the city's employee associations to provide post retirement medical benefits to all non-safety employees, including elected and appointed officials. Plan members are required to contribute fifty dollars per bi-weekly pay period, which the City matches. Plan provisions and contribution requirements are established by and may be amended by BERMT board. The trust is controlled by the seven voting members from the various employee associations appointed to three year terms. The City appoints an eighth member to the board, but that member is non-voting. Investments are determined by the BERMT plan trustees, and are governed by ERISA provisions. Eligibility for benefits require that members are retired, and have reached age 58 with a minimum of 5 years of contributions into the plan. The benefit ranges from \$150 to \$630 in reimbursements per month based on years of service, for eligible medical expenses. The BERMT members represented by a bargaining group are required to contribute fifty dollars per pay period. The City contributes fifty dollars per pay period for both represented and unrepresented BERMT members. For the fiscal year 2017-18, the City contributed \$1,346 to BERMT. BERMT is not subject to GASB 75 reporting.

URMT

The Utility Retiree Medical Trust is an agent multiple employer plan, established during the 2008-09 fiscal year for IBEW members and 14 management employees as a supplement to benefit payments from BERMT and PEMHCA. The total target benefit is \$1,200/month for individuals age 50 to age 64 and \$750/month for those age 65 and above, with the exception that for qualifying employees who retire after December 16, 2015 and who have not contributed to Medicare while employed at Burbank and who are also not otherwise eligible for premium-free Medicare Part A at age 65 and older, the maximum amount at age 65 and older shall be \$975/month for fiscal year 2016-17, including payments from BERMT, PEMHCA minimum and Utility Retiree Medical Trust. For the fiscal year 2017-18, the City contributed \$154. The City's ADC was \$173 (in thousands) for the fiscal year 2017-18.

The City has pre-funded the PEMHCA and URMT Plans through CalPERS OPEB Trust (CERBT) and has a policy of contributing 100% of the City's Actuarially Determined Contribution (ADC) each year. For the fiscal year 2017-18, the City contributed \$4,253 in form of deposits to CERBT. The City's ADC was \$4,221 for the fiscal year 2017-18.

The CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund OPEB as described in GASB Statement 45. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information for the City, not individualized, but in aggregate with the other CERBT participating agencies. This report may be obtained at the following address:

PEMHCA CERBT - State of California PERS - 400 Q St - Sacramento, CA 95811

The Utility Retiree Medical Trust does not issue a separate financial statement.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

Employees Covered

As of June 30, 2017 measurement date, the following current and former employees were covered by the plans :

	PEMHCA	URMT
Inactive employees or beneficiaries currently receiving benefits	1141	46
Active employees	1337	145
Total	2478	191

Contributions

The URMT and PEMHCA contribution requirements are established by City policy and may be amended. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2018, the City's total contributions of \$4,261 consist of payments to the trust of \$2,849, and the estimated implied subsidy of \$1,412.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

	PEMHCA	URMT
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.75%	6.75%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.00%	3.00%
Expected long term investment rate of return	6.75%	6.75%
Healthcare cost trend rates (PEMHCA)	6.5% Medicare, 7.5% Non, decreasing to 4% in 2076 and later	
Benefit Increase trend rates (URMT)	0% to 2022, then 4.5% after	
Pre-retirement turnover	Derived from CALPERS pension plan	
Mortality	(2)	(2)

(2) The probabilities of mortality are derived using CalPERS membership data for all funds. The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 1997-2011 experience study report.

The actuarial assumptions used in the June 30 2017 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2017 are summarized in the following table :

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

Asset Class	New Strategic Allocation	Expected Real Return
Global Equity	57.00%	4.82%
Global Fixed Income	27.00%	1.47%
TIPS	5.00%	1.29%
Real Estate	8.00%	3.76%
Commodities	3.00%	0.84%
Total	<u>100.00%</u>	

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Change of Discount Rate

The discount rate used in the June 30, 2017 valuation was 6.75% as compared to the June 30, 2015 valuation discount rate of 7.25%. The discount rate was changed due to lower expected average returns, a 2.75% inflation assumption reduced from 3.00%, and a 10-year Capital Market Assumption projection.

Changes in the net OPEB liability - Total

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2016 (Measurement date)	\$ 71,581	31,618	39,963
Changes in the year :			
Service cost	1,833	-	1,833
Interest on the total OPEB liability	4,869	-	4,869
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contributions - employer	-	3,316	(3,316)
Contributions - employee	-	148	(148)
Net investment income	-	3,437	(3,437)
Administrative expenses	-	(34)	34
Benefit payments	(2,553)	(2,553)	-
Net Changes	<u>4,149</u>	<u>4,314</u>	<u>(165)</u>
Balance at June 30, 2017 (Measurement date)	<u>\$ 75,730</u>	<u>35,932</u>	<u>39,798</u>

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

Changes in the net OPEB liability - PEHMCA

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2016 (Measurement date)	\$ 62,525	23,238	39,287
Changes in the year :			
Service cost	1,550	-	1,550
Interest on the total OPEB liability	4,246	-	4,246
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contributions - employer	-	3,168	(3,168)
Contributions - employee	-	-	-
Net investment income	-	2,548	(2,548)
Administrative expenses	-	(29)	29
Benefit payments	(2,331)	(2,331)	-
Net Changes	<u>3,465</u>	<u>3,356</u>	<u>109</u>
Balance at June 30, 2017 (Measurement date)	<u>\$ 65,990</u>	<u>\$ 26,594</u>	<u>\$ 39,396</u>

Changes in the net OPEB liability - URMT

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2016 (Measurement date)	\$ 9,056	8,380	676
Changes in the year :			
Service cost	283	-	283
Interest on the total OPEB liability	623	-	623
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contributions - employer	-	148	(148)
Contributions - employee	-	148	(148)
Net investment income	-	889	(889)
Administrative expenses	-	(5)	5
Benefit payments	(222)	(222)	-
Net Changes	<u>684</u>	<u>958</u>	<u>(274)</u>
Balance at June 30, 2017 (Measurement date)	<u>\$ 9,740</u>	<u>\$ 9,338</u>	<u>\$ 402</u>

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

There were no changes in assumptions, nor changes in benefit terms. There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the net OPEB liability to changes in the discount rate

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

	<u>PEMHCA</u>	<u>URMT</u>
1% Decrease Net OPEB Liability	5.75% \$ 49,127	5.75% \$ 2,155
Current Discount Rate Net OPEB Liability	6.75% \$ 39,396	6.75% \$ 402
1% Increase Net OPEB Liability	7.72% \$ 31,447	7.75% \$ (978)

Sensitivity of the net OPEB liability to changes in healthcare cost trend rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or higher than the current healthcare cost trend rates :

	<u>PEMHCA</u>	<u>URMT</u>
1% Decrease Net OPEB Liability	\$ 30,896	\$ (1,293)
Current Trend Net OPEB Liability	\$ 39,396	\$ 402
1% Increase Net OPEB Liability	\$ 49,873	\$ 2,510

OPEB expense and deferred outflows/inflows of resources related to OPEB :

For the fiscal year ended June 30, 2018 the City recognized OPEB expense of \$4,038 and \$130 for PEMHCA and URMT, respectively. At June 30, 2018, the City reported defrred outflows of resources and deferred inflows of resources rrelated to OPEB from the following sources :

	<u>PEMHCA</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 3,959	\$ -
Differences between actual and expected experience	-	-
Change in assumptions	-	-
Differences between projected and actual earnings	-	(761)
Total	<u>\$ 3,959</u>	<u>\$ (761)</u>

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

	URMT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 154	\$ -
Differences between actual and expected experience	-	-
Change in assumptions	-	-
Differences between projected and actual earnings	-	(256)
Total	\$ 154	\$ (256)

\$3,959 and \$154 reported as deferred outflows of resources related to contributions subsequent to the measurement date for PEHMCA and URMT respectively, will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows :

Year Ending June 30,	PEMHCA	URMT
2019	\$ (190)	\$ (64)
2020	(190)	(64)
2021	(190)	(64)
2022	(190)	(64)
2023	-	-
Thereafter	-	-
	\$ (760)	\$ (256)

Payable to the OPEB Plan

At June 30, 2018, the City reported a payable of \$0 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2018.

(19) ADDITIONAL INFORMATION

Burbank Operable Unit (BOU)

Pursuant to a consent decree of March 25, 1992, Lockheed Martin Corporation (Lockheed) constructed a groundwater treatment system, now known as the BOU, on property within and owned by the City, designed to treat volatile organic compounds contaminating groundwater in parts of the San Fernando Groundwater Basin. A second consent decree, dated May 28, 1997, provided that Lockheed was responsible for the cost of operation and maintenance of the BOU, through at least December 11, 2018. The City recognized ownership of the BOU on December 1, 1998. However, due to the major uncertainties that existed concerning the realizability within reasonable limits of a fair value of the BOU, the City did not recognize any value associated with the BOU in the accompanying basic financial statements. On December 12, 2000, the commencement date, the City became responsible for oversight of the BOU. The BOU represents an ongoing obligation of Lockheed to mitigate damages to the aforementioned basin groundwater.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(19) ADDITIONAL INFORMATION, (continued)

On June 8, 2018, the United States Environmental Protection Agency (EPA) issued a Unilateral Administrative Order (UAO) requiring Lockheed to design, construct and operate wells and conveyance piping that will enable Lockheed to pump and convey groundwater from the eastern portion of the North Hollywood Operable Unit (NHOU) to the BOU, and then cause the extracted groundwater to be treated at the BOU and delivered to the City of Los Angeles (Los Angeles). On September 11, 2018 the Burbank City Council approved two agreements concerning Lockheed's obligations under the UAO. The first agreement between Lockheed and the City obligates Lockheed to design and construct wells and conveyance piping, to continue funding the City's operation of the BOU Treatment Facility, and to pay for delivery of water by the City to Los Angeles, until such time as the EPA issues an order that "no further action" is required to remediate the basin groundwater. The second agreement between the Los Angeles and the City sets forth the terms and conditions for the City's delivery of treated groundwater to Los Angeles. Neither agreement requires any new financial obligations for the City's operation of the BOU or the City's operation of any new or additional facilities required under these agreements. It is projected that remediation activities to clean the basin groundwater and reach a condition of "no further action required" is more than 20 years into the future.

MWD Cycle Storage Agreement

In August 2017 the Water Utility entered into a ten-year Agreement with MWD (Metropolitan Water District), as authorized by the City Council, for the delivery and purchase of up to 7,200 acre feet (AF) of excess cyclic stored water. From August to December 2017, MWD did in fact deliver cyclic stored water for Burbank to the San Fernando Groundwater Basin in the amount of 5,718.7 AF. This cyclic stored water is maintained in a Cyclic Storage Account until such time that the Water Utility draws it down for use. This Agreement represents a purchase commitment to MWD by the Water Utility, at the current fiscal year rate at the time of taking the cyclic stored water from the Cyclic Storage Account. The current year rate is \$695 per AF, which represents a minimum commitment by the Water Utility of \$3,975. Subsequently, on November 30, 2018, the Water Utility requested, and MWD accepted, to draw down the full balance, or 5,718.7 AF, of cyclic stored water in the Cyclic Storage Account. Since the request was made prior to December 31, 2018 the billing rate was the current year rate of \$695 per AF.

Unavailable Revenues

The General Fund and General Capital Projects funds record \$1,144 and \$161, respectively, of unavailable revenues as of June 30, 2018. This amount is a component of net position in the government-wide financial statements.

Deficit Net Position

The Agency Fiduciary Trust fund has a deficit net position of \$81,034, which is expected to be offset by future tax increment revenues to the extent that they are received.

City of Burbank
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018
(in thousands)

(20) RESTATEMENT OF NET POSITION AND FUND BALANCES

Net position of the proprietary funds, as of July 1 2017 were restated as follows :

	Water Rec & Sewer Fund	Electric Utility Fund	Water Utility Fund	Refuse Collection & Disposal Fund
Net position as of July 1, 2017, as originally reported	\$ 98,929	250,252	56,300	20,462
To restate beginning equity for the net OPEB liability per GASB 75	<u>(184)</u>	<u>(8,827)</u>	<u>(838)</u>	<u>(921)</u>
Net position as of July 1, 2017, as restated	<u>\$ 98,745</u>	<u>241,425</u>	<u>55,462</u>	<u>19,541</u>

Net position of the governmental activities, as of July 1 2017 were restated as follows :

	Governmental Activities	Business Type Activities
Net position as of July 1, 2017, as originally reported	\$ 736,316	431,410
To restate beginning equity for the net OPEB liability per GASB 75	<u>(40,326)</u>	<u>(10,770)</u>
Net position as of July 1, 2017, as restated	<u>\$ 695,990</u>	<u>420,640</u>

City of Burbank

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - *MISCELLANEOUS PLAN*

Last Ten Fiscal Years*

Fiscal Year Ended	2018	2017	2016	2015
Measurement Period:	2017	2016	2015	2014
Total Pension Liability:				
Service cost	\$ 13,739,626	\$ 12,369,977	\$ 12,555,200	\$ 13,181,727
Interest on total pension liability	59,537,285	58,555,881	56,944,154	55,430,897
Changes in assumptions	49,265,927	-	(13,841,120)	-
Differences between expected and actual experience	(12,762,548)	(9,763,032)	(12,736,964)	-
Benefit payments, including refunds of employee contributions	(42,022,775)	(39,699,491)	(37,451,291)	(35,412,463)
Net Change in Total Pension Liability	67,757,515	21,463,335	5,469,979	33,200,161
Total Pension Liability - Beginning of Year	810,327,476	788,864,141	783,394,162	750,194,001
Total Pension Liability - End of Year (a)	\$ 878,084,991	\$ 810,327,476	\$ 788,864,141	\$ 783,394,162
Plan Fiduciary Net Position:				
Contributions - employer	\$ 16,773,561	\$ 15,318,184	\$ 13,696,952	\$ 12,179,748
Contributions - employee	6,161,227	6,148,285	6,443,320	6,416,442
Net investment income	66,930,398	3,281,930	13,820,471	94,169,766
Benefit payments	(42,022,775)	(39,699,491)	(37,451,291)	(35,412,463)
Plan to plan resource movement	-	(334)	(2)	-
Administrative expense	(895,258)	(378,891)	(700,061)	-
Net Change in Plan Fiduciary Net Position	46,947,153	(15,330,317)	(4,190,611)	77,353,493
Plan Fiduciary Net Position - Beginning of Year	606,365,556	621,695,873	625,886,484	548,532,991
Plan Fiduciary Net Position - End of Year (b)	\$ 653,312,709	\$ 606,365,556	\$ 621,695,873	\$ 625,886,484
Net Pension Liability - Ending (a)-(b)	\$ 224,772,282	\$ 203,961,920	\$ 167,168,268	\$ 157,507,678
Plan fiduciary net position as a percentage of the total pension liability	74.40%	74.83%	78.81%	79.89%
Covered payroll	\$ 78,910,291	\$ 78,720,924	\$ 79,288,588	\$ 78,428,082
Net pension liability as percentage of covered payroll	284.85%	259.09%	210.84%	200.83%

Notes to Schedule:

Benefit Changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions:

- From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

- From fiscal year June 30, 2017 to June 30, 2018:

The discount rate changed from 7.65% to 7.15%.

* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

City of Burbank
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS PLAN
Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 19,042,423	\$ 15,318,184	\$ 13,696,952	\$ 12,179,748
Contributions in relation to the actuarially determined contributions	<u>(19,042,423)</u>	<u>(15,318,184)</u>	<u>(13,696,952)</u>	<u>(12,179,748)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 78,990,606	\$ 78,910,291	\$ 78,720,924	\$ 79,288,586
Contributions as a percentage of covered payroll	24.11%	19.41%	17.40%	15.36%

Notes to Schedule:

Valuation Date	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	15 year smoothed market***
Inflation	2.75%**
Salary increases	3.30% to 14.20% depending on age, service and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 years 2.7% @ 55 and 52 years 2% @ 62**
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.**

* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

** The valuation for June 30, 2012, 2013, 2014, and 2015 (applicable to fiscal year ended June 30, 2015, 2016, 2017, and 2018 respectively) included the same actuarial assumptions

*** The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013, 2014, and 2015 valuations (applicable for fiscal years ended June 30, 2016, 2017, and 2018 respectively).

City of Burbank

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - *POLICE PLAN*

Last Ten Fiscal Years*

Fiscal Year Ended	2018	2017	2016	2015
Measurement Period:	2017	2016	2015	2014
Total Pension Liability:				
Service cost	\$ 5,939,112	\$ 5,345,666	\$ 5,321,905	\$ 5,537,702
Interest on total pension liability	20,593,552	20,170,664	19,538,993	18,902,036
Changes in assumptions	16,967,788	-	(4,702,484)	-
Differences between expected and actual experience	(3,062,003)	(1,822,421)	(2,163,782)	-
Benefit payments, including refunds of employee contributions	(15,691,491)	(15,040,385)	(14,546,053)	(13,616,037)
Net Change in Total Pension Liability	24,746,958	8,653,524	3,448,579	10,823,701
Total Pension Liability - Beginning of Year	278,992,111	270,338,587	266,890,008	256,066,307
Total Pension Liability - End of Year (a)	<u>\$ 303,739,069</u>	<u>\$ 278,992,111</u>	<u>\$ 270,338,587</u>	<u>\$ 266,890,008</u>
Plan Fiduciary Net Position:				
Contributions - employer	\$ 7,665,029	\$ 6,464,462	\$ 5,800,229	\$ 5,711,333
Contributions - employee	1,816,247	1,583,214	1,549,949	1,591,859
Net investment income	21,724,360	1,022,785	4,432,031	31,026,505
Benefit payments	(15,691,491)	(15,040,385)	(14,546,053)	(13,616,037)
Plan to plan resource movement	-	334	2	-
Administrative expense	(289,301)	(123,132)	(227,394)	-
Net Change in Plan Fiduciary Net Position	15,224,844	(6,092,722)	(2,991,236)	24,713,660
Plan Fiduciary Net Position - Beginning of Year	195,945,812	202,038,534	205,029,770	180,316,110
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 211,170,656</u>	<u>\$ 195,945,812</u>	<u>\$ 202,038,534</u>	<u>\$ 205,029,770</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 92,568,413</u>	<u>\$ 83,046,299</u>	<u>\$ 68,300,053</u>	<u>\$ 61,860,238</u>
Plan fiduciary net position as a percentage of the total pension liability	69.52%	70.23%	74.74%	76.82%
Covered payroll	\$ 17,302,688	\$ 17,293,508	\$ 17,523,263	\$ 16,789,814
Net pension liability as percentage of covered payroll	534.99%	480.22%	389.77%	368.44%

Notes to Schedule:

Benefit Changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes in Assumptions:

- From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

- From fiscal year June 30, 2017 to June 30, 2018:

The discount rate changed from 7.65% to 7.15%.

* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

City of Burbank
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - POLICE PLAN
Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 8,548,128	\$ 6,464,462	\$ 5,800,229	\$ 5,711,333
Contributions in relation to the actuarially determined contributions	<u>(8,548,128)</u>	<u>(6,464,462)</u>	<u>(5,800,229)</u>	<u>(5,711,333)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 17,900,752	\$ 17,302,688	\$ 17,293,508	\$ 17,523,263
Contributions as a percentage of covered payroll	47.75%	37.36%	33.54%	32.59%

Notes to Schedule:

Valuation Date	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	15 year smoothed market***
Inflation	2.75%**
Salary increases	3.30% to 14.20% depending on age, service and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 years 2.7% @ 55 and 52 years 2% @ 62**
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.**

* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

** The valuation for June 30, 2012, 2013, 2014, and 2015 (applicable to fiscal year ended June 30, 2015, 2016, 2017, and 2018 respectively) included the same actuarial assumptions

*** The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013, 2014, and 2015 valuations (applicable for fiscal years ended June 30, 2016, 2017, and 2018 respectively).

City of Burbank

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - FIRE PLAN

Last Ten Fiscal Years*

Fiscal Year Ended	2018	2017	2016	2015
Measurement Period:	2017	2016	2015	2014
Total Pension Liability:				
Service cost	\$ 3,855,335	\$ 3,381,401	\$ 3,238,929	\$ 3,365,967
Interest on total pension liability	16,106,198	15,826,963	15,385,179	14,831,589
Changes in assumptions	13,010,714	-	(3,637,875)	-
Differences between expected and actual experience	(2,464,520)	(1,841,027)	(593,799)	-
Benefit payments, including refunds of employee contributions	(11,914,224)	(11,322,634)	(10,836,052)	(10,250,818)
Net Change in Total Pension Liability	18,593,503	6,044,703	3,556,382	7,946,738
Total Pension Liability - Beginning of Year	218,744,768	212,700,065	209,143,683	201,196,945
Total Pension Liability - End of Year (a)	<u>\$ 237,338,271</u>	<u>\$ 218,744,768</u>	<u>\$ 212,700,065</u>	<u>\$ 209,143,683</u>
Plan Fiduciary Net Position:				
Contributions - employer	\$ 3,998,457	\$ 3,407,476	\$ 2,878,901	\$ 2,633,397
Contributions - employee	1,353,972	1,347,568	1,238,238	1,245,700
Net investment income	18,413,069	854,376	3,875,526	26,645,747
Benefit payments	(11,914,224)	(11,322,634)	(10,836,052)	(10,250,818)
Administrative expense	(246,429)	(105,268)	(194,366)	-
Net Change in Plan Fiduciary Net Position	11,604,845	(5,818,482)	(3,037,753)	20,274,026
Plan Fiduciary Net Position - Beginning of Year	166,908,065	172,726,547	175,764,300	155,490,274
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 178,512,910</u>	<u>\$ 166,908,065</u>	<u>\$ 172,726,547</u>	<u>\$ 175,764,300</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 58,825,361</u>	<u>\$ 51,836,703</u>	<u>\$ 39,973,518</u>	<u>\$ 33,379,383</u>
Plan fiduciary net position as a percentage of the total pension liability	75.21%	76.30%	81.21%	84.04%
Covered payroll	\$ 14,392,004	\$ 13,802,058	\$ 13,785,843	\$ 13,400,056
Net pension liability as percentage of covered payroll	408.74%	375.57%	289.96%	249.10%

Notes to Schedule:

Benefit Changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes in Assumptions:

- From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

- From fiscal year June 30, 2017 to June 30, 2018:

The discount rate changed from 7.65% to 7.15%.

* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

City of Burbank
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - FIRE PLAN
Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 4,515,645	\$ 3,407,476	\$ 2,878,901	\$ 2,633,397
Contributions in relation to the actuarially determined contributions	<u>(4,515,645)</u>	<u>(3,407,476)</u>	<u>(2,878,901)</u>	<u>(2,633,397)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,512,838	\$ 14,392,004	\$ 13,802,058	\$ 13,785,343
Contributions as a percentage of covered payroll	31.11%	23.68%	20.86%	19.10%

Notes to Schedule:

Valuation Date	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	15 year smoothed market***
Inflation	2.75%**
Salary increases	3.30% to 14.20% depending on age, service and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 years 2.7% @ 55 and 52 years 2% @ 62**
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.**

* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

** The valuation for June 30, 2012, 2013, 2014, and 2015 (applicable to fiscal year ended June 30, 2015, 2016, 2017, and 2018 respectively) included the same actuarial assumptions

*** The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013, 2014, and 2015 valuations (applicable for fiscal years ended June 30, 2016, 2017, and 2018 respectively).

City of Burbank
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
(in thousands)
Last Ten Fiscal Years*

	<u>PEMHCA</u> <u>6/30/2018</u>	<u>URMT</u> <u>6/30/2018</u>
Fiscal year end		
Measurement date	<u>6/30/2017</u>	<u>6/30/2017</u>
Total OPEB Liability:		
Service cost	\$ 1,550	\$ 283
Interest on total OPEB liability	4,246	623
Benefit payments	<u>(2,331)</u>	<u>(222)</u>
Net Change in Total OPEB Liability	3,465	684
Total OPEB Liability - Beginning of Year	<u>62,525</u>	<u>9,056</u>
Total OPEB Liability - End of Year (a)	<u>65,990</u>	<u>9,740</u>
Plan Fiduciary Net Position:		
Contributions - employer	3,168	148
Contributions - employee		148
Net investment income	2,548	889
Administrative expenses	(29)	(5)
Benefit payments	<u>(2,331)</u>	<u>(222)</u>
Net Change in Plan Fiduciary Net Position	3,356	958
Plan Fiduciary Net Position - Beginning of Year	<u>23,238</u>	<u>8,380</u>
Plan Fiduciary Net Position - End of Year (b)	<u>26,594</u>	<u>9,338</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 39,396</u>	<u>\$ 402</u>
Plan fiduciary net position as a percentage of the total OPEB liability	40.30%	95.87%
Covered payroll	\$ 110,329	\$ 17,084
Net OPEB liability as percentage of covered payroll	35.71%	2.35%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

* Fiscal year ended June 30, 2018, was the first year of implementation; therefore, only one year is shown.

City of Burbank
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - OPEB

Last Ten Fiscal Years*

	PEMHCA 6/30/2018	URMT 6/30/2018
Actuarially determined contribution	\$ 3,959	\$ 154
Contributions in relation to the actuarially determined contributions	(3,959)	(154)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 110,329	\$ 17,084
Contributions as a percentage of covered - employee payroll	3.59%	0.90%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2017
----------------	-----------	-----------

Methods and Assumptions Used to Determine Contribution Rates:

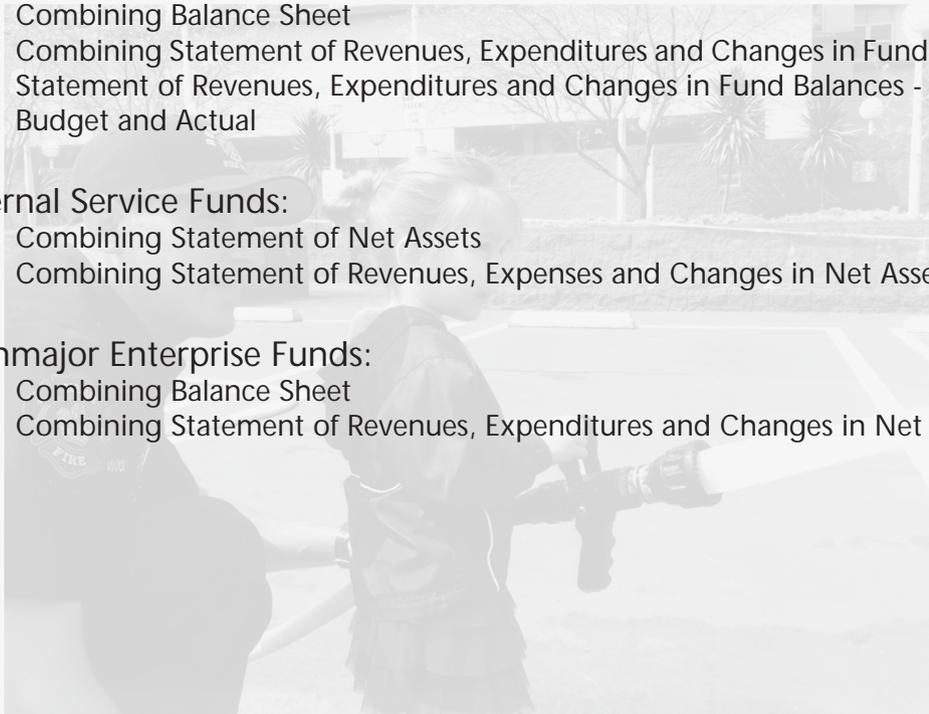
Agent multiple employers	Entry age normal
Amortization method	Level percentage of payroll
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Inflation	2.75%
Investment rate of return	6.75%
Mortality	CALPERS 1997-2011 experience study

* Fiscal year 2018 was the first year of implementation; therefore, one year is shown.

SUPPLEMENTARY INFORMATION

This section of the CAFR provides information on each individual fund not already provided in the basic financial statements. This section includes the:

- **Nonmajor Governmental Funds:**
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
- **Internal Service Funds:**
 - Combining Statement of Net Assets
 - Combining Statement of Revenues, Expenses and Changes in Net Assets
- **Nonmajor Enterprise Funds:**
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures and Changes in Net Assets



BURBANK 2017 AMATEUR PHOTO CONTEST
2ND PLACE - COLOR PHOTO
PATRICK BURDINE

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

PUBLIC FINANCING AUTHORITY DEBT SERVICE - MAJOR FUND

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and or property	\$ -	-	3,115	3,115
Total revenues	-	-	3,115	3,115
Expenditures :				
Debt service:				
Principal retirement	4,955	4,955	44,325	(39,370)
Interest and finance charges	1,942	1,942	121	1,821
Total expenditures	6,897	6,897	44,446	(37,549)
Excess (deficiency) of revenues over expenditures	(6,897)	(6,897)	(41,331)	(34,434)
Fund balance, July 1, 2017	41,331	41,331	41,331	-
Fund balance, June 30, 2018	\$ 34,434	34,434	-	(34,434)



NONMAJOR GOVERNMENTAL FUNDS

This section of the CAFR provides information on each individual governmental fund, except for those major governmental funds reported in the basic financial statements: the Low and Moderate Income Housing Fund, the Public Financing Authority Debt Service Fund, and the General Capital Projects Fund. This section includes the following special revenue, debt service, and capital projects funds:

SPECIAL REVENUE FUNDS

104 - Transportation Fund - Prop A – To account for monies received from a portion of sales tax revenue restricted to fund transportation related activities.

105 - Transportation Fund - Prop C – To account for monies received from a portion of sales tax revenue restricted to fund transportation related activities.

106 - AQMD Fund – To account for monies received and expended on the City's ride share program. Monies received include participant fees and funds received from the Southern California Air Quality Management District Fund.

107 - Measure R Fund – To account for monies received and expended from L.A. County sales tax increase.

108 - Measure M Fund – To account for Citywide roadway related capital improvements for monies received and expended from L.A. County sales tax increase.

117 - Housing Authority Fund – To account for monies received and expended in housing assistance to low and moderate income families. Funds are provided by receipts from the Federal Section 8 Voucher Program.

121 - Supplemental Law Enforcement Services Fund – To account for grant monies received and spent from federal programs used to supplement the City's law enforcement program.

122 - Community Development Block Grants Fund – To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant Programs.

124 - Drug Asset Forfeiture Fund – To account for monies and property seized as a result of judicial forfeitures.

125 - State Gas Tax Fund – To account for monies received and expended from state gas tax allocation.

128 - Home Program Investment Partnership Program (HOME) – To account for HUD funding to increase the supply of affordable housing to the City.

129 - Street Lighting Fund – To account for monies received from a portion of the in-lieu tax on electricity, used for maintenance, repairs and conversion of the City's mercury and low pressure sodium street lights to high pressure sodium lights.

133 - Tieton Hydro – To account for the operation of Southern California Public Power Authority's (SCPPA) joint power plant located in Washington State.

483 - Magnolia Power Plant – To account for the operation of Southern California Public Power Authority's (SCPPA) joint power plant located at the City's electric utility.

CAPITAL PROJECTS FUNDS

127 - Public Improvements Fund – To account for monies received through developer fees and grants, used for infrastructure improvements throughout the City.

130 - Burbank Youth Endowment Services Fund (YES) – To account for financial resources used for new capital facilities for youth oriented programs to benefit the youth of Burbank. The YES Fund is funded by a pledge from the Burbank Redevelopment Agency of 5% of the new tax increment in each of the Golden State, City Centre, and West Olive Project areas.

310 - Parking Authority Fund – To account for financial resources to be used for the acquisition or construction of public parking facilities on a citywide basis. The primary source of funds has been contributions from other funds.

City of Burbank
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018
(in thousands)

	Special Revenue Funds						
	Transp. Prop. A	Transp. Prop. C	AQMD	Home Program	Commun. Dev Block Grants	Housing Authority	Road Maint.
Assets :							
Pooled cash and investments	\$ 2,138	2,854	331	8	1,036	961	386
Accounts receivable	93	17	35	183	462	2	223
Interest receivable	10	12	1	-	4	-	1
Interfund receivables	-	-	-	-	-	103	-
Inventories	-	-	-	-	-	-	-
Prepaid items and deposits	-	-	-	-	-	-	-
Total assets	\$ 2,241	2,883	367	191	1,502	1,066	610
Liabilities :							
Accounts payable	\$ 31	215	-	121	288	16	-
Interfund payable	-	-	-	-	-	191	-
Due to Successor Agency	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Advances payable	-	-	-	-	-	-	-
Total liabilities	31	215	-	121	288	207	-
Fund balances :							
Nonspendable (deficits):							
Prepaid items	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Restricted :							
Transportation	2,210	2,668	-	-	-	-	610
Federal and state grants	-	-	367	70	1,214	859	-
Public safety	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Committed :							
Transportation	-	-	-	-	-	-	-
Total fund balances (deficits)	2,210	2,668	367	70	1,214	859	610
Total liabilities and fund balances	\$ 2,241	2,883	367	191	1,502	1,066	610

(Continued)

City of Burbank
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018
(in thousands)

	Special Revenue Funds					
	State Gas Tax	Street Lighting	Sup Law Enforce Service	Comm. Services	Drug Asset Forfeiture	Measure R
Assets :						
Pooled cash and investments	\$ 1,926	2,197	246	28	255	4,621
Accounts receivable	-	162	17	-	-	120
Interest receivable	8	9	2	-	1	20
Interfund receivable	-	-	-	-	-	-
Inventories	-	144	-	-	-	-
Prepaid items and deposits	-	-	-	-	1	-
Total assets	<u>\$ 1,934</u>	<u>2,512</u>	<u>265</u>	<u>28</u>	<u>257</u>	<u>4,761</u>
Liabilities :						
Accounts payable	\$ 709	4	-	-	6	1,059
Interfund payable	-	670	-	-	-	-
Deposits	-	203	-	-	-	-
Advances payable	-	931	-	-	-	-
Total liabilities	<u>709</u>	<u>1,808</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>1,059</u>
Fund balances :						
Nonspendable (deficits):						
Prepaid items	-	-	-	-	1	-
Inventories	-	144	-	-	-	-
Restricted						
Transportation	1,024	-	-	-	-	3,702
Federal and state grants	-	-	-	28	-	-
Public safety	-	-	265	-	250	-
Capital projects	-	-	-	-	-	-
Committed :						
Transportation	201	560	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>1,225</u>	<u>704</u>	<u>265</u>	<u>28</u>	<u>251</u>	<u>3,702</u>
Total liabilities and fund balances	<u>\$ 1,934</u>	<u>2,512</u>	<u>265</u>	<u>28</u>	<u>257</u>	<u>4,761</u>

(Continued)

City of Burbank
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018
(in thousands)

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>			Total Nonmajor Govern- mental Funds
	Magnolia Power Plant	Tieton Hydro	Measure M	Public Improve.	Parking Authority	Youth Endowment	
Assets :							
Pooled cash and investments	\$ 1,300	427	1,087	19,682	1,702	-	41,185
Accounts receivable	24	460	-	601	57	-	2,456
Interest receivable	7	1	4	86	6	-	172
Interfund receivable	-	-	-	-	-	-	103
Inventories	-	-	-	-	-	-	144
Prepaid items and deposits	16	-	-	-	-	-	17
Total assets	<u>\$ 1,347</u>	<u>888</u>	<u>1,091</u>	<u>20,369</u>	<u>1,765</u>	<u>-</u>	<u>44,077</u>
Liabilities :							
Accounts payable	\$ 1,344	718	-	720	79	-	5,310
Interfund payable	-	-	-	-	-	-	861
Deposits	-	170	-	-	-	-	373
Advances payable	-	-	-	233	-	-	1,164
Total liabilities	<u>1,344</u>	<u>888</u>	<u>-</u>	<u>953</u>	<u>79</u>	<u>-</u>	<u>7,708</u>
Fund balances :							
Nonspendable (deficits)							
Prepaid items	16	-	-	-	-	-	17
Inventories	-	-	-	-	-	-	144
Restricted							
Transportation	-	-	1,091	-	-	-	11,305
Federal and state grants	-	-	-	-	-	-	2,538
Public safety	-	-	-	-	-	-	515
Capital projects	-	-	-	-	1,686	-	1,686
Committed							
Transportation	-	-	-	19,416	-	-	20,177
Unassigned	(13)	-	-	-	-	-	(13)
Total fund balances (deficits)	<u>3</u>	<u>-</u>	<u>1,091</u>	<u>19,416</u>	<u>1,686</u>	<u>-</u>	<u>36,369</u>
Total liabilities and fund balances	<u>\$ 1,347</u>	<u>888</u>	<u>1,091</u>	<u>20,369</u>	<u>1,765</u>	<u>-</u>	<u>44,077</u>

City of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2018 (in thousands)

	Special Revenue Funds						
	Transp. Prop. A	Transp. Prop. C	AQMD	Home Program	Commun. Dev Block Grants	Housing Authority	Road Maint.
Revenues :							
Taxes	\$ 2,051	1,626	-	-	-	-	-
Use of money or property	7	15	-	-	2	7	-
Intergovernmental	87	-	135	900	986	9,841	610
Charges for services	114	121	8	-	27	-	-
Total revenues	<u>2,259</u>	<u>1,762</u>	<u>143</u>	<u>900</u>	<u>1,015</u>	<u>9,848</u>	<u>610</u>
Expenditures :							
General government :							
Administrative services	-	-	-	-	-	-	-
Public safety :							
Police	-	-	-	-	-	-	-
Environmental :							
Community development	2,019	2,127	97	1,000	968	9,686	-
Capital outlay :							
Street improvements	-	-	-	-	-	-	-
General capital improvements	-	-	-	-	-	-	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,019</u>	<u>2,127</u>	<u>97</u>	<u>1,000</u>	<u>968</u>	<u>9,686</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>240</u>	<u>(365)</u>	<u>46</u>	<u>(100)</u>	<u>47</u>	<u>162</u>	<u>610</u>
Other financing sources (uses) :							
Transfers in	-	178	-	-	-	-	-
Transfers out	(178)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(178)</u>	<u>178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	62	(187)	46	(100)	47	162	610
Fund balances (deficits), July 1, 2017	<u>2,148</u>	<u>2,855</u>	<u>321</u>	<u>170</u>	<u>1,167</u>	<u>697</u>	<u>-</u>
Fund balances (deficits), June 30, 2018	<u>\$ 2,210</u>	<u>2,668</u>	<u>367</u>	<u>70</u>	<u>1,214</u>	<u>859</u>	<u>610</u>

(Continued)

City of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2018 (in thousands)

	Special Revenue Funds					
	State Gas Tax	Street Lighting	Sup Law Enforce Service	Comm. Services	Drug Asset Forfeiture	Measure R
Revenues :						
Taxes	\$ -	-	-	-	-	1,218
Use of money or property	-	62	4	-	2	1
Intergovernmental	2,190	-	363	-	8	-
Charges for services	-	80	-	-	-	341
Total revenues	<u>2,190</u>	<u>142</u>	<u>367</u>	<u>-</u>	<u>10</u>	<u>1,560</u>
Expenditures :						
General government :						
Administrative services	-	-	-	-	-	-
Public safety :						-
Police	-	-	364	-	117	
Environmental :						-
Community development	-	-	-	-	-	
Capital outlay :						
Street improvements	2,018	2,400	-	-	-	1,192
General capital improvements	-	-	-	-	-	195
Total capital outlay	<u>2,018</u>	<u>2,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,387</u>
Total expenditures	<u>2,018</u>	<u>2,400</u>	<u>364</u>	<u>-</u>	<u>117</u>	<u>1,387</u>
Excess (deficiency) of revenues over expenditures	<u>172</u>	<u>(2,258)</u>	<u>3</u>	<u>-</u>	<u>(107)</u>	<u>173</u>
Other financing sources (uses) :						
Transfers in	-	2,822	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>2,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	172	564	3	-	(107)	173
Fund balances (deficits), July 1, 2017	<u>1,053</u>	<u>140</u>	<u>262</u>	<u>28</u>	<u>358</u>	<u>3,529</u>
Fund balances (deficits), June 30, 2018	<u>\$ 1,225</u>	<u>704</u>	<u>265</u>	<u>28</u>	<u>251</u>	<u>3,702</u>

(Continued)

City of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2018 (in thousands)

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Govern- mental Funds
	Magnolia Power Plant	Tieton Hydro	Measure M	Public Improve.	Parking Authority	Youth Endowment	
Revenues :							
Taxes	\$	-	-	-	-	-	4,895
Use of money or property	8	-	1,091	32	721	-	1,952
Intergovernmental	-	-	-	3,796	-	-	18,916
Charges for services	17,812	2,299	-	558	-	-	21,360
Total revenues	<u>17,820</u>	<u>2,299</u>	<u>1,091</u>	<u>4,386</u>	<u>721</u>	<u>-</u>	<u>47,123</u>
Expenditures :							
General government :							
Administrative services	-	-	-	-	607	-	607
Public safety :							
Police	-	-	-	-	-	-	481
Environmental :							
Community development	17,817	2,171	-	2,829	-	-	38,714
Capital outlay :							
Street improvements	-	-	-	-	-	-	5,610
General capital improvements	-	128	-	-	214	-	537
Total capital outlay	-	128	-	-	214	-	6,147
							-
Total expenditures	<u>17,817</u>	<u>2,299</u>	<u>-</u>	<u>2,829</u>	<u>821</u>	<u>-</u>	<u>45,949</u>
Excess (deficiency) of revenues over expenditures	<u>3</u>	<u>-</u>	<u>1,091</u>	<u>1,557</u>	<u>(100)</u>	<u>-</u>	<u>1,174</u>
Other financing sources (uses) :							
Transfers in	-	-	-	-	-	-	3,000
Transfers out	-	-	-	-	-	(8)	(186)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>2,814</u>
Net change in fund balance	3	-	1,091	1,557	(100)	(8)	3,988
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,859</u>	<u>1,786</u>	<u>8</u>	<u>32,381</u>
Fund balances (deficits), June 30, 2018	<u>\$ 3</u>	<u>-</u>	<u>1,091</u>	<u>19,416</u>	<u>1,686</u>	<u>-</u>	<u>36,369</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

TRANSPORTATION PROP A

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Taxes	\$ 1,995	\$ 1,995	\$ 2,051	\$ 56
Use of money or property	30	30	7	(23)
Intergovernmental	87	87	87	-
Charges for services	270	292	114	(178)
Total revenues	<u>2,382</u>	<u>2,404</u>	<u>2,259</u>	<u>(145)</u>
Expenditures :				
Environmental:				
Community development	2,242	2,241	2,019	222
Total expenditures	<u>2,242</u>	<u>2,241</u>	<u>2,019</u>	<u>222</u>
Excess (deficiency) of revenues over expenditures	140	163	240	77
Other financing uses :				
Transfers out	(182)	(182)	(178)	4
Total other financing uses	<u>(182)</u>	<u>(182)</u>	<u>(178)</u>	<u>4</u>
Net change in fund balance	(42)	(19)	62	81
Fund balance, July 1, 2017	<u>2,148</u>	<u>2,148</u>	<u>2,148</u>	<u>-</u>
Fund balance, June 30, 2018	<u><u>\$ 2,106</u></u>	<u><u>\$ 2,129</u></u>	<u><u>\$ 2,210</u></u>	<u><u>\$ 81</u></u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

TRANSPORTATION PROP C

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Taxes	\$ 1,600	\$ 1,600	\$ 1,626	\$ 26
Use of money or property	107	107	15	(92)
Charges for services	90	90	121	31
Total revenues	<u>1,797</u>	<u>1,797</u>	<u>1,762</u>	<u>(35)</u>
Expenditures :				
Environmental:				
Community development	3,360	3,360	2,127	1,233
Parks and recreation :				
Special community services	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,361</u>	<u>3,360</u>	<u>2,127</u>	<u>1,233</u>
Excess (deficiency) of revenues over expenditures	(1,564)	(1,563)	(365)	1,198
Other financing sources :				
Transfers in	<u>182</u>	<u>182</u>	<u>178</u>	<u>(4)</u>
Total other financing sources	<u>182</u>	<u>182</u>	<u>178</u>	<u>(4)</u>
Net change in fund balance	(1,382)	(1,381)	(187)	1,194
Fund balance, July 1, 2017	<u>2,855</u>	<u>2,855</u>	<u>2,855</u>	<u>-</u>
Fund balance June 30, 2018	<u><u>\$ 1,473</u></u>	<u><u>\$ 1,474</u></u>	<u><u>\$ 2,668</u></u>	<u><u>\$ 1,194</u></u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

AQMD

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ 3	\$ 3	\$ -	\$ (3)
Intergovernmental	135	135	135	-
Charges for services	1	1	8	7
Total revenues	<u>139</u>	<u>139</u>	<u>143</u>	<u>4</u>
Expenditures :				
Environmental:				
Community development	<u>173</u>	<u>173</u>	<u>97</u>	<u>76</u>
Total expenditures	<u>173</u>	<u>173</u>	<u>97</u>	<u>76</u>
Excess (deficiency) of revenues over expenditures	(34)	(34)	46	80
Fund balance, July 1, 2017	<u>321</u>	<u>321</u>	<u>321</u>	<u>-</u>
Fund balance, June 30, 2018	<u><u>\$ 287</u></u>	<u><u>\$ 287</u></u>	<u><u>\$ 367</u></u>	<u><u>\$ 80</u></u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

HOME PROGRAM

For the Year Ended June 30, 2018

(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Use of money or property	\$ 2	\$ 2	\$ -	\$ (2)
Intergovernmental	1,609	1,489	900	(589)
Total revenues	<u>1,611</u>	<u>1,491</u>	<u>900</u>	<u>(591)</u>
Expenditures :				
Environmental:				
Community development	<u>1,617</u>	<u>1,585</u>	<u>1,000</u>	<u>585</u>
Total expenditures	<u>1,617</u>	<u>1,585</u>	<u>1,000</u>	<u>585</u>
Excess (deficiency) of revenues over expenditures	(6)	(94)	(100)	(6)
Fund balance, July 1, 2017	<u>170</u>	<u>170</u>	<u>170</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ 164</u>	<u>\$ 76</u>	<u>\$ 70</u>	<u>\$ (6)</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

COMMUNITY DEVELOPMENT BLOCK GRANTS

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ 10	\$ 10	\$ 2	\$ (8)
Intergovernmental	1,659	1,659	986	(673)
Charges for services	-	-	27	27
Total revenues	<u>1,669</u>	<u>1,669</u>	<u>1,015</u>	<u>(654)</u>
Expenditures :				
Environmental:				
Community development	<u>2,592</u>	<u>2,592</u>	<u>968</u>	<u>1,624</u>
Total expenditures	<u>2,592</u>	<u>2,592</u>	<u>968</u>	<u>1,624</u>
Excess (deficiency) of revenues over expenditures	(923)	(923)	47	970
Fund balance, July 1, 2017	<u>1,167</u>	<u>1,167</u>	<u>1,167</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ 244</u>	<u>\$ 244</u>	<u>\$ 1,214</u>	<u>\$ 970</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

HOUSING AUTHORITY

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ 3	\$ 3	\$ 7	\$ 4
Intergovernmental	8,212	9,683	9,841	158
Total revenues	<u>8,215</u>	<u>9,686</u>	<u>9,848</u>	<u>162</u>
Expenditures :				
Environmental:				
Community development	<u>8,427</u>	<u>9,898</u>	<u>9,686</u>	<u>212</u>
Total expenditures	<u>8,427</u>	<u>9,898</u>	<u>9,686</u>	<u>212</u>
Excess (deficiency) of revenues over expenditures	(212)	(212)	162	374
Fund balance, July 1, 2017	<u>697</u>	<u>697</u>	<u>697</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ 485</u>	<u>\$ 485</u>	<u>\$ 859</u>	<u>\$ 374</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

ROAD MAINTENANCE AND REHABILITATION

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	594	610	16
Total revenues	-	594	610	16
Expenditures :				
Environmental:				
Street Improvements	-	594	-	594
Total expenditures	-	594	-	594
Excess (deficiency) of revenues over expenditures	-	-	610	610
Fund balance, July 1, 2017	-	-	-	-
Fund balance, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610</u>	<u>\$ 610</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

STATE GAS TAX

For the Year Ended June 30, 2018

(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Use of money or property	\$ 25	\$ 25	\$ -	\$ (25)
Intergovernmental	2,205	2,324	2,190	(134)
Total revenues	<u>2,230</u>	<u>2,349</u>	<u>2,190</u>	<u>(159)</u>
Expenditures :				
Capital outlay :				
Street improvements	<u>3,141</u>	<u>3,142</u>	<u>2,018</u>	<u>1,124</u>
Total expenditures	<u>3,141</u>	<u>3,142</u>	<u>2,018</u>	<u>1,124</u>
Excess (deficiency) of revenues over expenditures	(911)	(793)	172	965
Fund balance, July 1, 2017	<u>1,053</u>	<u>1,053</u>	<u>1,053</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ 142</u>	<u>\$ 260</u>	<u>\$ 1,225</u>	<u>\$ 965</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

STREET LIGHTING

For the Year Ended June 30, 2018

(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Use of money or property	\$ 30	\$ 30	\$ 62	\$ 32
Charges for services	180	180	80	(100)
Total revenues	<u>210</u>	<u>210</u>	<u>142</u>	<u>(68)</u>
Expenditures :				
Capital outlay :				
Street improvements	<u>3,366</u>	<u>3,366</u>	<u>2,400</u>	<u>966</u>
Total expenditures	<u>3,366</u>	<u>3,366</u>	<u>2,400</u>	<u>966</u>
Excess (deficiency) of revenues over expenditures	<u>(3,156)</u>	<u>(3,156)</u>	<u>(2,258)</u>	<u>898</u>
Other financing sources (uses):				
Transfers in	<u>2,599</u>	<u>2,599</u>	<u>2,822</u>	<u>223</u>
Total other financing sources (uses)	<u>2,599</u>	<u>2,599</u>	<u>2,822</u>	<u>223</u>
Net change in fund balance	(557)	(557)	564	1,121
Fund balance, July 1, 2017	<u>140</u>	<u>140</u>	<u>140</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ (417)</u>	<u>\$ (417)</u>	<u>\$ 704</u>	<u>\$ 1,121</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

SUPPLEMENTAL LAW ENFORCEMENT SERVICES

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ 4	\$ 4	\$ 4	\$ -
Intergovernmental	358	403	363	(40)
Total revenues	<u>362</u>	<u>407</u>	<u>367</u>	<u>(40)</u>
Expenditures :				
Public Safety:				
Police	<u>166</u>	<u>481</u>	<u>364</u>	<u>117</u>
Total expenditures	<u>166</u>	<u>481</u>	<u>364</u>	<u>117</u>
Excess (deficiency) of revenues over expenditures	196	(74)	3	77
Fund balance, July 1, 2017	<u>262</u>	<u>262</u>	<u>262</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ 458</u>	<u>\$ 188</u>	<u>\$ 265</u>	<u>\$ 77</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

COMMUNITY SERVICES

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures :				
Environmental:				
Community development	7	7	-	7
Total expenditures	7	7	-	7
Excess (deficiency) of revenues over expenditures	7	7	-	7
Fund balance, July 1, 2017	28	28	28	-
Fund balance, June 30, 2018	<u>\$ 21</u>	<u>\$ 21</u>	<u>\$ 28</u>	<u>\$ 7</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

MEASURE R

For the Year Ended June 30, 2018

(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Taxes	\$ 1,200	\$ 1,200	\$ 1,218	\$ 18
Use of money or property	35	35	1	(34)
Charges for services	265	265	341	76
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,560</u>	<u>60</u>
Expenditures :				
Capital outlay:				
Street improvements	2,205	2,205	1,192	1,013
General capital improvements	1,356	1,942	195	1,747
Total expenditures	<u>3,561</u>	<u>4,147</u>	<u>1,387</u>	<u>2,760</u>
Excess (deficiency) of revenues over expenditures	(2,061)	(2,647)	173	2,820
Fund balance, July 1, 2017	<u>3,529</u>	<u>3,529</u>	<u>3,529</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ 1,468</u>	<u>\$ 882</u>	<u>\$ 3,702</u>	<u>\$ 2,820</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

MAGNOLIA POWER PLANT

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ -	\$ -	\$ 8	\$ 8
Charges for services	21,073	21,073	17,812	(3,261)
Total revenues	<u>21,073</u>	<u>21,073</u>	<u>17,820</u>	<u>(3,253)</u>
Expenditures :				
Environmental:				
Community development	<u>21,220</u>	<u>21,220</u>	<u>17,817</u>	<u>3,403</u>
Total expenditures	<u>21,220</u>	<u>21,220</u>	<u>17,817</u>	<u>3,403</u>
Excess (deficiency) of revenues over expenditures	(147)	(147)	3	150
Fund balance, July 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ (147)</u>	<u>\$ (147)</u>	<u>\$ 3</u>	<u>\$ 150</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

TIETON HYDRO

For the Year Ended June 30, 2018

(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Charges for services	\$ 2,593	\$ 2,593	\$ 2,299	\$ (294)
Total revenues	<u>2,593</u>	<u>2,593</u>	<u>2,299</u>	<u>(294)</u>
Expenditures :				
Environmental:				
Community development	2,401	2,401	2,171	230
Capital Outlay:				
General Capital improvements	<u>192</u>	<u>192</u>	<u>128</u>	<u>64</u>
Total expenditures	<u>2,593</u>	<u>2,593</u>	<u>2,299</u>	<u>294</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance, July 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

MEASURE M

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Taxes	\$ 1,300	\$ 1,300	\$ 1,091	\$ (209)
Total revenues	<u>1,300</u>	<u>1,300</u>	<u>1,091</u>	<u>(209)</u>
Expenditures :				
Capital outlay:				
Street improvements	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total expenditures	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Excess (deficiency) of revenues over expenditures	100	100	1,091	991
Fund balance, July 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 1,091</u>	<u>\$ 991</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

PARKING AUTHORITY CAPITAL PROJECTS

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ 726	\$ 726	\$ 721	\$ (5)
Total revenues	<u>726</u>	<u>726</u>	<u>721</u>	<u>(5)</u>
Expenditures :				
General government:				
Administrative services	1,057	1,001	607	394
Capital outlay:				
General capital improvements	<u>934</u>	<u>934</u>	<u>214</u>	<u>720</u>
Total expenditures	<u>1,991</u>	<u>1,935</u>	<u>821</u>	<u>1,114</u>
Excess (deficiency) of revenues over expenditures	(1,265)	(1,209)	(100)	1,109
Fund balance, July 1, 2017	<u>1,786</u>	<u>1,786</u>	<u>1,786</u>	<u>-</u>
Fund balance, June 30, 2018	<u>\$ 521</u>	<u>\$ 577</u>	<u>\$ 1,686</u>	<u>\$ 1,109</u>

City of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

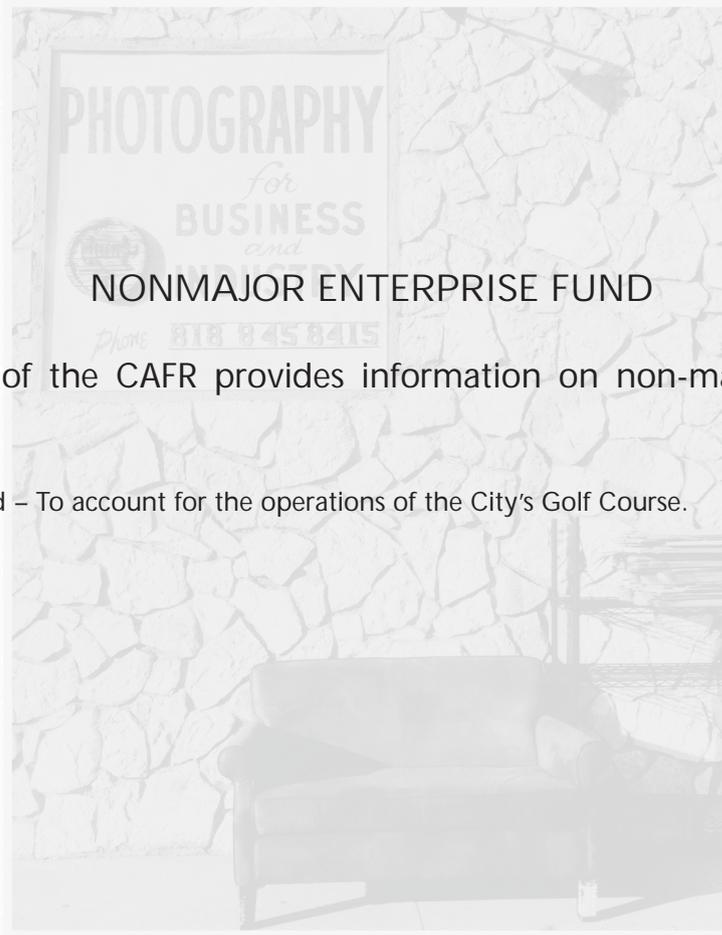
YOUTH ENDOWMENT SERVICES

For the Year Ended June 30, 2018

(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures :				
General government:				
Administrative services	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers out	(8)	(8)	(8)	-
Total other financing uses	(8)	(8)	(8)	-
Net change in fund balance	(8)	(8)	(8)	-
Fund balance, July 1, 2017	8	8	8	-
Fund balance, June 30, 2018	\$ -	\$ -	\$ -	\$ -





NONMAJOR ENTERPRISE FUND

This section of the CAFR provides information on non-major enterprise funds.

495 - Golf Fund – To account for the operations of the City's Golf Course.

BURBANK 2017 AMATEUR PHOTO CONTEST
1ST PLACE - BLACK & WHITE PHOTO
ALEJANDRA SONE

City of Burbank
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUND
June 30, 2018
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Assets :		
Current assets :		
Pooled cash and investments	\$ -	\$ -
Accounts receivable	-	-
Interest receivable	-	-
	-	-
Total current assets	-	-
Capital assets :		
Land	-	-
Land improvements	-	-
Buildings and improvements	-	-
Machinery and equipment	-	-
Construction in progress	-	-
Less accumulated depreciation	-	-
	-	-
Total capital assets, net of accumulated depreciation	-	-
Total assets	-	-
Liabilities :		
Accounts payable	-	-
	-	-
Total current liabilities	-	-
Long-term liabilities:		
Advances payable	-	-
	-	-
Total long-term liabilities	-	-
Total liabilities	-	-
Net position :		
Net investment in capital assets	-	-
Unrestricted (deficit)	-	-
	-	-
Total net position	\$ -	\$ -

City of Burbank

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

NONMAJOR ENTERPRISE FUND

For the Year Ended June 30, 2018

(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Operating revenues :		
Charges for services	\$ -	\$ -
Total operating revenues	-	-
Operating expenses :		
Operations and maintenance	-	-
Depreciation	-	-
Total operating expenses	-	-
Operating income (loss)	-	-
Nonoperating income (expense) :		
Interest income	-	-
Interest expense	-	-
Other income - net	-	-
Total nonoperating income (expense)	-	-
Income (loss) before capital contributions and transfers	-	-
Transfers in	-	-
Transfers out (note 7)	(5,467)	(5,467)
Change in net position	(5,467)	(5,467)
Net position, July 1, 2017	5,467	5,467
Net position, June 30, 2018	\$ -	\$ -

City of Burbank
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
For the Year Ended June 30, 2018
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Cash flows from operating activities :		
Cash received from customers	\$ -	\$ -
Cash paid to suppliers	-	-
Net cash used in operating activities	-	-
Cash flows from noncapital financing activities :		
Transfers to other funds	(278)	(278)
Net cash provided by noncapital financing activities	(278)	(278)
Cash flows from investing activities :		
Interest received	-	-
Net cash provided by investing activities	-	-
Net increase in cash and cash equivalents	(278)	(278)
Cash and cash equivalents, July 1, 2017	278	278
Cash and cash equivalents, June 30, 2018	\$ -	-

(Continued)

City of Burbank
STATEMENT OF CASH FLOWS, (concluded)
NONMAJOR ENTERPRISE FUND
For the Year Ended June 30, 2018
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Reconciliation of operating loss to net cash used in operating activities :		
Operating loss	\$ -	-
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	-	-
Other income	-	-
Decrease in accounts receivable	-	-
Total adjustments	-	-
Net cash used in operating activities	\$ -	-
Noncash investing, capital, and financing activities:		
Transfer of assets	\$ (5,187)	(5,187)

INTERNAL SERVICE FUNDS

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

530 - Risk Management Self-Insurance Fund – To finance and account for the City's general liability claims program.

531 - Worker's Compensation Self-Insurance Fund – To finance and account for the City's workers' compensation claims program.

532 - Vehicle Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of vehicular fleet and equipment utilized by general government departments on a rental fee basis.

533 - Office Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of office equipment utilized by general government departments on a rental fee basis.

534 - Municipal Building Replacement Fund – To account for the operation, maintenance, and replacement of municipal buildings occupied by City departments on a rental fee basis.

535 - Communication Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of the electronic communication equipment utilized by City departments on a rental basis.

537 - Computer Equipment Replacement Fund – To account for the operation and maintenance of the City's new networked based software and hardware computer system.

City of Burbank
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Assets:					
Current assets :					
Pooled cash and investments	\$ 27,317	49,155	24,291	3,579	2,649
Accounts receivable	-	-	245	-	276
Interest receivable	118	214	106	16	12
Interfund receivable	4	1	-	-	-
Inventories	-	-	349	-	-
Prepaid expenses	12	-	9	-	-
Total current assets	<u>27,451</u>	<u>49,370</u>	<u>25,000</u>	<u>3,595</u>	<u>2,937</u>
Capital assets :					
Buildings and improvements	-	-	2,777	-	-
Accumulated depreciation	-	-	(1,359)	-	-
Machinery and equipment	-	-	41,070	4,348	-
Accumulated depreciation	-	-	(25,270)	(3,526)	-
Construction in progress	-	-	-	-	-
Total capital assets	<u>-</u>	<u>-</u>	<u>17,218</u>	<u>822</u>	<u>-</u>
Total assets	<u>27,451</u>	<u>49,370</u>	<u>42,218</u>	<u>4,417</u>	<u>2,937</u>
Liabilities :					
Current liabilities:					
Accounts payable	60	125	886	118	570
Compensated absences	4	-	8	-	-
Interfund payable	-	-	-	-	-
Outstanding claims - self insurance	3,134	8,351	-	-	-
Total current liabilities	<u>3,198</u>	<u>8,476</u>	<u>894</u>	<u>118</u>	<u>570</u>
Long-term liabilities (net of current portion):					
Compensated absences	14	39	155	-	5
Outstanding claims - self insurance	3,486	34,941	-	-	-
Total long-term liabilities	<u>3,500</u>	<u>34,980</u>	<u>155</u>	<u>-</u>	<u>5</u>
Total liabilities	<u>6,698</u>	<u>43,456</u>	<u>1,049</u>	<u>118</u>	<u>575</u>
Net Position :					
Net investment in capital assets	-	-	17,218	822	-
Unrestricted	20,753	5,914	23,951	3,477	2,362
Total net position	<u>\$ 20,753</u>	<u>5,914</u>	<u>41,169</u>	<u>4,299</u>	<u>2,362</u>

(Continued)

City of Burbank
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Assets:			
Current assets :			
Pooled cash and investments	\$ 6,127	6,311	119,429
Accounts receivable	9	1	531
Interest receivable	29	25	520
Interfund receivable	1	7	13
Inventories	144	-	493
Prepaid expenses	72	124	217
Total current assets	<u>6,382</u>	<u>6,468</u>	<u>121,203</u>
Capital assets :			
Buildings and improvements	3,491	-	6,268
Accumulated depreciation	(1,127)	-	(2,486)
Machinery and equipment	14,608	16,615	76,641
Accumulated depreciation	(12,152)	(15,703)	(56,651)
Construction in progress	-	741	741
Total capital assets	<u>4,820</u>	<u>1,653</u>	<u>24,513</u>
Total assets	<u>11,202</u>	<u>8,121</u>	<u>145,716</u>
Liabilities :			
Current liabilities:			
Accounts payable	81	324	2,164
Compensated absences	3	-	15
Interfund payable	-	-	-
Outstanding claims - self insurance	-	-	11,485
Total current liabilities	<u>84</u>	<u>324</u>	<u>13,664</u>
Long-term liabilities (net of current portion):			
Compensated absences	103	4	320
Outstanding claims - self insurance	-	-	38,427
Advances payable	-	-	-
Total long-term liabilities	<u>103</u>	<u>4</u>	<u>38,747</u>
Total liabilities	<u>187</u>	<u>328</u>	<u>52,411</u>
Net Position :			
Net investment in capital assets	4,820	1,653	24,513
Unrestricted	6,195	6,140	68,792
Total net position	<u>\$ 11,015</u>	<u>7,793</u>	<u>93,305</u>

City of Burbank

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2018

(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Operating revenues :					
Charges for services	\$ 5,933	11,411	8,196	265	1,400
Total operating revenues	<u>5,933</u>	<u>11,411</u>	<u>8,196</u>	<u>265</u>	<u>1,400</u>
Operating expenses :					
Operations and maintenance	1,007	9,973	4,779	115	2,874
Depreciation	-	-	2,839	230	-
Total operating expenses	<u>1,007</u>	<u>9,973</u>	<u>7,618</u>	<u>345</u>	<u>2,874</u>
Operating income (loss)	<u>4,926</u>	<u>1,438</u>	<u>578</u>	<u>(80)</u>	<u>(1,474)</u>
Nonoperating income (expense) :					
Interest income	31	103	44	12	1
Other local taxes	-	-	-	-	1,752
Gain (loss) on disposal of capital assets	-	-	450	-	-
Other income (expense)	16	31	1,017	409	3
Total nonoperating income (expense)	<u>47</u>	<u>134</u>	<u>1,511</u>	<u>421</u>	<u>1,756</u>
Income (loss) before transfers and capital contributions	4,973	1,572	2,089	341	282
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Capital Contributions	-	-	-	-	-
Change in net position	<u>4,973</u>	<u>1,572</u>	<u>2,089</u>	<u>341</u>	<u>282</u>
Net position, July 1, 2017	<u>15,780</u>	<u>4,342</u>	<u>39,080</u>	<u>3,958</u>	<u>2,080</u>
Net position, June 30, 2018	<u>\$ 20,753</u>	<u>5,914</u>	<u>41,169</u>	<u>4,299</u>	<u>2,362</u>

(Continued)

City of Burbank

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2018

(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Operating revenues :			
Charges for services	\$ 2,891	2,738	32,834
Total operating revenues	2,891	2,738	32,834
Operating expenses :			
Operations and maintenance	1,835	2,394	22,977
Depreciation	448	570	4,087
Total operating expenses	2,283	2,964	27,064
Operating income (loss)	608	(226)	5,770
Nonoperating income (expense) :			
Interest income	35	1	227
Other local taxes	-	-	1,752
Gain (loss) on disposal of capital assets	-	5	455
Other income (expense)	32	3	1,511
Total nonoperating income (expense)	67	9	3,945
Income (loss) before transfers and capital contributions	675	(217)	9,715
Transfer in	-	603	603
Transfer out	-	-	-
Capital Contributions	-	-	-
Change in net position	675	386	10,318
Net position, July 1, 2017	10,340	7,407	82,987
Net position, June 30, 2018	\$ 11,015	7,793	93,305

City of Burbank
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2018
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Cash flows from operating activities :					
Cash received from customers	\$ 5,930	11,411	8,114	265	1,391
Cash paid to suppliers	(2,547)	(8,181)	(3,253)	(28)	(2,468)
Cash paid to employees	(326)	(435)	(1,254)	-	(76)
Net cash provided by (used in) operating activities	<u>3,057</u>	<u>2,795</u>	<u>3,607</u>	<u>237</u>	<u>(1,153)</u>
Cash flows from noncapital financing activities :					
Proceeds from other funds	16	31	1,017	409	1,755
Transfers from other funds	-	-	-	-	-
Net cash provided by noncapital financing activities	<u>16</u>	<u>31</u>	<u>1,017</u>	<u>409</u>	<u>1,755</u>
Cash flows from capital and related financing activities :					
Proceeds from sales of capital assets	-	-	450	-	-
Acquisition and construction of assets	-	-	(2,805)	(743)	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(2,355)</u>	<u>(743)</u>	<u>-</u>
Cash flows from investing activities :					
Interest received/(paid)	3	59	21	10	(4)
Net cash provided by investing activities	<u>3</u>	<u>59</u>	<u>21</u>	<u>10</u>	<u>(4)</u>
Net increase (decrease) in cash and cash equivalents	<u>3,076</u>	<u>2,885</u>	<u>2,290</u>	<u>(87)</u>	<u>598</u>
Cash and cash equivalents, July 1, 2017	<u>24,241</u>	<u>46,270</u>	<u>22,001</u>	<u>3,666</u>	<u>2,051</u>
Cash and cash equivalents, June 30, 2018	<u>\$ 27,317</u>	<u>49,155</u>	<u>24,291</u>	<u>3,579</u>	<u>2,649</u>

(Continued)

City of Burbank
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2018
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Cash flows from operating activities :			
Cash received from customers	\$ 2,889	2,736	32,736
Cash paid to suppliers	(1,089)	(2,221)	(19,787)
Cash paid to employees	(838)	(56)	(2,985)
	962	459	9,964
Net cash provided by (used in) operating activities			
Cash flows from noncapital financing activities :			
Proceeds from other funds	32	3	3,263
Transfers from other funds	-	603	603
	32	606	3,866
Net cash provided by noncapital financing activities			
Cash flows from capital and related financing activities :			
Proceeds from sales of capital assets	-	5	455
Acquisition and construction of assets	(1,603)	(380)	(5,531)
Net cash provided by (used in) capital and related financing activities	(1,603)	(375)	(5,076)
Cash flows from investing activities :			
Interest received	30	(4)	115
	30	(4)	115
Net cash provided by investing activities			
Net increase (decrease) in cash and cash equivalents	(579)	686	8,869
Cash and cash equivalents, July 1, 2017	6,706	5,625	110,560
Cash and cash equivalents, June 30, 2018	\$ 6,127	\$ 6,311	\$ 119,429

(Continued)

City of Burbank
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2018
(in thousands)

	<u>Risk Mgmt. Self-Ins.</u>	<u>Workers Comp. Self-Ins.</u>	<u>Vehicle Equip. Rental</u>	<u>Office Equip. Rental</u>	<u>Muni. Bldg. Replace.</u>
Reconciliation of operating income (loss) to net cash provided by operating activities :					
Operating income (loss)	\$ 4,926	1,438	578	(80)	(1,474)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	2,839	230	-
(Increase) decrease in accounts receivable	(4)	-	(82)	-	68
(Increase) decrease in inventories	-	-	63	-	-
(Increase) decrease in prepaid items	(10)	18	1	-	-
Increase (decrease) in outstanding claims payable	(1,902)	1,336	-	-	-
Increase (decrease) in accounts payable	29	(36)	207	87	331
Increase (decrease) in compensated absences	18	39	1	-	(1)
Increase (decrease) in deferred revenue	-	-	-	-	(77)
Total adjustments	<u>(1,869)</u>	<u>1,357</u>	<u>3,029</u>	<u>317</u>	<u>321</u>
Net cash provided by (used in) operating activities	<u>\$ 3,057</u>	<u>2,795</u>	<u>3,607</u>	<u>237</u>	<u>(1,153)</u>
Noncash investing, capital, and financing activities :					
Increase (decrease) in fair value of investments	<u>\$ (395)</u>	<u>(696)</u>	<u>(351)</u>	<u>(49)</u>	<u>(40)</u>

(Continued)

City of Burbank
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2018
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Reconciliation of operating income (loss) to net cash provided by operating activities :			
Operating income (loss)	\$ 608	(226)	5,770
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	448	570	4,087
(Increase) decrease in accounts receivable	(2)	(2)	(22)
(Increase) decrease in inventories	-	-	63
(Increase) decrease in prepaid items	(68)	(98)	(157)
Increase (decrease) in outstanding claims payable	-	-	(566)
Increase (decrease) in accounts payable	(28)	214	804
Increase (decrease) in compensated absences	4	1	62
Increase (decrease) in deferred revenue	-	-	(77)
Total adjustments	354	685	4,194
Net cash provided by (used in) operating activities	\$ 962	459	9,964
Noncash investing, capital, and financing activities :			
Increase (decrease) in fair value of investments	\$ (81)	(91)	(1,703)

STATISTICAL SECTION (UNAUDITED)

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

Financial Trends – These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the government's most significant local revenue source, electric utility fees.

Demographic – These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

BURBANK 2017 AMATEUR PHOTO CONTEST
1ST PLACE - COLOR PHOTO (TIE)
RYAN EIKLOR

City of Burbank

**Table 1 - Net Position by Component
Last Ten Fiscal Years (accrual basis)
(in thousands)
(Unaudited)**

Governmental Activities :

Fiscal Year	Investment in capital assets	Restricted	Unrestricted	Total
2008-09	688,056	113,038	195,574	996,668
2009-10	690,072	114,205	184,720	988,997
2010-11	561,931	179,919	210,335	952,185
2011-12	750,743	86,936	204,378	1,042,057
2012-13	736,794	59,742	232,353	1,028,889
2013-14	733,756	61,165	216,456	1,011,377
2014-15	692,032	62,827	(36,215)	718,644
2015-16	688,518	63,051	(11,249)	740,320
2016-17	682,070	63,610	(9,364)	736,316
2017-18	688,278	61,628	(42,672)	707,234

Business-type Activities :

Fiscal Year	Investment in capital assets	Restricted	Unrestricted	Total
2008-09	272,665	-	93,546	366,211
2009-10	260,770	-	121,593	382,363
2010-11	247,901	12,413	133,194	393,508
2011-12	278,893	-	130,394	409,287
2012-13	287,055	-	138,590	425,645
2013-14	300,256	-	144,501	444,757
2014-15	298,664	-	74,679	373,343
2015-16	312,885	-	87,055	399,940
2016-17	323,782	-	107,628	431,410
2017-18	340,870	-	106,078	446,948

Primary Government :

Fiscal Year	Investment in capital assets	Restricted	Unrestricted	Total
2008-09	960,721	113,038	289,120	1,362,879
2009-10	950,842	114,205	306,313	1,371,360
2010-11	809,832	192,332	343,529	1,345,693
2011-12	1,029,636	86,936	334,772	1,451,344
2012-13	1,023,849	59,742	370,943	1,454,534
2013-14	1,034,012	61,165	360,957	1,456,134
2014-15	990,696	62,827	38,464	1,091,987
2015-16	1,001,403	63,051	75,806	1,140,260
2016-17	1,005,852	63,610	98,264	1,167,726
2017-18	1,029,148	61,628	63,406	1,154,182

SOURCE : City Financial Services Department

City of Burbank

Table 2 - Changes in Net Position
Last Ten Fiscal Years (accrual basis)
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities :					
General government	12,022	14,600	13,335	17,252	15,475
Police	48,288	48,613	47,318	55,824	59,865
Fire	31,754	29,771	30,174	36,504	41,417
Public works	27,481	39,550	34,119	30,064	35,468
Community development	47,011	44,946	43,219	47,832	48,726
Parks & recreation	19,613	19,241	20,660	19,613	18,790
Library	6,593	6,735	6,919	6,671	7,203
Extraordinary Gain (Loss)	-	-	-	-	-
Interest on long-term debt	7,254	3,743	2,943	2,762	565
Total governmental activities expenses	<u>200,016</u>	<u>207,199</u>	<u>198,687</u>	<u>216,522</u>	<u>227,509</u>
Business-type activities :					
Water reclamation & sewer	13,556	13,146	13,961	13,925	14,832
Golf course	1,719	753	703	664	-
Electric utility	211,426	198,286	186,306	178,993	177,330
Water utility	29,529	28,350	28,924	28,969	32,525
Refuse collection & disposal	14,056	14,076	13,871	14,158	15,699
Total business-type activities expenses	<u>270,286</u>	<u>254,611</u>	<u>243,765</u>	<u>236,709</u>	<u>240,386</u>
Total primary government expenses	<u>470,302</u>	<u>461,810</u>	<u>442,452</u>	<u>453,231</u>	<u>467,895</u>
Program Revenues					
Governmental activities :					
Charges for services					
General government	160	189	220	642	526
Police	3,612	3,856	3,784	4,065	4,242
Fire	3,684	3,474	4,383	4,301	5,053
Public works	1,147	2,126	1,896	1,665	1,643
Community development	9,630	10,350	5,862	6,632	8,392
Parks and recreation	3,759	3,817	3,903	4,004	4,158
Library	179	188	194	193	148
Operating grants and contributions	19,214	18,637	19,340	41,238	43,547
Capital grants and contributions	-	-	-	-	77
Total governmental activities program revenues	<u>41,385</u>	<u>42,637</u>	<u>39,582</u>	<u>62,740</u>	<u>67,786</u>
Business-type activities :					
Charges for services :					
Water reclamation & sewer	17,056	17,654	17,321	17,214	17,514
Golf course	887	19	-	-	-
Electric utility	224,958	212,282	207,850	205,634	204,375
Water utility	31,286	29,068	28,367	30,503	34,040
Refuse collection & disposal	16,302	16,841	16,700	17,420	17,365
Operating grants and contributions	2,639	5,044	886	269	119
Capital grants and contributions	891	1,007	4,040	1,648	7,338
Total business-type activities program revenues	<u>294,019</u>	<u>281,915</u>	<u>275,164</u>	<u>272,688</u>	<u>280,751</u>
Total primary government program revenues	<u>335,404</u>	<u>324,552</u>	<u>314,746</u>	<u>335,428</u>	<u>348,537</u>
Net (expense) / revenue					
Governmental activities	(158,631)	(164,562)	(159,105)	(153,782)	(159,723)
Business-type activities	23,733	27,304	31,399	35,979	40,365
Total primary government net expense	<u>(134,898)</u>	<u>(137,258)</u>	<u>(127,706)</u>	<u>(117,803)</u>	<u>(119,358)</u>

SOURCE : City Financial Services Department

(Continued)

City of Burbank

**Table 2 - Changes in Net Position
Last Ten Fiscal Years (accrual basis)
(in thousands)
(Unaudited)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Revenues and Other Changes in Net Position					
Governmental activities :					
Property tax	32,936	37,351	47,113	48,924	52,848
Sales tax	31,657	30,441	34,228	35,197	34,605
Utility users tax	19,905	19,312	19,384	19,185	18,702
Franchise tax	4,919	5,309	9,352	5,596	5,470
Motor-vehicle in-lieu tax	8,819	9,147	-	-	-
Transient occupancy tax	7,145	7,902	10,595	11,204	11,734
Transient parking tax	2,818	2,846	2,955	3,190	3,353
Unrestricted investment earnings	18,156	13,883	10,052	5,445	1,005
Other	27,025	31,157	35,198	10,772	26,161
Extraordinary gain on dissolution of redevelopment agency	-	-	-	-	-
Transfers	12,058	11,084	11,077	10,265	17,089
Total governmental activities	<u>165,438</u>	<u>168,432</u>	<u>179,954</u>	<u>149,778</u>	<u>170,967</u>
Business-type activities :					
Unrestricted investment earnings	2,939	2,176	3,654	565	986
Other	2,606	3,790	2,621	5,191	2,046
Transfers	(12,058)	(11,084)	(11,077)	(10,265)	(17,089)
Total business-type activities	<u>(6,513)</u>	<u>(5,118)</u>	<u>(4,802)</u>	<u>(4,509)</u>	<u>(14,057)</u>
Total primary government	<u>158,925</u>	<u>163,314</u>	<u>175,152</u>	<u>145,269</u>	<u>156,910</u>
Change in Net Position					
Governmental activities	6,807	3,870	20,849	(4,004)	11,244
Business-type activities	17,220	22,186	26,597	31,470	26,308
Total primary government	<u>24,027</u>	<u>26,056</u>	<u>47,446</u>	<u>27,466</u>	<u>37,552</u>

(Continued)

City of Burbank

**Table 2 - Changes in Net Position
Last Ten Fiscal Years (accrual basis)**

(in thousands)
(Unaudited)

	2009	2010	2011	2012	2013
Expenses					
Governmental activities :					
General government	7,731	-	2,649	7,437	15,976
Police	46,718	45,118	43,161	48,453	50,557
Fire	34,426	32,169	31,648	31,543	32,743
Public works	27,365	47,947	55,699	39,573	51,496
Community development	25,917	46,785	70,264	68,778	46,976
Parks & recreation	21,983	30,113	20,363	19,803	18,526
Library	6,968	7,370	7,014	6,961	6,736
Extraordinary Gain (Loss)	-	-	-	37,354	-
Interest on long-term debt	28,087	21,781	21,970	13,936	2,955
Total governmental activities expenses	<u>199,195</u>	<u>231,283</u>	<u>252,768</u>	<u>273,838</u>	<u>225,965</u>
Business-type activities :					
Water reclamation & sewer	13,639	12,714	13,577	13,408	13,596
Golf course	21,208	20,290	2,669	2,576	2,460
Electric utility	270,341	218,051	214,840	186,279	199,755
Water utility	19,831	19,777	22,453	24,126	25,957
Refuse collection & disposal	12,768	13,796	14,117	14,810	16,172
Total business-type activities expenses	<u>337,787</u>	<u>284,628</u>	<u>267,656</u>	<u>241,199</u>	<u>257,940</u>
Total primary government expenses	<u><u>536,982</u></u>	<u><u>515,911</u></u>	<u><u>520,424</u></u>	<u><u>515,037</u></u>	<u><u>483,905</u></u>
Program Revenues					
Governmental activities :					
Charges for services					
General government	1,369	850	101	393	160
Police	4,483	4,207	3,956	3,763	3,729
Fire	3,208	3,170	3,522	3,174	3,691
Public works	2,142	1,728	1,426	1,361	1,354
Community development	9,152	7,833	16,828	11,467	21,399
Parks and recreation	3,774	3,725	3,918	4,188	3,467
Library	193	183	184	184	179
Operating grants and contributions	19,046	18,404	19,238	17,869	19,040
Total governmental activities program revenues	43,367	40,100	49,173	42,399	53,019
Business-type activities :					
Charges for services :					
Water reclamation & sewer	14,171	14,459	14,941	15,915	16,606
Golf course	20,307	19,303	1,769	2,005	1,932
Electric utility	287,589	235,020	225,901	202,216	218,712
Water utility	21,372	22,118	23,281	26,682	27,724
Refuse collection & disposal	13,142	14,332	15,016	15,474	16,365
Operating grants and contributions	475	530	-	4,502	1,898
Capital grants and contributions	2,749	2,659	4,120	1,705	732
Total business-type activities program revenues	<u>359,805</u>	<u>308,421</u>	<u>285,028</u>	<u>268,499</u>	<u>283,969</u>
Total primary government program revenues	<u><u>403,172</u></u>	<u><u>348,521</u></u>	<u><u>334,201</u></u>	<u><u>310,898</u></u>	<u><u>336,988</u></u>
Net (expense) / revenue					
Governmental activities	(155,828)	(191,183)	(203,595)	(231,439)	(172,946)
Business-type activities	22,018	23,793	17,372	27,300	26,029
Total primary government net expense	<u><u>(133,810)</u></u>	<u><u>(167,390)</u></u>	<u><u>(186,223)</u></u>	<u><u>(204,139)</u></u>	<u><u>(146,917)</u></u>

SOURCE : City Financial Services Department

(Continued)

City of Burbank

**Table 2 - Changes in Net Position
Last Ten Fiscal Years (accrual basis)
(in thousands)
(Unaudited)**

	2009	2010	2011	2012	2013
General Revenues and Other					
Changes in Net Position					
Governmental activities :					
Property tax	80,079	79,803	66,240	46,328	46,499
Sales tax	30,249	24,948	29,907	31,352	32,967
Utility users tax	20,236	19,908	18,524	19,784	20,237
Franchise tax	5,283	8,760	8,938	8,436	8,574
Motor-vehicle in-lieu tax	8,596	4,212	4,559	4,631	5,021
Transient occupancy tax	5,941	5,273	5,686	5,943	6,548
Transient parking tax	2,978	2,759	2,886	2,821	2,805
Unrestricted investment earnings	10,995	17,631	14,315	9,565	7,802
Other	7,654	7,412	22,389	29,789	17,142
Extraordinary gain on dissolution of redevelopment agency	-	-	-	116,599	-
Transfers	11,103	11,667	11,354	11,651	12,183
Total governmental activities	183,114	182,373	184,798	286,899	159,778
Business-type activities :					
Unrestricted investment earnings	3,119	3,771	3,327	2,358	43
Other	201	255	1,706	(2,228)	2,469
Transfers	(11,103)	(11,667)	(11,354)	(11,651)	(12,183)
Total business-type activities	(7,783)	(7,641)	(6,321)	(11,521)	(9,671)
Total primary government	175,331	174,732	178,477	275,378	150,107
Change in Net Position					
Governmental activities	27,286	(8,810)	(18,797)	89,872	(13,168)
Business-type activities	14,235	16,152	11,071	15,779	16,358
Total primary government	41,521	7,342	(7,726)	105,651	3,190

City of Burbank

**Table 3 - Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis)
(in thousands)
(Unaudited)**

Fiscal Year	General Fund Reserved	General Fund Unreserved	Total General Fund	All Other Governmental Reserved	Special Revenue Unreserved	Capital Projects Unreserved	Total All Other Governmental Funds
2008-09	55,422	59,885	115,307	175,959	29,891	60,331	266,181
2009-10	64,841	43,679	108,520	182,572	28,896	59,907	271,375

GASB 54 Fund Balance

Fiscal Year	General Fund Nonspendable	General Fund Restricted	General Fund Committed	General Fund Assigned	General Fund Unassigned	Total General Fund
2010-11	43,503	149	-	10,384	46,871	100,907
2011-12	30,822	107	-	8,538	47,098	86,565
2012-13	46,384	119	-	5,202	43,189	94,894
2013-14	46,451	741	-	2,986	43,312	93,490
2014-15	46,171	1,023	-	2,356	48,320	97,870
2015-16	44,081	1,281	-	3,551	57,097	106,010
2016-17	33,281	1,476	-	2,060	63,708	100,525
2017-18	31,838	1,319	-	1,557	67,319	102,033

Fiscal Year	All Other Governmental Nonspendable	All Other Governmental Restricted	All Other Governmental Committed	All Other Governmental Assigned	All Other Governmental Unassigned	All Other Governmental Funds
2010-11	1,834	207,305	20,397	65,695	(36,396)	258,835
2011-12	352	138,120	19,364	54,744	(542)	212,038
2012-13	12,124	135,103	17,053	29,461	(564)	193,177
2013-14	184	166,474	16,723	30,194	(807)	212,768
2014-15	208	110,217	19,576	29,195	(816)	158,380
2015-16	174	106,781	20,392	29,645	-	156,992
2016-17	213	105,796	17,873	31,353	(71)	155,164
2017-18	161	65,996	20,177	29,705	(13)	116,026

SOURCE : City Financial Services Department

City of Burbank

**Table 4 - Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis)
(in thousands)
(Unaudited)**

	2014	2015	2016	2017	2018
Revenues					
Sales tax	31,657	30,441	34,228	35,197	34,605
Property tax	32,936	37,351	47,113	48,924	52,848
Utility Users tax	19,905	19,312	19,384	19,185	18,702
Other	25,692	27,370	14,013	10,324	11,915
Total Taxes	110,190	114,474	114,738	113,630	118,070
Licenses & Permits	4,298	5,852	4,929	5,928	5,907
Fines, forfeitures, and penalties	2,110	2,570	2,380	2,406	2,529
Use of money or property	11,447	14,575	7,188	4,303	6,303
Intergovernmental	28,282	31,763	29,639	29,001	38,025
Charges for services	32,049	34,375	31,940	38,166	37,522
 Total revenues	 188,376	 203,609	 190,814	 193,434	 208,356
Expenditures					
General government	12,391	15,640	12,900	18,776	16,308
Public Safety	79,432	80,519	84,953	91,108	92,699
Environmental	53,791	52,005	52,196	59,847	58,357
Culture and recreation	23,358	23,517	24,567	24,190	24,875
Capital outlay	11,840	14,337	14,899	10,592	18,368
Debt service :					
Principal	6,700	53,185	3,670	3,920	45,960
Other	-	-	-	-	-
Interest	6,786	4,041	2,959	2,779	740
 Total expenditures	 194,298	 243,244	 196,144	 211,212	 257,307
 Excess of revenues over (under) expenditures	 (5,922)	 (39,635)	 (5,330)	 (17,778)	 (48,951)
Other financing sources (uses)					
Transfers in	17,885	14,867	15,896	16,505	17,193
Transfers out	(4,307)	(4,294)	(4,793)	(6,064)	(5,894)
Other revenues	28	92	152	24	22
 Total other financing sources (uses)	 13,606	 10,665	 11,255	 10,465	 11,321
 Extraordinary gain/(loss) on dissolution of Redevelopment agency	 -	 -	 -	 -	 -
 Net change in fund balances	 \$ 7,684	 (28,970)	 5,925	 (7,313)	 (37,630)
 Debt service as a percentage of noncapital expenditures	 7.4%	 25.0%	 3.7%	 3.3%	 19.5%

(Continued)

SOURCE : City Financial Services Department

City of Burbank

**Table 4 - Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis)
(in thousands)
(Unaudited)**

	2009	2010	2011	2012	2013
Revenues					
Sales tax	\$ 30,249	24,948	29,789	31,352	32,967
Property tax	80,079	79,803	76,308	46,328	46,499
Utility Users tax	20,236	19,908	18,524	19,784	20,237
Other	14,102	13,279	12,230	24,786	13,529
Total Taxes	144,666	137,938	136,851	122,250	113,232
Licenses & Permits	4,115	3,680	3,798	4,228	4,373
Fines, forfeitures, and penalties	2,974	2,597	2,340	2,590	2,308
Use of money or property	12,476	16,281	11,232	11,449	5,625
Intergovernmental	28,298	29,056	29,604	26,056	27,617
Charges for services	34,555	29,032	46,766	45,439	38,368
Total revenues	227,084	218,584	230,591	212,012	191,523
Expenditures					
General government	28,172	48,736	40,537	32,607	23,113
Public Safety	76,616	75,205	72,832	77,111	80,070
Environmental	37,573	37,856	60,374	59,325	60,377
Culture and recreation	29,391	30,527	25,213	25,032	23,066
Capital outlay	19,702	18,330	22,552	23,895	38,223
Debt service :					
Principal	8,330	9,115	9,590	15,280	4,500
Other	-	-	-	-	-
Interest	23,035	21,841	22,007	13,939	2,959
Total expenditures	222,819	241,610	253,105	247,189	232,308
Excess of revenues over (under) expenditures	4,265	(23,026)	(22,514)	(35,177)	(40,785)
Other financing sources (uses)					
Transfers in	48,877	53,290	69,253	24,462	20,084
Transfers out	(35,729)	(41,276)	(57,399)	(13,070)	(5,451)
Other revenues	-	-	-	-	15,620
Total other financing sources (uses)	13,148	12,014	11,854	11,392	30,253
Extraordinary gain/(loss) on dissolution of Redevelopment agency				(37,354)	-
Net change in fund balances	\$ 17,413	(11,012)	(10,660)	(61,139)	(10,532)
Debt service as a percentage of noncapital expenditures	15.4%	13.9%	13.7%	13.1%	3.8%

SOURCE : City Financial Services Department

City of Burbank

**Table 5 - Electricity Sold by Type of Customer
Last Ten Fiscal Years
(in thousands)
(Unaudited)**

Fiscal Year	Residential	Commercial	Large Commercial	Industrial	Street Lights/ Traffic	Wholesale	Other
2008-09	37,726	48,556		68,965	2,791	120,716	3,966
2009-10	37,147	40,797	68,984	-	2,605	75,946	4,641
2010-11	37,326	42,948	68,851	-	2,294	59,200	8,640
2011-12	38,096	43,717	69,331	-	2,325	35,484	4,959
2012-13	41,404	44,617	70,123	-	2,399	44,295	6,628
2013-14	39,910	46,479	68,755	-	2,385	50,151	-
2014-15	43,109	48,980	71,086	-	-	35,691	9,169
2015-16	45,021	49,301	71,761	-	-	27,150	8,931
2016-17	44,978	49,961	72,470	-	-	23,512	8,554
2017-18	45,387	48,837	74,360	-	-	21,252	7,866

Source : Burbank Water and Power

City of Burbank

**Table 6 - Electricity Rates
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Residential	Commercial	Large Commercial
2008-09	0.13267	0.13279	0.11527
2009-10	0.13506	0.13482	0.11806
2010-11	0.14097	0.14224	0.12516
2011-12	0.14401	0.14319	0.12616
2012-13	0.14710	0.14346	0.12832
2013-14	0.14910	0.14645	0.12810
2014-15	0.15810	0.15590	0.13950
2015-16	0.16160	0.16080	0.14310
2016-17	0.16510	0.16490	0.14550
2017-18	0.16570	0.16760	0.14480

Source : Burbank Water and Power

City of Burbank

Table 7 - Largest Electrical Customers

Per Burbank Water & Power during the fiscal year the top 10 Electric Utility customers consumed 19.9% of total electricity supplied and were billed 21.1% of total electric service revenues.

City of Burbank

**Table 8 - Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands)
(Unaudited)**

Fiscal Year	Fiduciary		Governmental Activities		Total Gov't'l Activities
	Fiduciary Activities				
	Community Facilities District Bonds	Tax Allocation Bonds	Pension Obligation Bonds	Revenue Bonds	
2008-09	6,155		18,070	214,257	232,327
2009-10	5,860		17,545	206,579	224,124
2010-11	5,555		16,915	198,581	215,496
2011-12	5,235		16,175	204,311	220,486
2012-13	4,900		15,315	196,014	211,329
2013-14	4,555	108,366	14,320	95,505	109,825
2014-15	-	91,841	13,185	49,170	62,355
2015-16	-	84,862	11,895	46,790	58,685
2016-17	-	78,263	10,440	44,325	54,765
2017-18	-	67,737	8,805	-	8,805

Source : Financial Services Department

City of Burbank

**Table 8 - Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands)
(Unaudited)**

Fiscal Year	Business-Type Activities			Total (3) Primary Govt.	Pct (1) Personal Income	Per Capita (1)
	Revenue Bonds	Loans	Total Bus. Type Activities			
2008-09	100,808	1,007	101,815	334,142	7.77%	3.09
2009-10	137,762	823	138,585	362,709	7.91%	3.34
2010-11	166,075	634	166,709	382,205	8.97%	3.66
2011-12	160,487	961	161,448	381,934	8.75%	3.66
2012-13	153,446	7,260	160,706	372,035	8.33%	3.54
2013-14	145,605	8,437	154,042	263,867	5.62%	2.50
2014-15	138,867	8,023	146,890	209,245	4.24%	1.97
2015-16	131,993	7,634	139,627	198,312	3.82%	1.89
2016-17	124,988	7,234	132,222	186,987	3.33%	1.78
2017-18	117,833	6,825	124,658	133,463	2.24%	1.25

- (1) This ratio is calculated using personal income for two prior calendar years for the prior calendar year.
- (2) This ratio is calculated using population for the prior calendar year.
- (3) Includes debt in Fidiuciary Trust Fund.

City of Burbank

**Table 9 - Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(in thousands)
(Unaudited)**

Outstanding General Bonded Debt					
Fiscal Year	Revenue Bonds	Pension Obligation Bonds	Total General Debt	Pct. of Assessed Value (1)	Per Capita (2)
2008-09	214,257	18,070	232,327	1.28%	2.15
2009-10	206,579	17,545	224,124	1.23%	2.07
2010-11	198,581	16,915	215,496	1.18%	2.07
2011-12	204,311	16,175	220,486	1.21%	2.11
2012-13	196,014	15,315	211,329	1.15%	2.00
2013-14	95,505	14,320	109,825	0.58%	1.05
2014-15	49,170	13,185	62,355	0.27%	0.59
2015-16	46,790	11,895	58,685	0.28%	0.56
2016-17	44,325	10,440	54,765	0.26%	0.52
2017-18	-	8,805	8,805	0.04%	0.08

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

(2) This ratio is calculated using the prior year's population.

City of Burbank

**Table 10 - Schedule of Direct and Overlapping Debt
June 30, 2018
(in thousands)
(Unaudited)**

City Assessed Valuation	\$	23,086,895
Redevelopment Agency Incremental Valuation		7,058,649
		\$ 30,145,544

Total Assessed Valuation

	Percentage Applicable (1)	Outstanding Debt 17/18	Estimated Share of Overlapping Debt
Los Angeles County	1.464%	29,354	430
Burbank Unified School District	100.000%	137,819	137,819
Los Angeles Community College District	2.907%	4,165,830	121,101
		4,333,003	259,350
City direct debt :			
Burbank Redevelopment Tax Allocation (2)		67,737	
Pension obligation bonds		8,805	
Total City direct debt			76,542
Total direct and overlapping debt			\$ 335,892

Note : (1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within City boundaries and dividing it by each unit's total taxable assessed value.

Sources : City Financial Services Department
HDL Coren & Cone

City of Burbank

**Table 11 - Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands)
(Unaudited)**

Fiscal Year	Debt Limit	Total Net Debt	Legal Debt Margin	Pct (1)
2008-09	2,719,939	214,817	2,505,122	7.90%
2009-10	2,511,195	208,744	2,302,451	8.31%
2010-11	2,743,065	190,789	2,552,276	6.96%
2011-12	2,723,655	137,674	2,585,981	5.05%
2012-13	2,767,712	131,563	2,636,149	4.75%
2013-14	2,850,211	99,583	2,750,761	3.49%
2014-15	2,877,262	112,235	2,765,027	3.90%
2015-16	3,111,620	72,949	3,038,671	2.34%
2016-17	3,218,528	66,525	3,152,003	2.07%
2017-18	3,463,247	54,050	3,409,197	2%

Note : (1) Full title : Total net debt applicable to the limit as a percentage of the debt limit

Net assessed value		<u>\$ 23,088,310</u>
Debt limit - 15% of assessed value		3,463,247
Amount of debt applicable to debt limit :		
Community facilities district bonds (1)	-	
Redevelopment debt - tax allocation bonds (1)	<u>60,910</u>	
Total	<u>60,910</u>	
Less :		
Reserves in Debt Service funds available for payment of principal :		
Redevelopment debt	<u>6,860</u>	
Total	<u>6,860</u>	
Total amount of debt applicable to debt limit		<u>54,050</u>
Legal debt margin		<u><u>\$ 3,409,197</u></u>

(1) Reflected in the Fiduciary Trust Fund statements.

Source : City Financial Services Department

City of Burbank

Table 12 - Pledged Revenue Coverage
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal Year	Gross Revenues (3)	Operations & maintenance expenses (1)	Net revenues	Debt service requirement (2)	Times coverage
ELECTRIC UTILITY FUND					
2008-09	289,780	254,484	35,296	8,890	3.97
2009-10	239,870	207,144	32,726	6,418	5.10
2010-11	229,981	201,254	28,727	10,643	2.70
2011-12	209,467	175,748	33,719	6,127	5.50
2012-13	223,176	182,461	40,715	7,603	5.36
2013-14	230,366	194,311	36,055	7,464	4.83
2014-15	219,508	179,878	39,630	7,465	5.31
2015-16	211,450	168,081	43,369	7,469	5.81
2016-17	207,257	161,947	45,310	7,465	6.07
2017-18	206,505	159,938	46,567	7,468	6.24
WATER UTILITY FUND					
2008-09	21,724	17,047	4,677	1,103	4.24
2009-10	22,913	16,705	6,208	1,102	5.63
2010-11	23,925	19,845	4,080	1,704	2.39
2011-12	27,404	21,085	6,319	2,386	2.65
2012-13	28,125	22,544	5,581	2,381	2.34
2013-14	32,137	25,558	6,579	2,346	2.80
2014-15	29,872	24,558	5,314	2,592	2.05
2015-16	27,542	22,918	4,624	2,593	1.78
2016-17	31,115	28,969	2,146	2,593	0.83
2017-18	34,664	28,842	5,822	2,596	2.24
WATER RECLAMATION AND SEWER FUND					
2008-09	14,791	9,094	5,697	1,418	4.02
2009-10	15,816	8,630	7,186	1,421	5.06
2010-11	15,342	9,743	5,599	1,414	3.96
2011-12	16,217	9,562	6,655	1,417	4.70
2012-13	16,622	10,408	6,214	1,419	4.38
2013-14	17,961	10,154	7,807	1,422	5.49
2014-15	19,443	9,714	9,729	1,223	7.96
2015-16	18,352	10,466	7,886	1,222	6.45
2016-17	17,358	13,925	3,433	1,222	2.81
2017-18	17,679	10,794	6,885	1,217	5.66

(Continued)

City of Burbank

Table 12 - Pledged Revenue Coverage
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal Year	Gross Revenues (3)	Operations & maintenance expenses (1)	Net revenues	Debt service requirement (2)	Times coverage
REFUSE COLLECTION AND DISPOSAL FUND					
2008-09	14,342	11,260	3,082	1,299	2.37
2009-10	15,474	12,359	3,115	964	3.23
2010-11	15,760	13,099	2,661	949	2.80
2011-12	16,564	13,922	2,642	964	2.74
2012-13	17,105	15,708	1,397	557	2.51
2013-14	17,166	13,080	4,086	751	5.44
2014-15	17,743	13,514	4,229	748	5.65
2015-16	17,870	13,782	4,088	759	5.39
2016-17	18,143	14,675	3,468	752	4.61
2017-18	17,597	14,724	2,873	748	3.84

Fiscal Year	Tax Increment	TAX ALLOCATION BONDS Debt Service		Times coverage
		Principal	Interest	
		2008-09	53,099	
2009-10	53,171	5,280	9,700	3.55
2010-11	50,343	5,550	9,432	3.36
2011-12	24,358	9,685	10,458	1.21
2012-13	22,928	6,120	8,828	1.53
2013-14	22,775	6,445	8,496	1.52
2014-15	10,387	6,365	5,909	0.85
2015-16	19,500	6,805	4,081	1.79
2016-17	13,239	6,425	3,853	1.29
2017-18	18,746	6,655	3,583	1.83

- Notes :
- (1) Total operating expenses exclude depreciated cost.
 - (2) Debt service represents cash requirements during the year.
 - (3) Gross revenues are total operating revenues, interest income, intergovernmental revenues, gain on disposal of fixed assets, and other income.

City of Burbank

**Table 13 - Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2008-09	108,082	4,301,015	39,794	9.2%
2009-10	108,469	4,584,442	42,265	10.0%
2010-11	104,304	4,262,592	40,867	9.7%
2011-12	104,427	4,364,109	41,791	9.0%
2012-13	104,982	4,468,454	42,564	7.5%
2013-14	105,543	4,693,919	44,474	6.6%
2014-15	106,084	4,936,088	46,530	6.1%
2015-16	105,110	5,192,434	49,400	4.3%
2016-17	105,033	5,621,471	53,521	3.8%
2017-18	107,149	5,960,056	55,624	5.2%

- Note:
- (1) State of California Department of Finance
 - (2) (3) X (1); In Thousands
 - (3) Bureau Economic Analysis, Dept. of Commerce. For Los Angeles County. CA1-3 per capital personal income (Metropolitan divisions)
 - (4) State of California Economic Development Department.

City of Burbank
Table 14 - Principal Employers
Current Year and Ten Years Ago
(Unaudited)

	2018		2009	
	Number of Employees	%	Number of Employees	%
1. Warner Bros. Entertainment	4,926	7.4%	7,400	11.5%
2. The Walt Disney Company	3,945	5.9%	7,900	12.3%
3. Providence St. Joseph's Hospital	2,850	4.3%	2,850	4.4%
4. Bob Hope Airport	2,200	3.3%	2,400	3.7%
5. Burbank Unified School District	1,800	2.7%	1,800	2.8%
6. City of Burbank	1,600	2.4%	1,712	2.7%
7. Deluxe Shared Services	1,500	2.3%	-	0.0%
8. ABC Inc	1,170	1.8%	-	0.0%
9. Entertainment Partners	843	1.3%	-	0.0%
10. Nickelodeon Animation	602	0.9%	-	0.0%
Other employers	45,193	67.8%	40,427	62.7%
(1)	66,629	100.0%	64,489	100.0%

(1) The total employees includes all employees in agencies which are required to report their employee counts to the City. Non-profit agencies are not required to report this information.

City of Burbank

**Table 15 - Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years
(Unaudited)**

	Fiscal year ended June 30,				
	2018	2017	2016	2015	2014
General government	158	220	165	145	161
Police	269	271	271	266	265
Fire	136	136	136	135	135
Public works	88	111	111	108	128
Community development	51	51	51	49	75
Parks and recreation	166	165	231	222	160
Library	65	65	65	63	63
Water Reclamation and Sewer	12	11	11	11	11
Electric Utility	286	286	286	286	286
Water Utility	53	51	53	51	51
Refuse Collection & Disposal	62	55	56	55	55
	1,346	1,422	1,436	1,391	1,390

	2013	2012	2011	2010	2009
General government	163	161	166	166	169
Police	265	265	268	271	279
Fire	137	139	139	139	143
Public works	129	131	136	144	146
Community development	81	97	93	82	86
Parks and recreation	157	154	158	178	179
Library	63	62	64	67	69
Water Reclamation and Sewer	11	11	12	12	12
Electric Utility	286	288	288	278	275
Water Utility	51	51	51	50	50
Refuse Collection & Disposal	55	54	49	48	46
	1,398	1,413	1,424	1,435	1,454

(1) For years prior to 2008, only full-time employees are shown.

City of Burbank

**Table 16 - Operating Indicators by function, concluded
Last Ten Fiscal Years
(Unaudited)**

	Fiscal year ended June 30,				
	2018	2017	2016	2015	2014
Police :					
Arrests	4,699	4,964	5,155	5,601	5,802
Reports taken	11,830	14,976	13,016	11,848	12,221
Service calls	50,587	48,923	47,432	44,663	44,355
Animals entering shelter (1)	1,796	1,944	2,013	2,220	2,630
Moving violations issued	11,665	12,672	12,019	15,377	13,703
Fire :					
Safety employees	120	120	135	125	120
Fire incidents	1,409	1,348	1,331	1,221	1,221
Medical incidents	9,127	9,004	8,759	7,818	7,818
Community Development :					
Building permits	4,245	4,097	4,372	4,060	4,428
Business licenses/business permits (3)	940	960	965	938	1,026
Business tax registrations	12,567	12,639	12,903	13,043	12,791
Parks and Recreation :					
Number of street trees	28,051	28,375	28,532	28,505	28,631
Sports participants	14,830	15,599	15,709	15,230	17,290
Afterschool and daycamp participants	1,787	1,488	4,935	13,924	13,716
Special interest participants	10,966	11,421	11,000	11,004	11,416
Burbank bus ridership (2)	280,363	300,118	330,103	317,178	332,232
RSVP volunteer hours served	109,206	128,881	138,407	119,955	178,000
Library :					
Number of books	403,172	423,707	438,872	480,374	548,494
Number of audiovisual recordings	69,397	75,301	88,869	85,482	87,254
Water Reclamation & Sewer :					
Customer accounts (4)	47,620	47,506	47,529	47,371	47,242
Electric Utility :					
Number of meters	55,902	55,885	53,153	54,086	53,130
Generating capacity (KW)	225,000	225,000	225,000	225,000	225,000
Peak demand (KW)	322,000	279,467	309,000	316,000	266,000
Water Utility :					
Number of meters	27,811	27,670	26,820	27,003	26,880
Average daily gallons used	14,180	13,023	12,095	14,694	17,796
Refuse collection & Disposal :					
Customer accounts	52,073	51,475	50,728	49,853	48,996
Golf Course :					
Rounds of full golf	44,983	54,000	51,200	56,000	55,000
Rounds of 3 par golf	3,747	6,000	7,852	13,000	14,000

(Continued)

City of Burbank

**Table 16 - Operating Indicators by function, concluded
Last Ten Fiscal Years
(Unaudited)**

	Fiscal year ended June 30,				
	2013	2012	2011	2010	2009
Police :					
Arrests	5,628	5,443	5,492	7,417	8,674
Reports taken	12,387	12,359	11,953	12,209	13,559
Service calls	44,889	44,889	42,566	39,966	44,621
Animals entering shelter (1)	2,504	2,839	2,879	3,068	3,081
Moving violations issued	14,445	13,337	13,127	17,450	14,800
Fire :					
Safety employees	123	115	125	125	123
Fire incidents	1,218	1,260	1,243	1,293	1,348
Medical incidents	7,818	7,457	7,568	7,418	7,136
Community Development :					
Building permits (3)	5,749	4,388	3,978	3,601	3,958
Business licenses	1,005	1,020	799	2,000	2,000
Business tax registrations	12,620	12,333	11,757	14,000	15,000
Parks and Recreation :					
Number of street trees	28,788	28,758	28,656	28,643	28,670
Sports participants	15,507	17,540	17,619	16,489	16,326
Afterschool and daycamp participants	15,140	14,825	11,640	11,892	11,008
Special interest participants	13,258	11,585	7,871	8,718	10,362
Burbank bus ridership (2)	351,724	359,092	392,637	520,372	611,184
RSVP volunteer hours served	178,000	178,000	189,000	187,875	221,926
Library :					
Number of books	531,253	512,118	482,490	433,975	432,817
Number of audiovisual recordings	82,415	76,981	71,148	69,802	64,288
Water Reclamation & Sewer :					
Customer accounts (4)	55,883	48,044	47,690	47,413	57,526
Electric Utility :					
Number of meters	52,788	52,766	52,627	51,796	51,384
Generating capacity (KW)	211,000	211,000	225,000	225,000	225,000
Peak demand (KW)	294,000	305,000	322,000	286,000	289,000
Water Utility :					
Number of meters	26,853	26,815	26,792	26,506	26,486
Average daily gallons used	17,117	16,856	21,980	18,854	23,367
Refuse collection & Disposal :					
Customer accounts	48,331	53,536	51,650	50,132	47,212
Golf Course :					
Rounds of full golf	56,782	58,357	52,185	60,933	59,605
Rounds of 3 par golf	15,100	16,624	17,108	21,775	22,311

(1) For years 2006 and after, includes dogs and cats.

(2) For years 2000-2013 includes Got Wheels program. Got Wheels Program was discontinued in 2013. Includes Parks & Recreation Summer Camps and Management Services Summer programs provided with Got Wheels Vehicles.

(3) For years 2009 and after, includes business licenses and business permits. For years 2008 and before, includes only business licenses.

(4) For years 2007, 2008 and 2009 the figure shows how many distinct customers were billed at one time for sewer during the year.

(5) 2011 and prior amount provided in hundred cubic feet.

City of Burbank

**Table 17 - Capital Asset Statistics
Last Ten Fiscal Years
(Unaudited)**

	Fiscal year ended June 30,				
	2018	2017	2016	2015	2014
Police :					
Stations	1	1	1	1	1
Fire :					
Stations	6	6	6	6	6
Public works :					
Miles of streets	228	228	228	228	228
Miles of alleys	49	49	49	49	49
Miles of sidewalks	368	368	368	368	368
Street lights	9,568	9,551	9,335	9,180	9,148
Miles of storm drains	63	63	63	63	63
Signalized intersections	196	196	196	196	196
Parks and Recreation :					
Number of parks	32	32	28	28	28
Swimming pools	2	2	2	2	2
Tennis courts	23	21	21	21	21
Ballfields	15	15	13	13	15
Community gymnasiums	3	3	3	3	3
Library :					
Main and branch libraries	3	3	3	3	3
Water Reclamation & Sewer :					
Miles of sewers	230	225	225	225	225
Electric Utility :					
Transmission & distribution lines (miles)	412	407	421	419	420
Water Utility :					
Miles of water mains	280	280	280	280	280

(Continued)

City of Burbank

**Table 17 - Capital Asset Statistics
Last Ten Fiscal Years
(Unaudited)**

	Fiscal year ended June 30,				
	2013	2012	2011	2010	2009
Police :					
Stations	1	1	1	1	1
Fire :					
Stations	6	6	6	6	6
Public works :					
Miles of streets	228	228	228	228	228
Miles of alleys	49	49	49	49	49
Miles of sidewalks	368	368	367	367	367
Street lights	9,133	9,008	9,419	9,383	9,238
Miles of storm drains	61	61	61	61	61
Signalized intersections	196	196	194	190	183
Parks and Recreation :					
Number of parks	28	28	27	26	25
Swimming pools	2	2	2	2	2
Tennis courts	21	21	24	24	24
Ballfields	15	15	16	16	16
Community gymnasiums	3	3	3	3	3
Library :					
Main and branch libraries	3	3	3	3	3
Water Reclamation & Sewer :					
Miles of sewers	223	223	223	223	223
Electric Utility :					
Transmission & distribution lines (miles)	405	419	356	356	410
Water Utility :					
Miles of water mains	280	280	280	278	278

City of Burbank
Table 18 - Schedule of Credits
June 30, 2018
(Unaudited)

Cindy Giraldo Financial Services Director	General Overview Management's discussion & analysis Letter of Transmittal
Carrie Matson Deputy Financial Services Director	General Overview Management's discussion & analysis Letter of Transmittal
Dino Balos, CPA Accounting and Auditing Manager	General Overview Management's discussion & analysis Letter of Transmittal Audit Coordination Enterprise Funds
Craig Wood, Financial Systems Manager	General Overview Management's discussion & analysis Systems Programming Grant Activity Report (Single Audit)
Heidi Okimoto, Principal Accountant	Governmental Funds General Fund General City Capital Projects Fund Notes to Financial Statements
Angela O'Connor, Senior Accountant	Successor Agency - Private Purpose Trust Fund Redevelopment Capital Projects & Debt Service Funds Public Financing Authority Internal Service Funds Special Revenue Funds Notes to Financial Statements
Eva Felipe Accountant	Projects Enterprise Funds
Monina Marin Accountant	Special Revenue Funds Bank Reconciliations Inventory Notes to Financial Statements
Cathy Jaramillo Account Clerk	Bond Cash Reconciliations Nutrition Accounting
Jonathan Mendoza Accountant	Projects Fixed Assets Accounting Statistical Section Letter of Transmittal
Mike McDaniel, Reprographics Supervisor	Reprographic Services
Cassidy Allen, Graphic Illustrator	Cover photos and design



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