

city of
BURBANK
california



comprehensive
annual financial report
year ended june 30, 2015

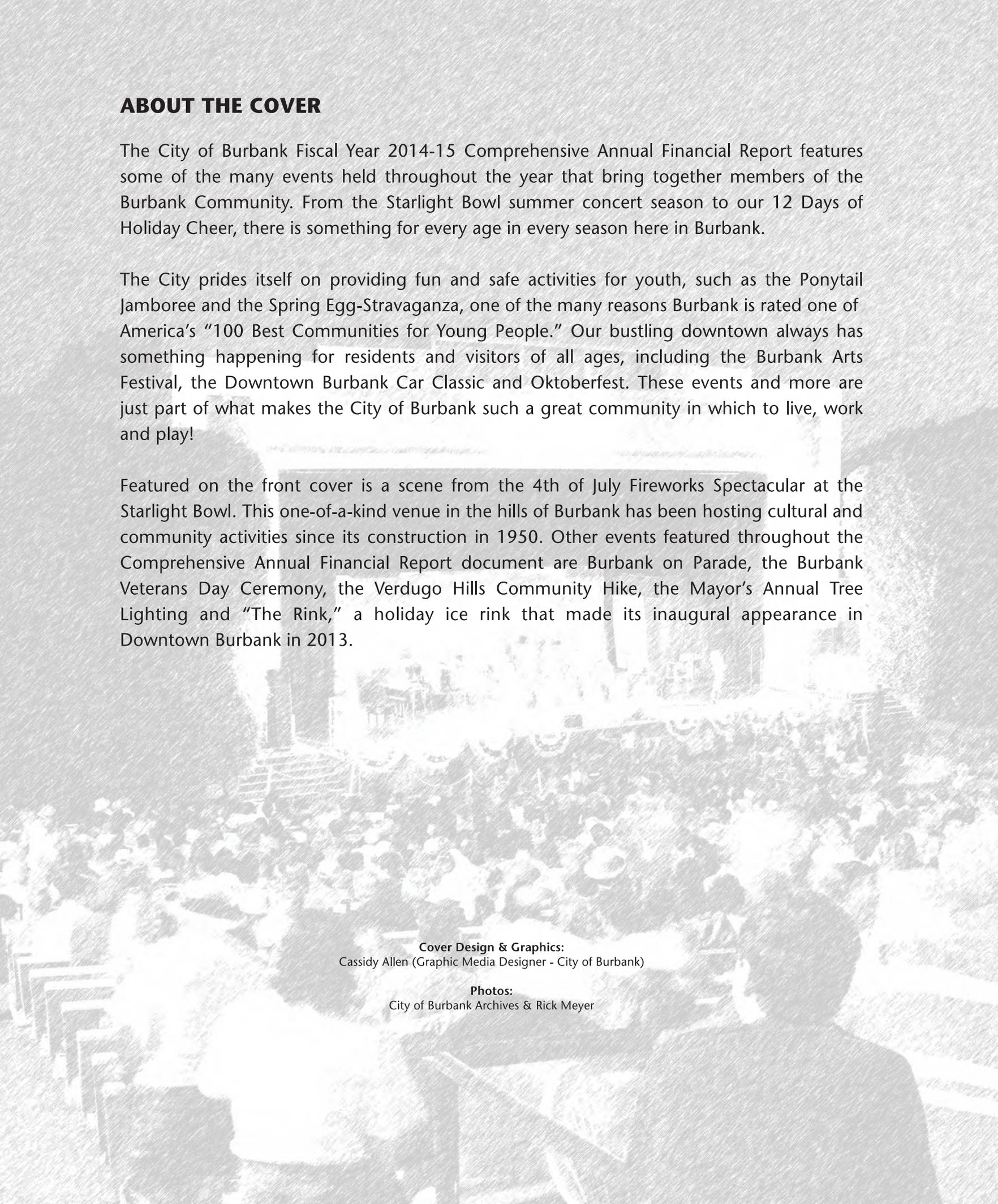


ABOUT THE COVER

The City of Burbank Fiscal Year 2014-15 Comprehensive Annual Financial Report features some of the many events held throughout the year that bring together members of the Burbank Community. From the Starlight Bowl summer concert season to our 12 Days of Holiday Cheer, there is something for every age in every season here in Burbank.

The City prides itself on providing fun and safe activities for youth, such as the Ponytail Jamboree and the Spring Egg-Stravaganza, one of the many reasons Burbank is rated one of America's "100 Best Communities for Young People." Our bustling downtown always has something happening for residents and visitors of all ages, including the Burbank Arts Festival, the Downtown Burbank Car Classic and Oktoberfest. These events and more are just part of what makes the City of Burbank such a great community in which to live, work and play!

Featured on the front cover is a scene from the 4th of July Fireworks Spectacular at the Starlight Bowl. This one-of-a-kind venue in the hills of Burbank has been hosting cultural and community activities since its construction in 1950. Other events featured throughout the Comprehensive Annual Financial Report document are Burbank on Parade, the Burbank Veterans Day Ceremony, the Verdugo Hills Community Hike, the Mayor's Annual Tree Lighting and "The Rink," a holiday ice rink that made its inaugural appearance in Downtown Burbank in 2013.

A large crowd of people is gathered at the Starlight Bowl for the 4th of July Fireworks Spectacular. The scene is viewed from an elevated position, looking down at the audience. The crowd is dense, and many people are wearing hats and summer attire. In the background, the structure of the Starlight Bowl is visible, including a large stage area and seating tiers. The overall atmosphere is festive and celebratory.

Cover Design & Graphics:

Cassidy Allen (Graphic Media Designer - City of Burbank)

Photos:

City of Burbank Archives & Rick Meyer

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
CITY OF BURBANK
BURBANK, CALIFORNIA
FISCAL YEAR ENDED June 30, 2015

Prepared by :
Financial Services Department
Cindy Giraldo
Financial Services Director

**CITY OF BURBANK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED June 30, 2015**

TABLE OF CONTENTS

INTRODUCTORY SECTION

| | |
|--|----|
| Letter of Transmittal..... | I |
| Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting..... | IX |
| Organization Chart..... | X |

FINANCIAL SECTION

| | |
|---|---|
| Independent Auditors' Report..... | 1 |
| Management's discussion and analysis..... | 4 |

BASIC FINANCIAL STATEMENTS :

| | |
|---|----|
| Statement of Net Position..... | 17 |
| Statement of Activities..... | 18 |
| Balance Sheet - Governmental Funds..... | 19 |
| Reconciliation of the balance sheet of governmental funds to net position of governmental activities in the Statement of Net Position | 21 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds..... | 22 |
| Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the Statement of Activities..... | 26 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (General Fund)..... | 27 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (Low/Moderate Income Housing Special Revenue fund)..... | 29 |
| Statement of Net Position - Proprietary Funds..... | 30 |
| Statement of Revenues, Expenditures, and Changes in Fund Net Position - Proprietary Funds..... | 32 |
| Statement of Cash Flows - Proprietary Funds..... | 33 |
| Statement of Net Fiduciary Position - Fiduciary Fund..... | 35 |
| Statement of Changes in Fiduciary Net Position - Fiduciary Fund..... | 36 |
| Notes to Basic Financial Statements..... | 37 |

REQUIRED SUPPLEMENTARY INFORMATION

| | |
|---|----|
| Schedule of Changes in the Net Position Liability and Related Ratios - Miscellaneous Plan | 89 |
| Schedule of Contributions - Miscellaneous Plan | 90 |
| Schedule of Changes in the Net Position Liability and Related Ratios - Police | 91 |
| Schedule of Contributions - Police | 92 |
| Schedule of Changes in the Net Position Liability and Related Ratios - Fire | 93 |
| Schedule of Contributions - Fire | 94 |
| Schedules of Funding Progress OPEB Plans | 95 |

COMBINING FUND FINANCIAL STATEMENTS AND BUDGET AND ACTUAL SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (SUPPLEMENTARY INFORMATION):

Governmental Funds :

| | |
|--|-----|
| Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (Public Financing Authority Debt Service fund)..... | 96 |
| Combining Balance Sheet - Nonmajor Governmental Funds..... | 97 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds..... | 100 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Nonmajor Governmental Funds..... | 103 |

**CITY OF BURBANK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED June 30, 2015**

TABLE OF CONTENTS

Proprietary Fund Activities :

Nonmajor Enterprise Fund

| | |
|---|-----|
| Statement of Net Position..... | 118 |
| Statement of Revenues, Expenses, and Changes in Net Position..... | 119 |
| Statement of Cash Flows..... | 120 |

Internal Service Funds

| | |
|--|-----|
| Combining Statement of Net Position..... | 122 |
| Combining Statement of Revenues, Expenses, and Changes in fund Net Position..... | 124 |
| Combining Statement of Cash Flows..... | 126 |

STATISTICAL SECTION

(Unaudited)

Table

| | | |
|----|--|-----|
| 1 | Net Position by Component (accrual basis) - Last Ten Fiscal Years..... | 130 |
| 2 | Changes in Net Position (accrual basis) - Last Ten Fiscal Years..... | 131 |
| 3 | Fund Balances of Governmental Funds (modified accrual basis) - Last Ten Fiscal Years..... | 137 |
| 4 | Changes in Fund balances of Governmental Funds (modified accrual basis) - Last Ten Fiscal Years..... | 138 |
| 5 | Electricity Sold by Type of Customer - Last Ten Fiscal Years..... | 140 |
| 6 | Electricity Rates - Last Ten Fiscal Years..... | 141 |
| 7 | Largest Electrical Customers - Current and Nine Years Ago..... | 142 |
| 8 | Ratios of Outstanding Debt by Type - Last Ten Fiscal Years..... | 143 |
| 9 | Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years..... | 145 |
| 10 | Schedule of Direct and Overlapping Debt..... | 146 |
| 11 | Legal Debt Margin Information - Last Ten Fiscal Years..... | 147 |
| 12 | Pledged Revenue Coverage - Last Ten Fiscal Years..... | 148 |
| 13 | Demographic and Economic Statistics - Last Ten Fiscal Years..... | 150 |
| 14 | Principal Employers - Current and Nine Years Ago..... | 151 |
| 15 | Full-Time and Part-Time City Employees by Function..... | 152 |
| 16 | Operating Indicators by Function - Last Ten Fiscal Years..... | 153 |
| 17 | Capital Asset Statistics - Last Ten Fiscal Years..... | 155 |
| 18 | Schedule of Credits..... | 157 |

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.



City of Burbank's Elected Officials and Principal Officers



Bob Frutos
Mayor



Jess Talamantes
Vice Mayor



Emily Gabel-Luddy
Council Member



Dr. David Gordon
Council Member



Will Rogers
Council Member



Zizette Mullins
City Clerk



Debbie Kukta
City Treasurer



January 11, 2016

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, 2015. 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, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Burbank, California's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with

GAAP. The 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 106,084.

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. These appropriations, representing amendments to the budget during the year, were significant in relationship to the original budget as adopted. 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.

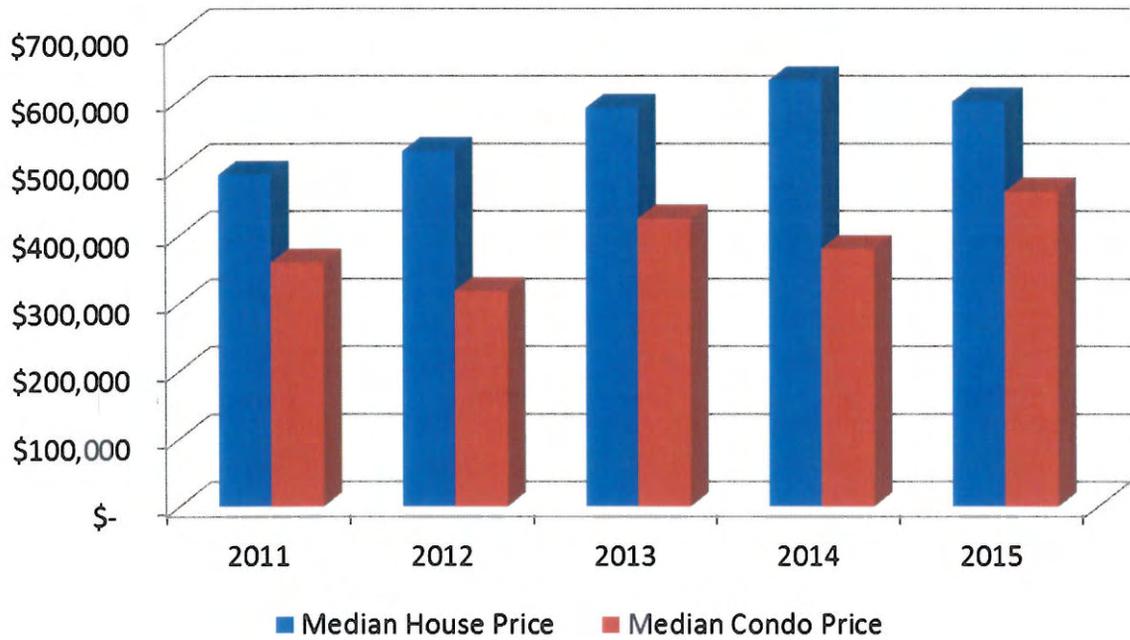
Local Economic Environment

The City of Burbank's economic environment has felt the impacts of the economic downturn, but is still 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 IKEA, with several national retailers such as Sears, Macy's, Bed, Bath and Beyond and Old Navy. Burbank's Downtown features a desirable mix of local and national restaurants such as Wokcano Restaurant, Gordon Biersch, Barney's Beanery, Gourmet 88, Market City Café, Buffalo Wild Wings, PF Chang's, Kabuki and Granville Cafe. The Downtown is focused on the goal of attracting "tech savvy" guests with higher disposable incomes by offering free Wi-Fi service in Downtown Burbank. New businesses which opened up during the year include Tender Greens, Asian Box, Commonwealth and Quenelle.

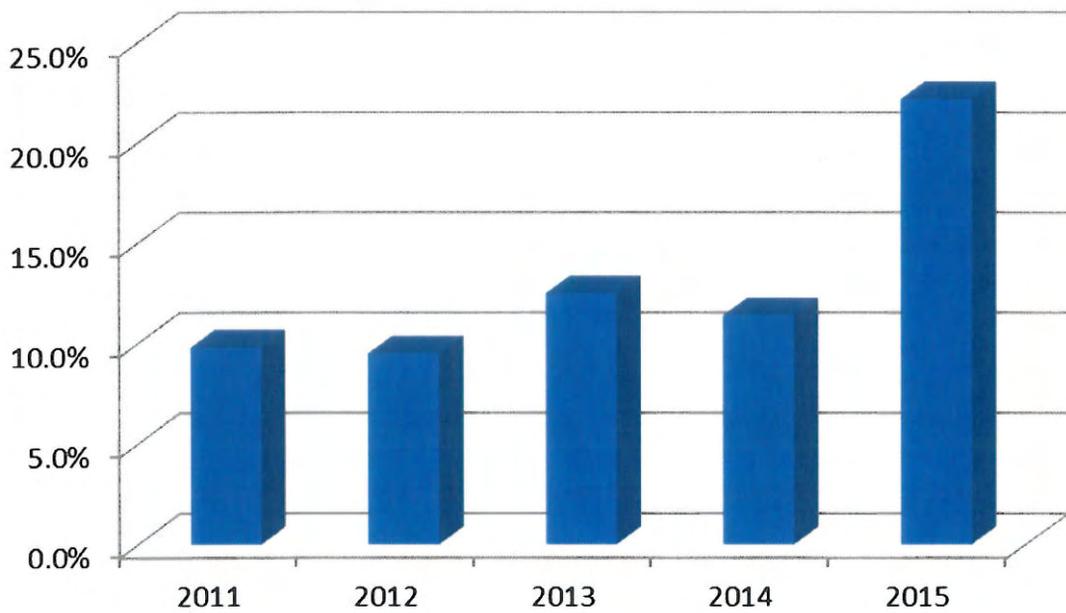
Burbank's single-family home prices continue to steadily increase as reflected in a median home price of \$598,250 in June 2015, compared to \$569,000 in June 2014. The condominium sales median value for June 2014 was \$380,000, the median price increased to \$465,000 in June 2015.

Burbank Median Housing Prices



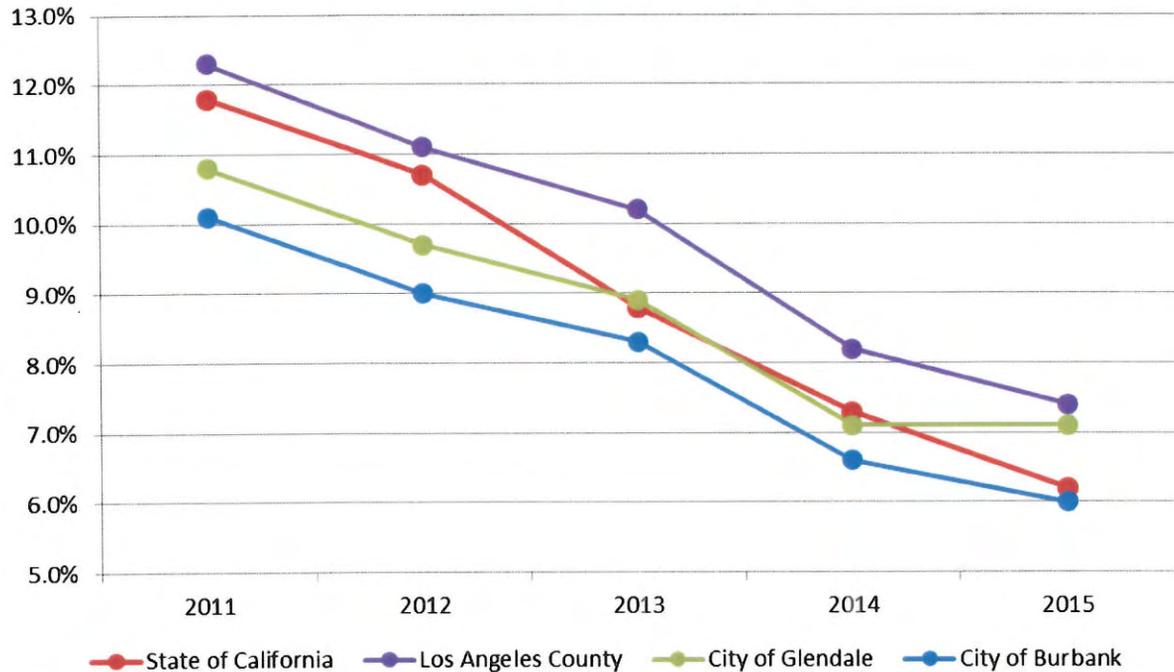
Burbank’s office space vacancy is 22.2% compared to 11.4% in June 2014 with strong rental rates averaging \$2.72 per square foot.

Office Vacancy Trend



Unemployment rates continue to decrease both locally and statewide. The City of Burbank's unemployment rate at 6.0% continues to be lower in comparison to the City of Glendale's 7.1%, Los Angeles County's 7.4% and State of California's rate of 6.2%.

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, to name a few. 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.

Also 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 implementation of these goals, plans and policies by allocating the resources necessary to do so. The following goals are intended to address the highest priority issues, community-wide concerns and 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 opportunities innovative and entrepreneurial development within the City; and Enhance outreach and communications.
- **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 reduction strategies.
- **Municipal Government Leadership.** To provide municipal government leadership which is open and responsive to its residential and corporate constituents and is characterized by stability, confidence in the future and cooperative interaction among civic leaders, residents, business people and City staff, while recognizing and respecting legitimate differences of opinions on critical issues facing the City.

MAJOR INITIATIVES

The City continued its efforts on a number of significant initiatives in 2014-15 which will have a beneficial effect on fiscal health and quality of life.

Tesla Motors Burbank. A new 27,600 sq. ft. facility for the sale, delivery, repair and maintenance of Tesla's new and used electric vehicles. The center will include a 2,400 sq. ft. showroom for up to three vehicles, plus space for branded merchandise. Includes 6 supercharging stations with a 24-hour lounge.

Talaria at Burbank. Whole Foods Market is slated to be the anchor (approximately 43,000 sq. ft.) of the 241-unit luxury complex. Talaria at Burbank, one of the first LEED-certified green residential communities in the city.

IKEA and Nickelodeon. The IKEA project relocation and the Nickelodeon campus extension were approved by the City Council in March 2014. The IKEA relocation will include the construction of a 470,000 square foot store and 1,700 parking spaces on over 22 acres west of San Fernando Boulevard and south of Providencia Avenue. Scheduled to open in

Spring of 2017, this will become the largest IKEA location in the nation. The Nickelodeon campus will include 114,000 square feet of office building space plus a 137,000 square feet parking garage. Scheduled to open in Summer of 2017.

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, 2014. This was the 31st 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 we are submitting it to the GFOA to determine its eligibility for another certificate.

There are a number of benefits in participating in these programs beyond simply receiving recognition for our efforts. For example, by striving to meet program standards and goals, the City produces better 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.

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

Respectfully,



MARK SCOTT
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, 2014. This was the 31st 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

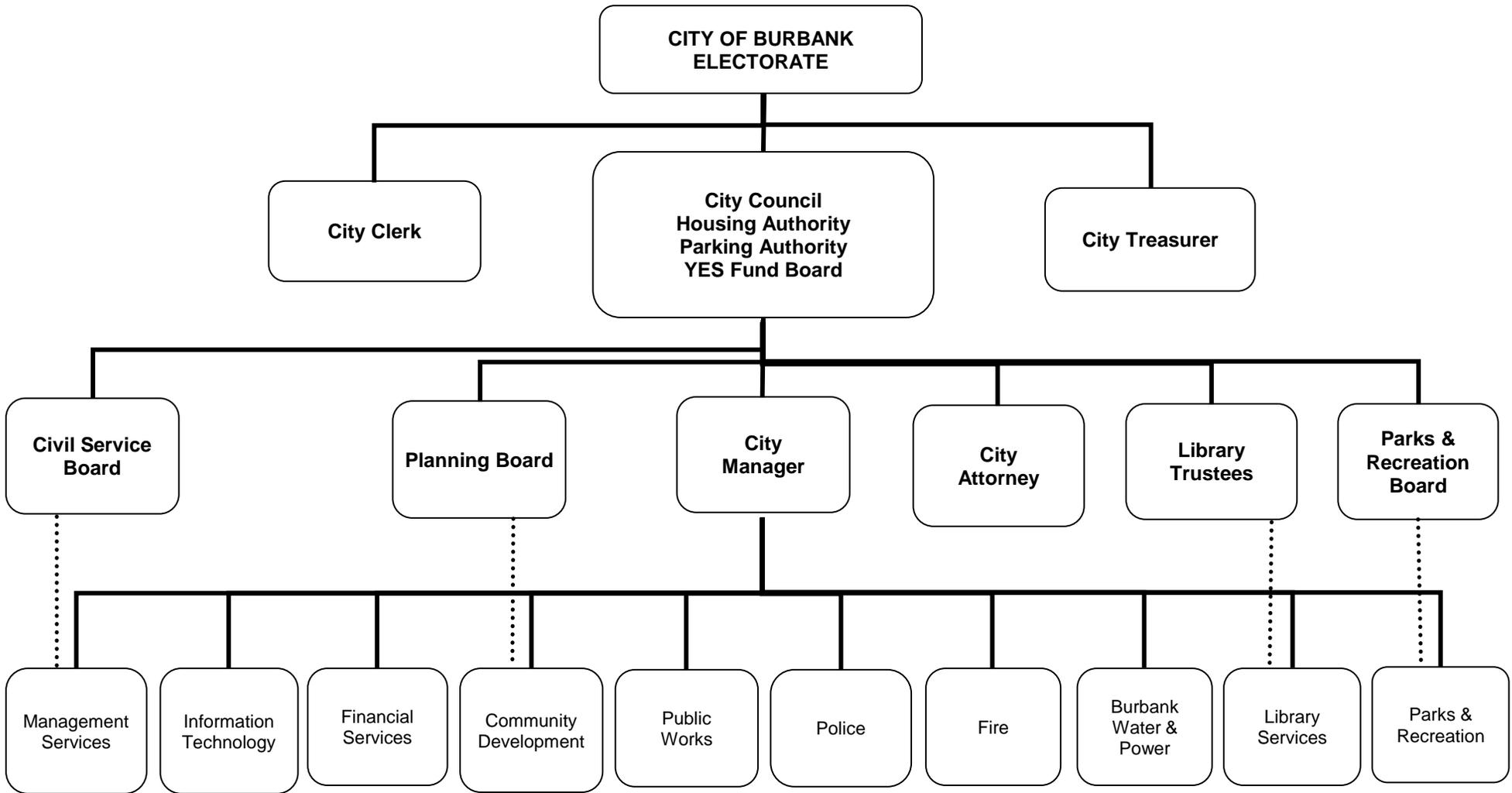
**City of Burbank
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive style.

Executive Director/CEO

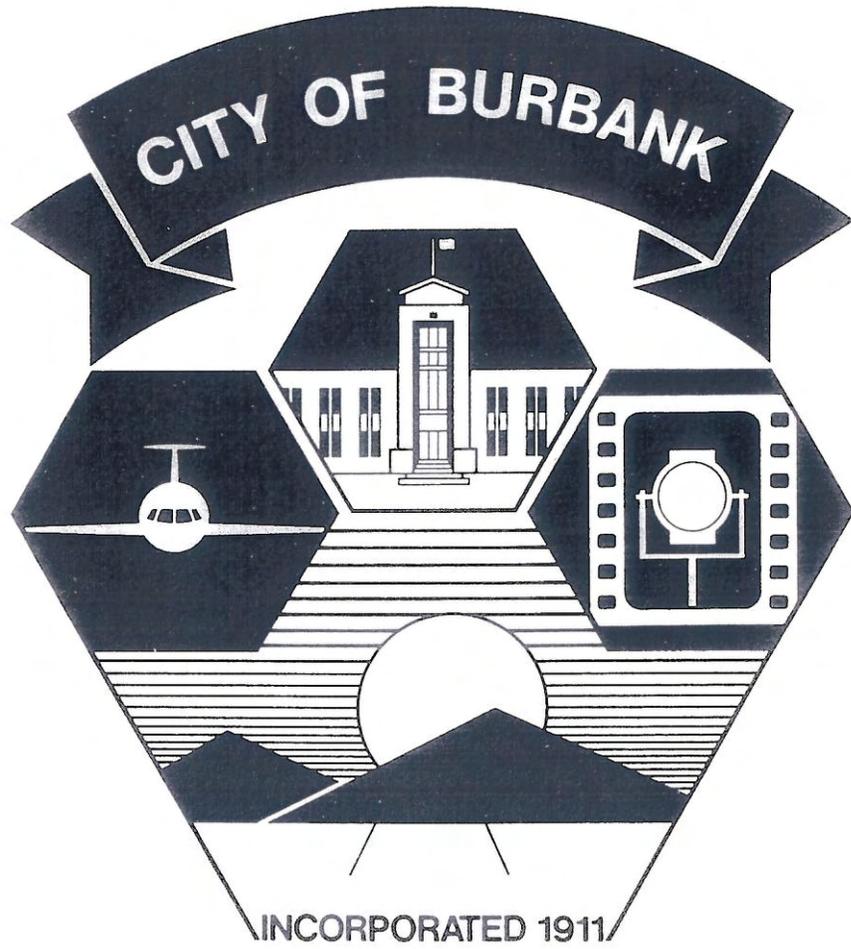


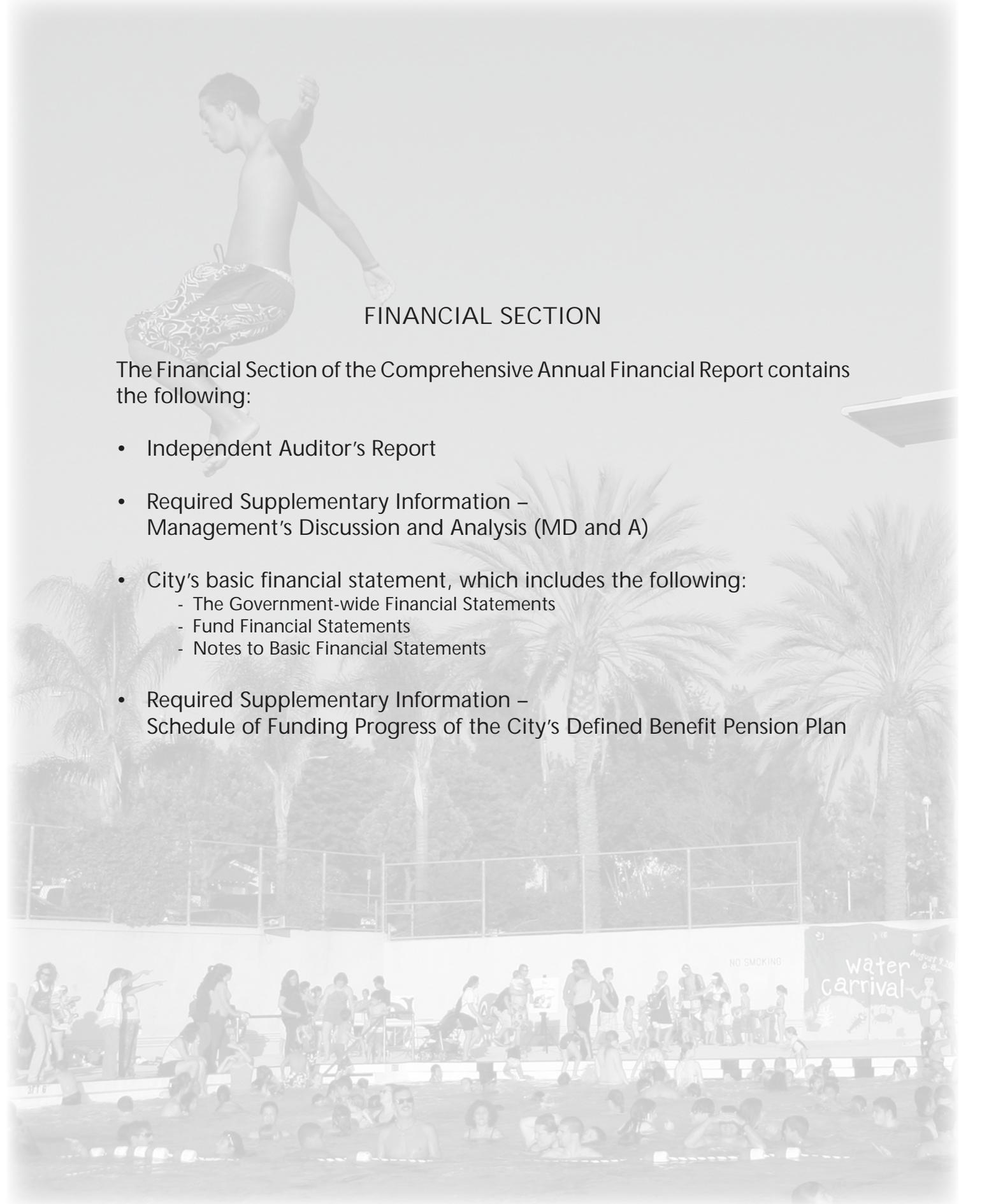
Boards, Committees and Commissions in Burbank Municipal Code (Not in City Charter)

Art In Public Places Committee
 Board of Building and Fire Code Appeals
 Burbank Housing Corporation
 Burbank Water and Power Board

Civic Pride Committee
 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

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, 2015, 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, 2015, 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 Matters

As discussed in Notes 1M and 21 to the financial statements, the City adopted Governmental Accounting Standards Board's Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". The adoption of these standards required retrospective application resulting in a restatement of the net position of the governmental activities, business-type activities, Water Reclamation and Sewer, Electric Utility, Water Utility and Refuse Collection Enterprise Funds. Also, as discussed in Note 21, the City restated the net position of the governmental activities and Successor Agency Private Purpose Trust Fund and the fund balance of the Public Financing Authority Debt Service Fund. Our opinions are not modified with respect to these matters.

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 and the schedule of funding progress - other post-employment benefit 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 11, 2016, 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 11, 2016

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, 2015. 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 \$1,091,987,000 (net position). Of this amount, \$38,464,000 (Unrestricted net position) **may be used to meet the City's ongoing obligations.**
- The City's **total net** position increased by \$26,056,000 during the current fiscal year. This increase was largely driven by the Business-type Activities of the City which combined accounted for \$22,186,000 of the increase.
- As of June 30, 2015, the City's **governmental funds reported** combined fund balances of \$256,250,000 a decrease of \$38,617,000 from the prior year. Of fund balances, \$47,504,000 or approximately 18% of total fund balances are unassigned fund balances.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$48,320,000 or 36% 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 supplementary information in addition to the basic financial statements.

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

The statement of net position **presents information on all of the City's assets**, 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,

City Of Burbank

Management's Discussion and Analysis

community development, parks and recreation, library, and interest on long-term debt. The *business-type activities* of the City include operations of its electric, water, water reclamation and sewer, refuse collection and disposal, as well operating the golf course.

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 21 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 17 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, refuse collection and disposal, and golf operations. *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, refuse collection and disposal and golf operations, all of which, except for the golf fund, 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 30 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 37 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 87 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 94 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 \$1,091,987,000 at the close of the most recent fiscal year.

The largest portion of the City's net position (91%) 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, 2015 and 2014 (000's):

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|--------------------------------|-------------------|---------------------------------|----------------|------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Assets : | | | | | | |
| Current and other assets | \$ 400,637 | \$ 433,603 | 218,319 | 197,247 | 618,956 | 630,850 |
| Capital assets | 692,032 | 695,134 | 445,554 | 454,298 | 1,137,586 | 1,149,432 |
| Total assets | 1,092,669 | 1,128,737 | 663,873 | 651,545 | 1,756,542 | 1,780,282 |
| Deferred Outflows of Resources | 16,485 | 14,971 | 6,216 | 5,553 | 22,701 | 20,524 |
| Liabilities : | | | | | | |
| Current and other liabilities | 239,631 | 276,637 | 113,060 | 135,320 | 352,691 | 411,957 |
| Long-term liabilities | 101,062 | 140,906 | 164,046 | 170,621 | 265,108 | 311,527 |
| Total liabilities | 340,693 | 417,543 | 277,106 | 305,941 | 617,799 | 723,484 |
| Deferred Inflows of Resources | 49,817 | - | 19,640 | - | 69,457 | - |
| Net Position : | | | | | | |
| Net Investment in capital assets | 692,032 | 695,134 | 298,664 | 300,256 | 990,696 | 995,390 |
| Restricted | 62,827 | 61,165 | - | - | 62,827 | 61,165 |
| Unrestricted | (36,215) | (41,525) | 74,679 | 50,901 | 38,464 | 9,376 |
| Total net position | \$ 718,644 | \$ 714,774 | 373,343 | 351,157 | 1,091,987 | 1,065,931 |

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 fund balance 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 \$26,056,000 during the current fiscal year. This increase was largely driven by the Business-type Activities of the City which combined accounted for \$22,186,000 of the increase. The increase was attributable to decreased operating expenditures of \$15,140,000.

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, 2015 and 2014:

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|------------|--------------------------|----------|-----------|-----------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Revenues : | | | | | | |
| Program revenues : | | | | | | |
| Charges for services | \$ 24,000 | \$ 22,171 | 275,319 | 290,489 | 299,319 | 312,660 |
| Operating grants and contributions | 18,637 | 19,214 | 5,044 | 2,639 | 23,681 | 21,853 |
| Capital grants and contributions | - | - | 1,007 | 891 | 1,007 | 891 |
| General revenues : | | | | | | |
| Property tax | 37,351 | 32,936 | - | - | 37,351 | 32,936 |
| Sales tax | 30,441 | 31,657 | - | - | 30,441 | 31,657 |
| Utility users tax | 19,312 | 19,905 | - | 56 | 19,312 | 19,961 |
| Motor-vehicle in-lieu tax | 9,147 | 8,819 | - | - | 9,147 | 8,819 |
| Investment earnings | 13,883 | 18,156 | 2,176 | 2,939 | 16,059 | 21,095 |
| Other | 47,214 | 41,907 | 3,790 | 2,550 | 51,004 | 44,457 |
| Total revenues | 199,985 | 194,765 | 287,336 | 299,564 | 487,321 | 494,329 |
| Expenses : | | | | | | |
| General government | 14,600 | 12,022 | - | - | 14,600 | 12,022 |
| Police | 48,613 | 48,288 | - | - | 48,613 | 48,288 |
| Fire | 29,771 | 31,754 | - | - | 29,771 | 31,754 |
| Public works | 39,550 | 27,481 | - | - | 39,550 | 27,481 |
| Community Development | 44,946 | 47,011 | - | - | 44,946 | 47,011 |
| Parks & Recreation | 19,241 | 19,613 | - | - | 19,241 | 19,613 |
| Library | 6,735 | 6,593 | - | - | 6,735 | 6,593 |
| Interest on long-term debt | 3,743 | 7,254 | - | - | 3,743 | 7,254 |
| Water reclamation & sewer | - | - | 13,146 | 13,556 | 13,146 | 13,556 |
| Nonmajor funds | - | - | 753 | 1,719 | 753 | 1,719 |
| Electric utility | - | - | 198,082 | 211,426 | 198,082 | 211,426 |
| Water utility | - | - | 28,350 | 29,529 | 28,350 | 29,529 |
| Refuse collection & disposal | - | - | 13,735 | 14,056 | 13,735 | 14,056 |
| Total expenses | 207,199 | 200,016 | 254,066 | 270,286 | 461,265 | 470,302 |
| Increase (decrease) in net assets before transfers | (7,214) | (5,251) | 33,270 | 29,278 | 26,056 | 24,027 |
| Transfers | 11,084 | 12,058 | (11,084) | (12,058) | - | - |
| Increase (decrease) in net assets | 3,870 | 6,807 | 22,186 | 17,220 | 26,056 | 24,027 |
| Net position, July 1 | 714,774 | 1,004,570 | 351,157 | 427,537 | 1,065,931 | 1,432,107 |
| Prior period | | (296,603) | | (93,600) | | (390,203) |
| Net position, June 30 | \$ 718,644 | \$ 714,774 | 373,343 | 351,157 | 1,091,987 | 1,065,931 |

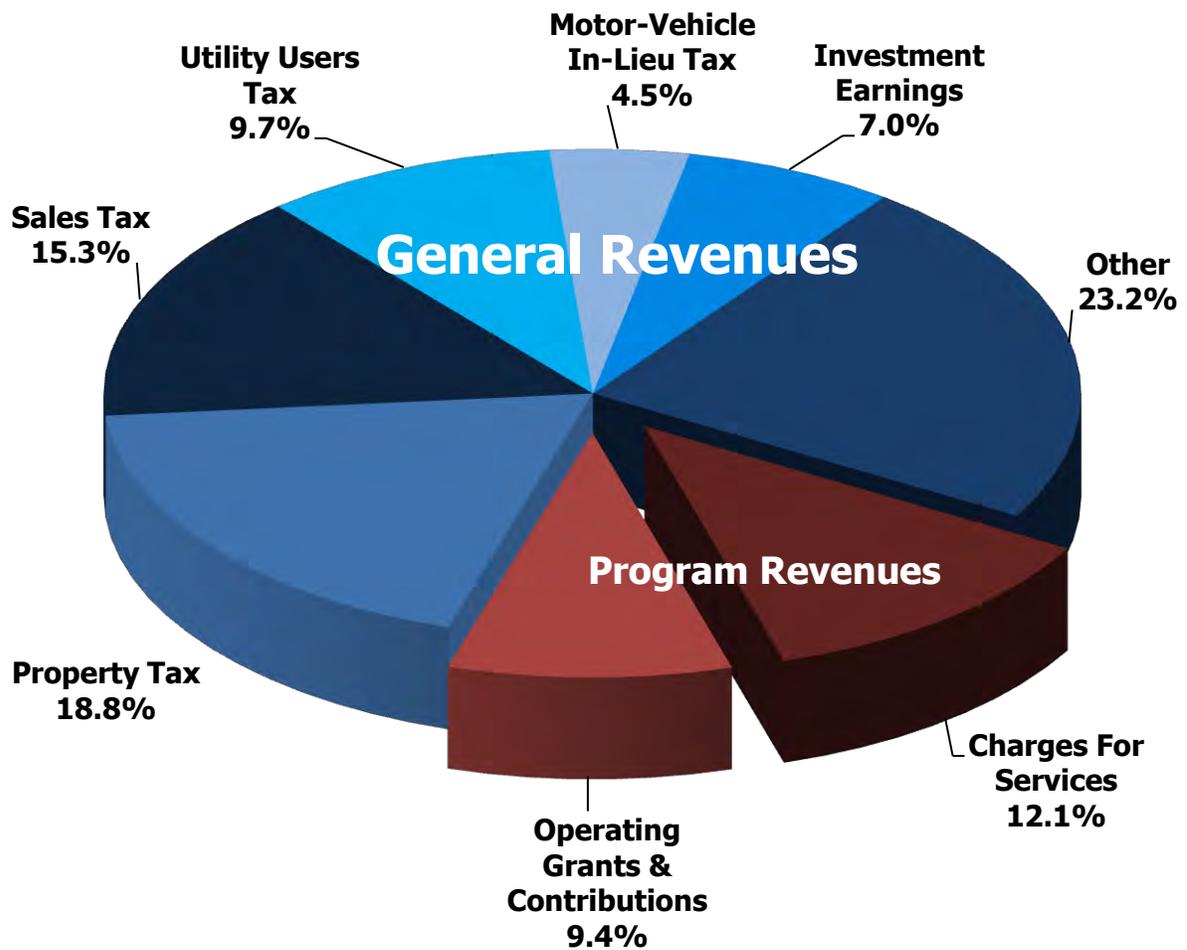
City Of Burbank

Management's Discussion and Analysis

Governmental Activities. Governmental activities increased the City's net position by \$3,870,000. Total expenses increased by 3%, while general revenues and transfers increased by 1.5%.

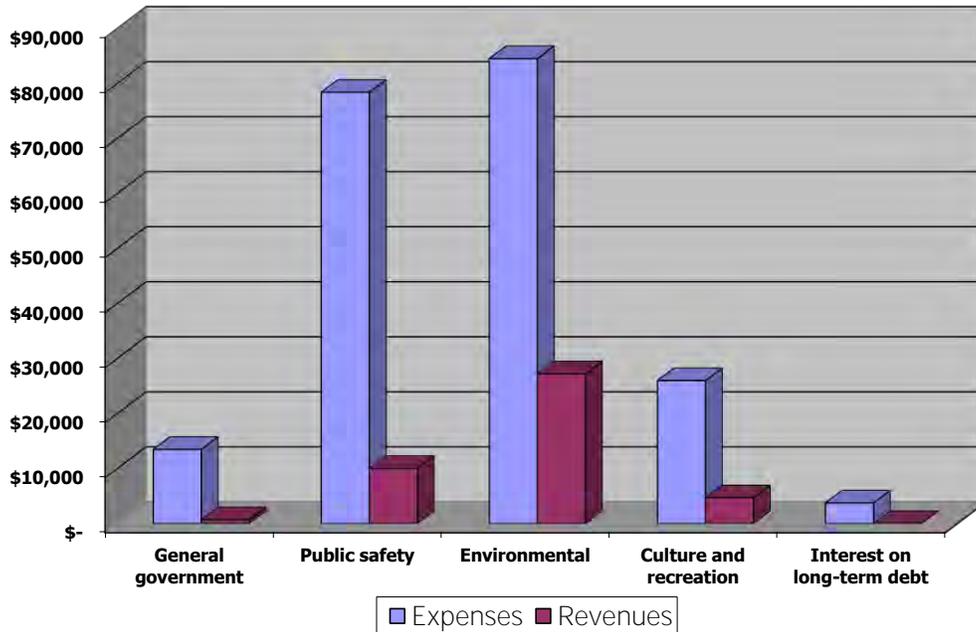
- *General revenues such as property, business, and sales taxes are not shown by program, but are effectively used to support program activities citywide. For governmental activities overall, property taxes are the largest single source of funds (18.8%), followed by sales tax (15.3%).*

Governmental Activities - Revenues



City Of Burbank
Management's Discussion and Analysis

**Expenses and Program Revenues -
 Governmental**

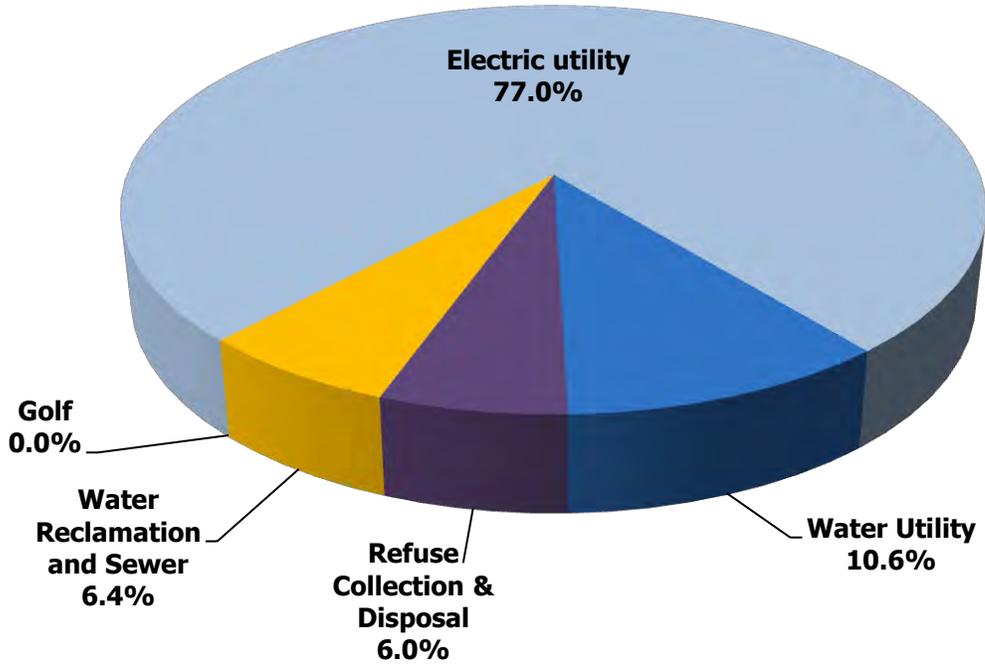


- *The chart above illustrates the City's governmental expenses and revenues by source. Environmental (Public Works and Community Development departments, 41%) is the largest function in expense, followed by Public Safety (Police and Fire departments, 38%), and Culture and Recreation (Library, and Parks and Recreation departments, 13%).*

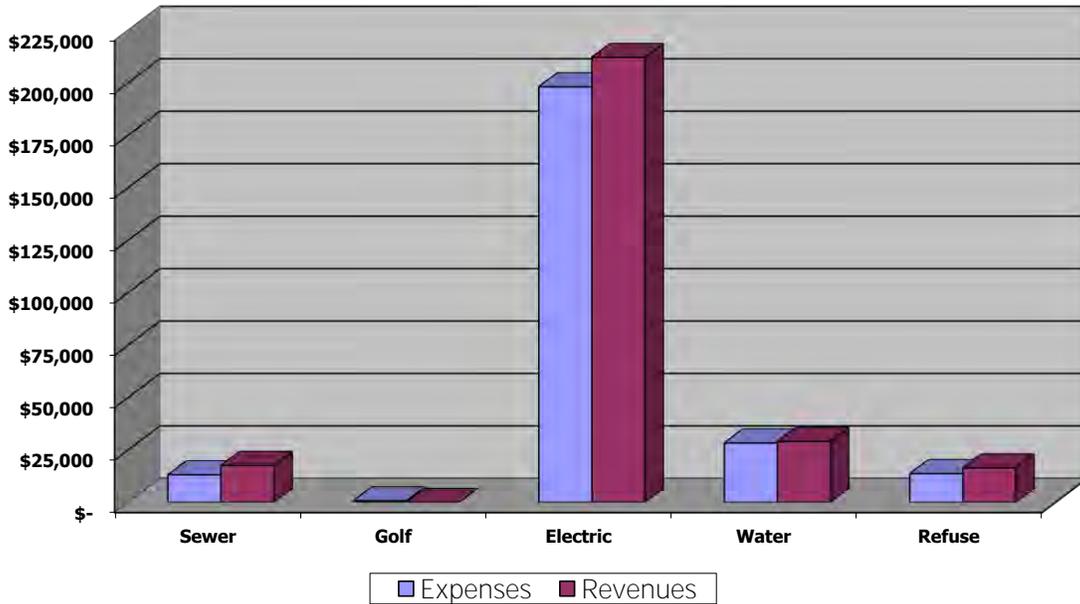
Business-type Activities. Business-type activities increased the City's net position by \$22,186,000, accounting for 86% of the growth in the City's net position, indicating that business-type activities had revenues sufficient to cover operations. The key elements of this increase are as follows:

- *Improved cost management was the primary factor leading to an increased net position of \$22,186,000. The Electric utility fund had an increased net position of \$10,779,000; mainly due to improved expense management.*

**Business-Type Activities
 Charges for Services**



**Expenses and Program Revenues -
 Business-type**



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 \$256,250,000. Approximately 18% of fund balances (\$47,504,000) 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 (\$51,127,000), 2) to pay debt service (\$45,747,000), 3) Reflect amounts due from other funds that are long term in nature and thus do not represent available spendable resources (\$46,379,000), 4) to show amounts related to long-term notes (\$50,157,000), and 5) for a variety of other restricted purposes (\$15,336,000).

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 \$4,380,000 or by 5% of the prior year total ending fund balance. At the end of FY 2015 the total General Fund balance was \$97,870,000, while the unassigned fund balance was \$48,320,000. 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 36% of total General Fund expenditures of \$137,058,000, while total fund balance represents 72% 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 \$50,157,000 is restricted for specific uses. The unassigned fund balance represents 0% of total Low/Mod fund expenditures of \$293,000. The fund balance of the Low/Mod fund increased by \$885,000 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 \$29,195,000. This unassigned fund balance represents 0% of total General capital projects fund expenditures of \$7,515,000, while total fund balance represents 389% of that same amount. The fund balance of the General capital projects fund decreased by \$999,000 during the current fiscal year.

The Public Financing Authority (PFA) debt service fund holds investments in Golden State and City Centre tax allocation bonds and records the debt service activity of its outstanding bonded indebtedness. At the end of the current fiscal year, the unassigned fund balance was \$0, while total fund balance of \$45,747,000 was restricted for specific uses. Total fund balance represents 83% of total Public Financing Authority debt service fund expenditures of \$55,108,000. The fund balance decreased by \$45,836,000 during the current fiscal year due to the write down of the 1993 and 2003 Redevelopment Bonds.

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, 2015, the unrestricted net position of the enterprise funds totaled \$74,679,000 and the total increase in unrestricted net position was \$22,186,000.

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 \$41,911,000, while total net position was \$91,109,000. The unrestricted net position represents 330% of total Water Reclamation and Sewer fund expenses of \$12,685,000, while total net position represents 718% of that same amount. The net position of the Water Reclamation and Sewer fund increased by \$6,289,000 during the current fiscal year. This increase is primarily driven by a one time I-5 Sewer relocation reimbursement of \$1,135,005 and a 3.5% increase in revenues of \$598,000 due to a 2.5% rate increase.

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 \$24,530,000, while total net position was \$214,425,000. The unrestricted net position represents 13% of total Electric Utility fund expenses of \$193,283,000, while total net position represents 111% of that same amount. The net position of the Electric Utility fund increased by \$10,779,000 during the current fiscal year. The increase was primarily driven by a 6.3% decrease in operating expenses of \$12,975,000 due to improved cost management.

The Water Utility fund holds the City's water system enterprise. At the end of the current fiscal year, the unrestricted net position was \$1,278,000, while total net position was \$51,464,000. The unrestricted net position represents 4.9% of total Water Utility fund expenses of \$26,278,000, while total net position represents 196% of that same amount. The net position of the Water Utility fund increased by \$2,036,000 during the current fiscal year. The increase was primarily driven by a 5.2% decrease in operating expenses of \$1,440,000, due to improved cost management.

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 \$9,953,000, while total net position was \$13,154,000. The unrestricted net position represents 72% of total Refuse Collection and Disposal fund expenses of \$13,921,000, while total net position represents 94% of that same amount. The net position of the Refuse Collection and Disposal fund increased by \$3,452,000 during the current fiscal year to fund the 5 year vehicle replacement plan.

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, 2015, unrestricted net position of the internal service funds were \$48,716,000 and the total decrease in net position for these funds was \$740,000.

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 \$1,137,586,000 (net of accumulated depreciation of \$718,865,000) as of June 30, 2015, and \$1,149,432,000 (net of accumulated depreciation of \$673,664,000) as of June 30, 2014. 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 \$368 million over the next five years including FY 2015-16 appropriations of \$49 million and prior year appropriation of \$188 million. Approximately \$131 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 12 major categories: housing and economic development, municipal facilities, park and recreation, pedestrian access and roadway, refuse collection and disposal, transportation, wastewater, electric utility, street lighting, Magnolia power plant, Tieton hydropower project and water utility. Among these categories, the major projects that are planned for the fiscal year 2015-16 include \$2,582,550 for municipal facilities, \$6,086,622 for transportation improvements and \$28,284,298 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, 2015 and 2014:

| | Governmental Activities | | Business-type Activities | | Total | |
|--|--------------------------------|-------------|---------------------------------|-------------|--------------|-------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Capital assets not being depreciated : | | | | | | |
| Land | \$ 49,368 | 49,368 | 11,824 | 11,824 | 61,192 | 61,192 |
| Land held under easements | 345,277 | 345,277 | - | - | 345,277 | 345,277 |
| Construction in progress | 13,126 | 13,659 | 19,171 | 7,242 | 32,297 | 20,901 |
| Internal service fund assets | | | | | | |
| Construction in progress | 1,724 | 1,690 | - | - | 1,724 | 1,690 |
| Total capital assets not being depreciated : | 409,495 | 409,994 | 30,995 | 19,066 | 440,490 | 429,060 |
| Capital assets being depreciated : | | | | | | |
| Land improvements | 8,694 | 8,694 | 13,199 | 13,199 | 21,893 | 21,893 |
| Rights to purchased power | - | - | 1,335 | 1,335 | 1,335 | 1,335 |
| Buildings & improvements | 205,615 | 205,005 | 700,522 | 698,658 | 906,137 | 903,663 |
| Infrastructure | 321,383 | 312,008 | - | - | 321,383 | 312,008 |
| Machinery & other | 5,953 | 5,112 | 86,663 | 82,706 | 92,616 | 87,818 |
| Internal service fund assets | 72,597 | 67,317 | - | - | 72,597 | 67,317 |
| Accumulated depreciation | (331,705) | (312,996) | (387,160) | (360,668) | (718,865) | (673,664) |
| Total capital assets being depreciated, net | 282,537 | 285,140 | 414,559 | 435,230 | 697,096 | 720,370 |
| Total net capital assets | \$ 692,032 | 695,134 | 445,554 | 454,296 | 1,137,586 | 1,149,430 |

Additional information on the City's capital assets can be found in note 5 to the basic financial statements on pages 52 through 55 of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$201,222,000, including current portion of \$9,575,000. Of this amount, \$13,185,000 represents pension obligation bonds, issued to pay for police and fire unfunded accrued actuarial liability, \$49,170,000 represents revenue bonds issued for redevelopment projects, and \$138,867,000 represents revenue bonds issued for various business type activities.

Table 4-The City's outstanding bonded debt for June 30, 2015 and 2014:

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|--------------------------------|-------------|---------------------------------|-------------|--------------|-------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Pension Obligation bonds | \$ 13,185 | 14,320 | - | - | 13,185 | 14,320 |
| Revenue bonds | 49,170 | 95,505 | 138,867 | 145,605 | 188,037 | 241,110 |
| Total long-term debt | \$ 62,355 | \$ 109,825 | 138,867 | 145,605 | 201,222 | 255,430 |

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, Standard and Poor's, and Fitch, Inc.** (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> |
|---------------------------------|----------------|------------------|
| ▪ 1993A Golden State | WR | - |
| ▪ 2012 Waste Disposal (taxable) | - | AAA |
| ▪ 2002 West Olive | WR | BBB+* |
| ▪ 2003A Golden State | WR | A* |
| ▪ 2003B South San Fernando | - | BBB+* |
| ▪ 2003C City Centre | A2 | AA+ |
| ▪ 2004 Pension Obligation | - | - |
| ▪ 2005 Communities Facilities | - | - |
| ▪ 2007A Golden State | WR | A* |
| ▪ 2010A Electric Revenue | A1 | AA-* |
| ▪ 2010B Electric Revenue | A1 | AA-* |
| ▪ 2010A Water Revenue | - | AAA |
| ▪ 2010B Water Revenue | - | AAA |
| ▪ 2012A Electric Revenue | - | AA- |
| ▪ 2014 Wastewater | Aa2 | AA+ |

* Starred rating is the underlying rating.

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, 2015

(in thousands)

| | Governmental Activities | Business-type Activities | Total |
|---|------------------------------------|-------------------------------------|--------------|
| Assets : | | | |
| Cash and investments (note 4) | \$ 236,589 | 133,327 | 369,916 |
| Receivables, net (note 9) | 12,846 | 21,626 | 34,472 |
| Internal balances (note 7) | 1,914 | (1,914) | - |
| Intergovernmental receivables | 371 | - | 371 |
| Inventories | 851 | 8,373 | 9,224 |
| Prepaid items and deposits (note 14) | 355 | 28,020 | 28,375 |
| Land held for resale | - | - | - |
| Regulatory assets - deferred charges | - | 964 | 964 |
| OPEB asset (note 18) | 10,808 | 3,645 | 14,453 |
| Restricted cash and investments (note 4) | 45,725 | 24,278 | 70,003 |
| Advances receivable from Burbank Successor Agency (note 7) | 53,556 | - | 53,556 |
| Developer loans receivable (Note 9) | 37,622 | - | 37,622 |
| Capital assets not being depreciated (note 5) | 409,495 | 30,995 | 440,490 |
| Capital assets, net of accumulated depreciation (note 5) | 282,537 | 414,559 | 697,096 |
| Total assets | 1,092,669 | 663,873 | 1,756,542 |
| Deferred Outflows of Resources : | | | |
| Deferred amounts from pension | 16,485 | 6,216 | 22,701 |
| Liabilities : | | | |
| Accounts payable | 13,391 | 6,219 | 19,610 |
| Accrued liabilities (note 12) | 9,142 | 12,475 | 21,617 |
| Due to Successor Agency | 14,051 | - | 14,051 |
| Intergovernmental payables | 51 | - | 51 |
| Unearned revenue | 1,483 | 4,204 | 5,687 |
| Deposits | 3,005 | 11,049 | 14,054 |
| Advances payable to Burbank Successor Agency (note 7) | 2,007 | - | 2,007 |
| Bond interest payable | 250 | 617 | 867 |
| Net pension liability | 180,940 | 71,807 | 252,747 |
| Current portion of long-term liabilities (note 8) | 15,311 | 6,689 | 22,000 |
| Long-term liabilities, net of current portion (note 8) | 101,062 | 164,046 | 265,108 |
| Total liabilities | 340,693 | 277,106 | 617,799 |
| Deferred Inflows of Resources: | | | |
| Deferred amounts from pension | 49,817 | 19,640 | 69,457 |
| Net Position : | | | |
| Net investment in capital assets (Note 2) | 692,032 | 298,664 | 990,696 |
| Restricted for : | | | |
| Public safety | 1,154 | - | 1,154 |
| Environmental | 61,673 | - | 61,673 |
| Unrestricted | (36,215) | 74,679 | 38,464 |
| Total net position | \$ 718,644 | 373,343 | 1,091,987 |

See accompanying notes to basic financial statements

City Of Burbank
STATEMENT OF ACTIVITIES
For the Year ended June 30, 2015
(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 | \$ 14,600 | 189 | 502 | - | (13,909) | - | (13,909) |
| Police | 48,613 | 3,856 | 2,022 | - | (42,735) | - | (42,735) |
| Fire | 29,771 | 3,474 | 674 | - | (25,623) | - | (25,623) |
| Public works | 39,550 | 2,126 | 3,023 | - | (34,401) | - | (34,401) |
| Community development | 44,946 | 10,350 | 11,727 | - | (22,869) | - | (22,869) |
| Parks and recreation | 19,241 | 3,817 | 662 | - | (14,762) | - | (14,762) |
| Library | 6,735 | 188 | 27 | - | (6,520) | - | (6,520) |
| Interest on long-term debt | 3,743 | - | - | - | (3,743) | - | (3,743) |
| Total Governmental Activities | 207,199 | 24,000 | 18,637 | - | (164,562) | - | (164,562) |
| Business-Type Activities : | | | | | | | |
| Water Reclamation and Sewer | 13,146 | 17,654 | - | - | - | 4,508 | 4,508 |
| Golf Activities | 753 | 19 | - | - | - | (734) | (734) |
| Electric Utility | 198,286 | 212,282 | 5,021 | 593 | - | 19,610 | 19,610 |
| Water Utility | 28,350 | 29,068 | 7 | 414 | - | 1,139 | 1,139 |
| Refuse Collection & Disposal | 14,076 | 16,841 | 16 | - | - | 2,781 | 2,781 |
| Total Business-Type Activities | 254,611 | 275,864 | 5,044 | 1,007 | - | 27,304 | 27,304 |
| Total | \$ 461,810 | 299,864 | 23,681 | 1,007 | (164,562) | 27,304 | (137,258) |
| General revenues : | | | | | | | |
| Taxes: | | | | | | | |
| Property Tax | | | | | 37,351 | - | 37,351 |
| Sales Tax | | | | | 30,441 | - | 30,441 |
| Utility Users Tax | | | | | 19,312 | - | 19,312 |
| Franchise Tax | | | | | 5,309 | - | 5,309 |
| Motor Vehicle In-lieu Tax (Intergovernmental, unrestricted) | | | | | 9,147 | - | 9,147 |
| Transient Occupancy Tax | | | | | 7,902 | - | 7,902 |
| Transient Parking Tax | | | | | 2,846 | - | 2,846 |
| Other taxes(Triple Flip) | | | | | 2,166 | 4 | 2,170 |
| Unrestricted investment earnings | | | | | 13,883 | 2,176 | 16,059 |
| Grants/contributions not restricted to specific programs | | | | | 2,694 | - | 2,694 |
| Other | | | | | 26,297 | 3,786 | 30,083 |
| Transfers (note 7) | | | | | 11,084 | (11,084) | - |
| Total general revenues, contributions and transfers | | | | | 168,432 | (5,118) | 163,314 |
| Change in net position | | | | | 3,870 | 22,186 | 26,056 |
| Net position, July 1, 2014, as restated | | | | | 714,774 | 351,157 | 1,065,931 |
| Net position, June 30, 2015 | | | | | \$ 718,644 | 373,343 | 1,091,987 |

See accompanying notes to basic financial statements

City Of Burbank

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2015

(in thousands)

| | | Special Revenue | Debt Service | Capital Projects | Nonmajor Govern- mental Funds |
|--|------------|------------------------------|--------------------------|-----------------------|--|
| | General | Low/Mod Income Housing | Public Fin. Authority | General Cap. Proj. | |
| Assets : | | | | | |
| Pooled cash and cash investments (note 4) | \$ 65,581 | 1,918 | 11,902 | 29,503 | 38,029 |
| Restricted non-pooled cash and cash equivalents (note 4) | - | - | 130 | - | - |
| Restricted investments (note 4) | - | - | 45,595 | - | - |
| Receivables, net (note 9) | 10,054 | 37,666 | 35 | 1,116 | 987 |
| Interfund receivables (note 7) | 18 | - | - | - | 1 |
| Intergovernmental receivables | 371 | - | - | - | - |
| Inventories | 75 | - | - | - | 208 |
| Prepaid items and deposits (note 14) | 71 | - | - | - | - |
| Advances receivable-general city (note 7) | 3,552 | - | - | - | - |
| Advances receivable-successor agency (note 7) | 42,301 | 10,575 | - | 680 | - |
| Total assets | \$ 122,023 | 50,159 | 57,662 | 31,299 | 39,225 |
| Liabilities : | | | | | |
| Accounts payable | \$ 5,676 | 2 | - | 1,071 | 4,515 |
| Accrued liabilities (note 12) | 8,973 | - | 169 | - | - |
| Unearned revenue | 1,408 | - | - | - | - |
| Due to Successor Agency | 1,397 | - | 11,746 | - | 908 |
| Interfund payable | 1,146 | - | - | - | 190 |
| Intergovernmental payables | 51 | - | - | - | - |
| Deposits | 2,997 | - | - | - | 8 |
| Advances payable-general city (note 7) | - | - | - | - | 323 |
| Advances payable-successor agency (note 7) | 1,327 | - | - | 680 | - |
| Total liabilities | 22,975 | 2 | 11,915 | 1,751 | 5,944 |
| Deferred inflows of resources : | | | | | |
| Unavailable revenues | 1,178 | - | - | 353 | - |
| Total fund balances | 97,870 | 50,157 | 45,747 | 29,195 | 33,281 |
| Total liabilities, deferred inflow of resources and fund balances | \$ 122,023 | 50,159 | 57,662 | 31,299 | 39,225 |

See accompanying notes to basic financial statements

(continued)

City Of Burbank

BALANCE SHEET - GOVERNMENTAL FUNDS, Concluded

June 30, 2015

(in thousands)

Total

Govern-

mental

Funds

| | | |
|---|----|----------------|
| Assets : | | |
| Pooled cash and cash investments (note 4) | \$ | 146,933 |
| Restricted non-pooled cash | | |
| and cash equivalents (note 4) | | 130 |
| Restricted investments (note 4) | | 45,595 |
| Receivables, net (note 9) | | 49,858 |
| Interfund receivables (note 7) | | 19 |
| Intergovernmental receivables | | 371 |
| Inventories | | 283 |
| Prepaid items and deposits (note 14) | | 71 |
| Advances receivable-general city (note 7) | | 3,552 |
| Advances receivable-successor agency (note 7) | | 53,556 |
| Total assets | \$ | <u>300,368</u> |
| | | |
| Liabilities : | | |
| Accounts payable | \$ | 11,264 |
| Accrued liabilities (note 12) | | 9,142 |
| Unearned revenue | | 1,408 |
| Due to Successor Agency | | 14,051 |
| Interfund payable | | 1,336 |
| Intergovernmental payables | | 51 |
| Deposits | | 3,005 |
| Advances payable-general city (note 7) | | 323 |
| Advances payable-successor agency (note 7) | | 2,007 |
| Total liabilities | | <u>42,587</u> |
| | | |
| Deferred inflows of resources: | | |
| Unavailable revenues | | <u>1,531</u> |
| | | |
| Fund balances : | | |
| Nonspendable: | | |
| Advances | | 45,854 |
| Inventories | | 283 |
| Change and imprest | | 171 |
| Prepaid items | | 71 |
| Restricted : | | |
| Transportation | | 9,053 |
| Federal and state grants | | 1,976 |
| Public education in government | | 874 |
| Public safety | | 1,277 |
| Debt service | | 45,747 |
| Redevelopment | | 50,157 |
| Capital projects | | 2,156 |
| Committed: | | |
| Transportation | | 19,576 |
| Assigned | | 31,551 |
| Unassigned | | 47,504 |
| Total fund balances | | <u>256,250</u> |
| Total liabilities and fund balances | \$ | <u>300,368</u> |

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, 2015

(in thousands)

| | | | |
|--|--|-----------|-------------------|
| Fund balances of governmental funds | | | \$ 256,250 |
| 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. | | 692,032 | |
| Long term liabilities are not due and payable in the current period and therefore are not reported in governmental funds. | | (76,169) | |
| 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. | | (252) | |
| Other Post-employment benefits and pension payments in excess of the annual required contribution are not considered financial resources in the governmental funds; however in the statement of net position, an asset is recognized. | | 10,808 | |
| 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. | | 1,531 | |
| 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, less capital assets and long-term liabilities disclosed above, are shown here. | | 48,716 | |
| 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 effects only the government-wide statements for governmental activities: | | | |
| Deferred outflows of resources | | \$ 16,485 | |
| Deferred inflows of resources | | (49,817) | |
| Pension liability | | (180,940) | (214,272) |
| Net position of governmental activities | | | <u>\$ 718,644</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, 2015

(in thousands)

| | General | Special Revenue Low/Mod Income Housing | Debt Service Public Fin. Authority | Capital Projects General Cap. Proj. | Nonmajor Govern- mental Funds |
|----------------------------------|----------------|--|---|--|--|
| Revenues : | | | | | |
| Taxes | \$ 100,183 | - | - | - | 4,644 |
| Licenses & permits | 5,852 | - | - | - | - |
| Fines, forfeitures and penalties | 2,570 | - | - | - | - |
| Use of money or property | 2,803 | 545 | 9,272 | 418 | 1,537 |
| Intergovernmental | 13,769 | - | - | 2,694 | 15,300 |
| Charges for services | 10,780 | 633 | - | - | 22,962 |
| Other revenues | - | - | - | 92 | - |
| Total revenues | <u>135,957</u> | <u>1,178</u> | <u>9,272</u> | <u>3,204</u> | <u>44,443</u> |
| Expenditures : | | | | | |
| General government : | | | | | |
| City council | 334 | - | - | - | - |
| City attorney | 2,140 | - | - | - | - |
| City clerk | 818 | - | - | - | - |
| City treasurer | 110 | - | - | - | - |
| City manager | 1,010 | - | - | - | - |
| Financial services | 2,123 | - | - | - | - |
| Management services | 1,119 | - | - | - | - |
| Administrative services | - | 121 | - | - | 1,652 |
| Information technology | 2,137 | - | - | - | - |
| Non-departmental | 4,076 | - | - | - | - |
| Total general government | <u>13,867</u> | <u>121</u> | <u>-</u> | <u>-</u> | <u>1,652</u> |
| Public safety : | | | | | |
| Police | 49,555 | - | - | - | 376 |
| Fire | 30,588 | - | - | - | - |
| Total public safety | <u>80,143</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>376</u> |
| Environmental : | | | | | |
| Community development | 6,813 | - | - | - | 34,592 |
| Public works | 10,600 | - | - | - | - |
| Total environmental | <u>17,413</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>34,592</u> |
| Culture and recreation : | | | | | |
| Library | 6,075 | - | - | - | - |
| Parks and recreation : | | | | | |
| Parks | 6,996 | - | - | - | - |
| Recreation | 8,213 | - | - | - | - |
| Special community activities | 2,233 | - | - | - | - |
| Total parks and recreation | <u>17,442</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total culture and recreation | <u>23,517</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</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, 2015

(in thousands)

| | Special Revenue | Debt Service | Capital Projects | Nonmajor Govern- mental Funds |
|--|---------------------------------------|----------------------------------|-------------------------------|--|
| | Low/Mod Income Housing | Public Fin. Authority | General Cap. Proj. | |
| | General | | | |
| Capital outlay : | | | | |
| Street improvements | - | - | - | 6,059 |
| General capital improvements | - | 172 | 7,515 | 591 |
| Total capital outlay | <u>-</u> | <u>172</u> | <u>7,515</u> | <u>6,650</u> |
| Debt service : | | | | |
| Principal retirement | 1,135 | - | 52,050 | - |
| Interest and finance charges | 983 | - | 3,058 | - |
| Total debt service | <u>2,118</u> | <u>-</u> | <u>55,108</u> | <u>-</u> |
| Total expenditures | <u>137,058</u> | <u>293</u> | <u>55,108</u> | <u>43,270</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,101)</u> | <u>885</u> | <u>(45,836)</u> | <u>1,173</u> |
| Other financing sources (uses) : | | | | |
| Transfers in (note 7) | 8,829 | - | 3,503 | 2,535 |
| Transfers out (note 7) | (3,348) | - | (191) | (755) |
| Total other financing sources (uses) | <u>5,481</u> | <u>-</u> | <u>3,312</u> | <u>1,780</u> |
| Net change in fund balances | 4,380 | 885 | (45,836) | 2,953 |
| Fund balances, July 1, 2014 (as restated) | <u>93,490</u> | <u>49,272</u> | <u>91,583</u> | <u>30,328</u> |
| Fund balances, June 30, 2015 | <u>\$ 97,870</u> | <u>50,157</u> | <u>45,747</u> | <u>33,281</u> |

See accompanying notes to basic financial statements

(continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS

For the Year ended June 30, 2015

(in thousands)

| | Total Govern- mental Funds |
|----------------------------------|---|
| Revenues : | |
| Taxes | \$ 104,827 |
| Licenses & permits | 5,852 |
| Fines, forfeitures and penalties | 2,570 |
| Use of money or property | 14,575 |
| Intergovernmental | 31,763 |
| Charges for services | 34,375 |
| Other revenues | 92 |
| Total revenues | <u>194,054</u> |
| Expenditures : | |
| General government : | |
| City council | 334 |
| City attorney | 2,140 |
| City clerk | 818 |
| City treasurer | 110 |
| City manager | 1,010 |
| Financial services | 2,123 |
| Management services | 1,119 |
| Administrative services | 1,773 |
| Information technology | 2,137 |
| Non-departmental | 4,076 |
| Total general government | <u>15,640</u> |
| Public safety : | |
| Police | 49,931 |
| Fire | 30,588 |
| Total public safety | <u>80,519</u> |
| Environmental : | |
| Community development | 41,405 |
| Public works | 10,600 |
| Total environmental | <u>52,005</u> |
| Culture and recreation : | |
| Library | 6,075 |
| Parks and recreation : | |
| Parks | 6,996 |
| Recreation | 8,213 |
| Special community activities | 2,233 |
| Total parks and recreation | <u>17,442</u> |
| Total culture and recreation | <u>23,517</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, 2015

(in thousands)

| | Total Govern- mental Funds |
|--|---|
| Capital outlay : | |
| Street improvements | \$ 6,059 |
| General capital improvements | 8,278 |
| Total capital outlay | 14,337 |
| Debt service : | |
| Principal retirement | 53,185 |
| Interest and finance charges | 4,041 |
| Total debt service | 57,226 |
| Total expenditures | 243,244 |
| Excess (deficiency) of revenues over expenditures | (49,190) |
| Other financing sources (uses) : | |
| Transfers in (note 7) | 14,867 |
| Transfers out (note 7) | (4,294) |
| Total other financing sources (uses) | 10,573 |
| Net change in fund balances | (38,617) |
| Fund balances, July 1, 2014, as restated | 294,867 |
| Fund balances, June 30, 2015 | \$ 256,250 |

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, 2015
(in thousands)**

| | |
|---|-----------------|
| Net change in fund balances - total governmental funds | \$ (38,617) |
| 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 (\$26,699) was less than capital outlay (\$33,359) in the current period. | (4,651) |
| The issuance of long-term debt such as bonds provides current financial resources to governmental funds, while the repayment of the principal (\$6,700) 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 (\$84) 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. | 46,736 |
| 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. | 298 |
| Other Post Employment Benefits (OPEB) assets have been established for the government wide statements, as these assets do not impact current financial resources and are therefore not reported in governmental funds. This is total change in OPEB asset. | 76 |
| 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. | (1,169) |
| 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. | (740) |
| 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. | 1,937 |
| Change in net position of governmental activities | <u>\$ 3,870</u> |

City Of Burbank

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

GENERAL FUND

For the Year ended June 30, 2015

(in thousands)

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------|-----------------|----------------|---|
| Revenues : | | | | |
| Taxes | \$ 95,983 | 95,983 | 100,183 | 4,200 |
| Licenses & permits | 4,178 | 4,178 | 5,852 | 1,674 |
| Fines, forfeitures and penalties | 2,318 | 2,304 | 2,570 | 266 |
| Use of money or property | 1,631 | 1,715 | 2,803 | 1,088 |
| Intergovernmental | 9,988 | 10,637 | 13,769 | 3,132 |
| Charges for services | 8,991 | 9,548 | 10,780 | 1,232 |
| Total revenues | <u>123,089</u> | <u>124,365</u> | <u>135,957</u> | <u>11,592</u> |
| Expenditures : | | | | |
| General government : | | | | |
| City council | 387 | 393 | 334 | 59 |
| City attorney | 2,050 | 2,049 | 2,140 | (91) |
| City clerk | 1,061 | 1,088 | 818 | 270 |
| City treasurer | 198 | 198 | 110 | 88 |
| City manager | 1,478 | 1,478 | 1,010 | 468 |
| Financial services | 2,602 | 2,627 | 2,123 | 504 |
| Management services | 1,874 | 1,874 | 1,119 | 755 |
| Information technology | 2,533 | 2,622 | 2,137 | 485 |
| Non-departmental | 3,602 | 3,557 | 4,076 | (519) |
| Total general government | <u>15,785</u> | <u>15,886</u> | <u>13,867</u> | <u>2,019</u> |
| Public safety : | | | | |
| Police | 52,688 | 52,912 | 49,555 | 3,357 |
| Fire | 28,822 | 29,690 | 30,588 | (898) |
| Total public safety | <u>81,510</u> | <u>82,602</u> | <u>80,143</u> | <u>2,459</u> |
| Environmental : | | | | |
| Community development | 6,613 | 7,678 | 6,813 | 865 |
| Public works | 12,198 | 12,198 | 10,600 | 1,598 |
| Total environmental | <u>18,811</u> | <u>19,876</u> | <u>17,413</u> | <u>2,463</u> |
| Culture and recreation : | | | | |
| Library | 6,418 | 6,444 | 6,075 | 369 |
| Parks | 9,010 | 7,972 | 6,996 | 976 |
| Recreation | 7,025 | 8,167 | 8,213 | (46) |
| Special community activities | 2,305 | 2,296 | 2,233 | 63 |
| Total culture and recreation | <u>24,758</u> | <u>24,879</u> | <u>23,517</u> | <u>1,362</u> |

See accompanying notes to basic financial statements

(Continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, Concluded GENERAL FUND For the Year ended June 30, 2015

(in thousands)

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------------------|--------------------------|--------------------------|---|
| Debt service : | | | | |
| Principal retirement | \$ 1,135 | 1,135 | 1,135 | - |
| Interest expense | 908 | 908 | 983 | (75) |
| Total debt service | <u>2,043</u> | <u>2,043</u> | <u>2,118</u> | <u>(75)</u> |
| Total expenditures | <u>142,907</u> | <u>145,286</u> | <u>137,058</u> | <u>8,228</u> |
| Excess (deficiency) of revenues over expenditures | <u>(19,818)</u> | <u>(20,921)</u> | <u>(1,101)</u> | <u>19,820</u> |
| Other financing sources (uses) : | | | | |
| Transfers in | 10,728 | 10,728 | 8,829 | (1,899) |
| Transfers out | <u>(3,137)</u> | <u>(3,248)</u> | <u>(3,348)</u> | <u>(100)</u> |
| Total other financing sources (uses) | <u>7,591</u> | <u>7,480</u> | <u>5,481</u> | <u>(1,999)</u> |
| Net change in fund balances (deficits) | <u>(12,227)</u> | <u>(13,441)</u> | <u>4,380</u> | <u>17,821</u> |
| Fund balance, July 1, 2014 | <u>93,490</u> | <u>93,490</u> | <u>93,490</u> | <u>-</u> |
| Fund balance, June 30, 2015 | <u><u>\$ 81,263</u></u> | <u><u>80,049</u></u> | <u><u>97,870</u></u> | <u><u>17,821</u></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, 2015
(in thousands)

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money or property | \$ 521 | 521 | 545 | 24 |
| Charges for services | 339 | 339 | 633 | 294 |
| Total revenues | <u>860</u> | <u>860</u> | <u>1,178</u> | <u>318</u> |
| Expenditures : | | | | |
| General governmental: | | | | |
| Administrative services | 455 | 455 | 121 | 334 |
| Capital outlay: | | | | |
| General capital improvements | 268 | 268 | 172 | 96 |
| Total expenditures | <u>723</u> | <u>723</u> | <u>293</u> | <u>430</u> |
| Excess (deficiency) of revenues over expenditures | 137 | 137 | 885 | 748 |
| Fund balance, July 1, 2014 | <u>49,272</u> | <u>49,272</u> | <u>49,272</u> | <u>-</u> |
| Fund balance, June 30, 2015 | <u><u>\$ 49,409</u></u> | <u><u>49,409</u></u> | <u><u>50,157</u></u> | <u><u>748</u></u> |

See accompanying notes to basic financial statements.

City Of Burbank
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015
(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) | \$ 43,408 | 61,236 | 12,987 | 15,442 | 254 | 133,327 | 89,656 |
| Accounts receivable (note 9) | 1,619 | 15,063 | 2,761 | 1,776 | 32 | 21,251 | 396 |
| Interest receivable (note 9) | 105 | 152 | 32 | 85 | 1 | 375 | 214 |
| Interfund receivable (note 7) | - | 190 | 1,125 | - | - | 1,315 | 2 |
| Inventories | - | 6,152 | 2,221 | - | - | 8,373 | 568 |
| Prepaid expenses (note 14) | - | 28,020 | - | - | - | 28,020 | 284 |
| Restricted pooled cash and investments (note 4) | - | - | - | 19,015 | - | 19,015 | - |
| Restricted non-pooled investments (note 4) | - | 5,089 | 174 | - | - | 5,263 | - |
| Total current assets | 45,132 | 115,902 | 19,300 | 36,318 | 287 | 216,939 | 91,120 |
| Non-current assets : | | | | | | | |
| Regulatory assets - deferred charges | - | 603 | 361 | - | - | 964 | - |
| OPEB Asset (note 18) | - | 3,645 | - | - | - | 3,645 | - |
| Total other non-current assets | - | 4,248 | 361 | - | - | 4,609 | - |
| Capital assets (note 5) : | | | | | | | |
| Land | 5,316 | 2,734 | 309 | 3,454 | 11 | 11,824 | - |
| Land improvements | 6,096 | - | - | 6,050 | 1,053 | 13,199 | - |
| Rights to purchased power | - | 1,335 | - | - | - | 1,335 | - |
| Buildings and improvements | 118,400 | 425,147 | 141,470 | 6,517 | 8,988 | 700,522 | 6,165 |
| Machinery and equipment | 2,490 | 67,249 | 5,635 | 10,898 | 391 | 86,663 | 66,432 |
| Construction in progress | 670 | 13,289 | 4,050 | 1,110 | 52 | 19,171 | 1,724 |
| Less accumulated depreciation | (72,504) | (231,828) | (58,732) | (19,785) | (4,311) | (387,160) | (52,208) |
| Total capital assets, net of accumulated depreciation | 60,468 | 277,926 | 92,732 | 8,244 | 6,184 | 445,554 | 22,113 |
| Total non-current assets | 60,468 | 282,174 | 93,093 | 8,244 | 6,184 | 450,163 | 22,113 |
| Total assets | 105,600 | 398,076 | 112,393 | 44,562 | 6,471 | 667,102 | 113,233 |
| Deferred outflows of resources: | | | | | | | |
| Deferred amounts from pensions | 165 | 4,738 | 751 | 562 | - | 6,216 | - |

See accompanying notes to basic financial statements

(Continued)

City Of Burbank

STATEMENT OF NET POSITION, Concluded PROPRIETARY FUNDS June 30, 2015 (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 |
| Liabilities : | | | | | | | |
| Current liabilities : | | | | | | | |
| Accounts payable | \$ 801 | 3,572 | 1,501 | 294 | 51 | 6,219 | 2,125 |
| Accrued expenses (note 12) | - | 11,588 | 887 | - | - | 12,475 | - |
| Compensated absences payable (note 8) | 1 | 338 | 15 | 41 | - | 395 | 1 |
| Unearned revenue | - | 959 | 3,245 | - | - | 4,204 | - |
| Customer deposits | - | 8,822 | 1,437 | 790 | - | 11,049 | 75 |
| Bond interest payable | 36 | 406 | 152 | 23 | - | 617 | - |
| Current portion of revenue bonds (note 8) | 785 | 3,745 | 765 | 610 | - | 5,905 | - |
| Current portion of loan payable (note 8) | - | - | 389 | - | - | 389 | - |
| Outstanding claims self insurance (note 15) | - | - | - | - | - | - | 10,308 |
| Total current liabilities | 1,623 | 29,430 | 8,391 | 1,758 | 51 | 41,253 | 12,509 |
| Long-term liabilities (net of current portion) (note 8) : | | | | | | | |
| Revenue bonds | 10,485 | 84,286 | 33,758 | 4,433 | - | 132,962 | - |
| Landfill closure & post closure (note 8) | - | - | - | 17,219 | - | 17,219 | - |
| Loan payable (note 8) | - | - | 7,634 | - | - | 7,634 | - |
| Compensated absences (note 8) | 162 | 4,548 | 885 | 636 | - | 6,231 | 256 |
| Net pension liability | 1,874 | 55,064 | 8,647 | 6,222 | - | 71,807 | - |
| Outstanding claims - self insurance (note 15) | - | - | - | - | - | - | 29,639 |
| Advances payable (note 7) | - | - | - | - | 3,229 | 3,229 | - |
| Total long-term liabilities (net of current portion) | 12,521 | 143,898 | 50,924 | 28,510 | 3,229 | 239,082 | 29,895 |
| Total liabilities | 14,144 | 173,328 | 59,315 | 30,268 | 3,280 | 280,335 | 42,404 |
| Deferred inflows of resources : | | | | | | | |
| Deferred amounts from pensions | 512 | 15,061 | 2,365 | 1,702 | - | 19,640 | - |
| Net position : | | | | | | | |
| Net investment in capital assets | 49,198 | 189,895 | 50,186 | 3,201 | 6,184 | 298,664 | 22,113 |
| Unrestricted | 41,911 | 24,530 | 1,278 | 9,953 | (2,993) | 74,679 | 48,716 |
| Total net position | \$ 91,109 | 214,425 | 51,464 | 13,154 | 3,191 | 373,343 | 70,829 |

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, 2015
(in thousands)

| | Business-type activities - Enterprise funds | | | | | Total | Governmental |
|---|--|-----------------------------|--------------------------|---|--|----------------|---------------------------------------|
| | Water Rec & Sewer | Electric Utility | Water Utility | Refuse Collection & Disposal | Nonmajor Enterprise Funds | | Internal Service Funds |
| Operating revenues : | | | | | | | |
| Sales of water and power | \$ - | 208,034 | 26,930 | - | - | 234,964 | - |
| Charges for services | 17,654 | 4,044 | 2,138 | 16,500 | 19 | 40,355 | 30,731 |
| Total operating revenues | <u>17,654</u> | <u>212,078</u> | <u>29,068</u> | <u>16,500</u> | <u>19</u> | <u>275,319</u> | <u>30,731</u> |
| Operating expenses : | | | | | | | |
| Operations and maintenance | 6,093 | 40,353 | 194 | 8,740 | 261 | 55,641 | 34,073 |
| Purchased water and power | - | 134,522 | 22,292 | - | - | 156,814 | - |
| Inspection and investigation | 1,965 | - | - | - | - | 1,965 | - |
| Design and permits | 1,195 | - | - | 193 | - | 1,388 | - |
| Refuse disposal | - | - | - | 2,552 | - | 2,552 | - |
| Recycling | - | - | - | 1,874 | - | 1,874 | - |
| Depreciation | 3,432 | 18,408 | 3,792 | 562 | 472 | 26,666 | 4,784 |
| Total operating expenses | <u>12,685</u> | <u>193,283</u> | <u>26,278</u> | <u>13,921</u> | <u>733</u> | <u>246,900</u> | <u>38,857</u> |
| Operating income (loss) | <u>4,969</u> | <u>18,795</u> | <u>2,790</u> | <u>2,579</u> | <u>(714)</u> | <u>28,419</u> | <u>(8,126)</u> |
| Nonoperating income (expense) : | | | | | | | |
| Interest income | 490 | 1,070 | 182 | 432 | 2 | 2,176 | 1,070 |
| Intergovernmental | - | 5,021 | 7 | 16 | - | 5,044 | - |
| Other local taxes | - | - | 4 | - | - | 4 | 1,602 |
| Gain/(loss) on disposal of capital assets | - | 204 | - | 341 | - | 545 | 161 |
| Interest expense | (461) | (5,003) | (2,072) | (155) | (20) | (7,711) | - |
| Other income/(expense) - net | 1,299 | 1,135 | 611 | 454 | 287 | 3,786 | 4,042 |
| Total nonoperating income (expense) | <u>1,328</u> | <u>2,427</u> | <u>(1,268)</u> | <u>1,088</u> | <u>269</u> | <u>3,844</u> | <u>6,875</u> |
| Income (loss) before capital contributions and transfers | 6,297 | 21,222 | 1,522 | 3,667 | (445) | 32,263 | (1,251) |
| Transfers in (note 7) | 45 | 70 | 100 | 40 | 75 | 330 | 514 |
| Capital contributions | - | 593 | 414 | - | - | 1,007 | - |
| Transfers out (note 7) | (53) | (11,106) | - | (255) | - | (11,414) | (3) |
| Change in net position | 6,289 | 10,779 | 2,036 | 3,452 | (370) | 22,186 | (740) |
| Net position, July 1, 2014, as restated | <u>84,820</u> | <u>203,646</u> | <u>49,428</u> | <u>9,702</u> | <u>3,561</u> | <u>351,157</u> | <u>71,569</u> |
| Net position, June 30, 2015 | <u>\$ 91,109</u> | <u>214,425</u> | <u>51,464</u> | <u>13,154</u> | <u>3,191</u> | <u>373,343</u> | <u>70,829</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, 2015
(in thousands)

| | Water Rec & Sewer | Electric Utility | Water Utility | Refuse Collection & Disposal | Nonmajor Enterprise Funds | Total | Government Activities- Internal Service Funds |
|---|--------------------------------------|-----------------------------|--------------------------|---|--|-----------------|--|
| Cash flows from operating activities : | | | | | | | |
| Cash received from customers | \$ 19,011 | 215,264 | 29,195 | 17,210 | 106 | 280,786 | 30,731 |
| Cash paid to suppliers | (7,889) | (161,442) | (17,562) | (8,087) | (213) | (195,193) | (27,469) |
| Cash paid to employees | (1,335) | (20,591) | (5,368) | (4,775) | - | (32,069) | (2,527) |
| Net cash provided by (used in) operating activities | <u>9,787</u> | <u>33,231</u> | <u>6,265</u> | <u>4,348</u> | <u>(107)</u> | <u>53,524</u> | <u>735</u> |
| Cash flows from noncapital financing activities : | | | | | | | |
| Proceeds from City of Burbank | - | 5,021 | 7 | 16 | 20 | 5,064 | - |
| Proceeds from other governmental agencies | - | - | - | - | - | - | - |
| Proceeds from other funds | - | - | - | - | - | - | 5,644 |
| Other income (expense) | - | - | - | - | 287 | 287 | - |
| Transfers from other funds | 45 | 70 | 100 | 40 | 75 | 330 | 514 |
| Transfers to other funds | (53) | (11,106) | - | (255) | - | (11,414) | (3) |
| Net cash provided by (used in) noncapital financing activities | <u>(8)</u> | <u>(6,015)</u> | <u>107</u> | <u>(199)</u> | <u>382</u> | <u>(5,733)</u> | <u>6,155</u> |
| Cash flows from capital and related financing activities : | | | | | | | |
| Contributed capital | - | 593 | 414 | - | - | 1,007 | - |
| Proceeds from sales of capital assets | - | 6,186 | - | 341 | - | 6,527 | 230 |
| Acquisition and construction of assets | (935) | (11,207) | (3,844) | (2,686) | (28) | (18,700) | (6,402) |
| Principal payments - bonds | (907) | (3,580) | (735) | (700) | - | (5,922) | - |
| Principal payments - loan payable | - | - | (414) | - | - | (414) | - |
| Proceeds from debt issuance | - | - | - | - | - | - | - |
| Interest paid | (464) | (5,565) | (2,157) | (158) | (20) | (8,364) | - |
| Net cash used in capital and related financing activities | <u>(2,306)</u> | <u>(13,573)</u> | <u>(6,736)</u> | <u>(3,203)</u> | <u>(48)</u> | <u>(25,866)</u> | <u>(6,172)</u> |
| Cash flows from investing activities : | | | | | | | |
| Interest received | 461 | 936 | 149 | 419 | 2 | 1,967 | 1,042 |
| Purchases of restricted investments | - | (199) | (3) | - | - | (202) | - |
| Sales of restricted investments | 7 | - | - | - | - | 7 | - |
| Net cash provided by investing activities | <u>468</u> | <u>737</u> | <u>146</u> | <u>419</u> | <u>2</u> | <u>1,772</u> | <u>1,042</u> |
| Net increase (decrease) in cash and cash equivalents | 7,941 | 14,380 | (218) | 1,365 | 229 | 23,697 | 1,760 |
| Cash and cash equivalents, July 1, 2014 | 35,467 | 51,945 | 13,379 | 33,092 | 25 | 133,908 | 87,896 |
| Cash and cash equivalents, June 30, 2015 | <u>\$ 43,408</u> | <u>66,325</u> | <u>13,161</u> | <u>34,457</u> | <u>254</u> | <u>157,605</u> | <u>89,656</u> |

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, 2015
(in thousands)

| | Water Rec & Sewer | Electric Utility | Water Utility | Refuse Collection & Disposal | Nonmajor Enterprise Funds | Total | Government Activities- Internal Service Funds |
|--|--------------------------------------|-----------------------------|--------------------------|---|--|--------------|--|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities : | | | | | | | |
| Operating income (loss) | \$ 4,969 | 18,795 | 2,790 | 2,579 | (714) | 28,419 | (8,126) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities : | | | | | | | |
| Depreciation | 3,432 | 18,408 | 3,792 | 562 | 472 | 26,666 | 4,784 |
| Other income | 1,299 | 1,135 | 615 | 454 | - | 3,503 | - |
| GASB 31 market value adjustment | - | - | - | - | - | - | - |
| Gain/(loss) on sale of fixed assets | - | - | - | - | - | - | - |
| (Increase) decrease in accounts receivable | 58 | 642 | 528 | (5) | 87 | 1,310 | 17 |
| (Increase) decrease in due to/from City of Burbank | - | - | (1,125) | - | - | (1,125) | - |
| (Increase) decrease in advances receivable | - | - | - | - | - | - | - |
| (Increase) decrease in inventories | - | (30) | (305) | - | - | (335) | (4) |
| (Increase) decrease in prepaid items | 1 | (2,256) | 2 | - | - | (2,253) | (272) |
| (Increase) decrease in deferred outflows from pension | (20) | (480) | (82) | (81) | - | - | - |
| (Increase) decrease in deferred bond issuance cost | - | - | - | - | - | - | - |
| Increase in outstanding claims payable | - | - | - | - | - | - | 3,902 |
| Increase (decrease) in accounts payable | 24 | 114 | 51 | 44 | 48 | 281 | 491 |
| Increase (decrease) in net pension liability | (525) | (15,436) | (2,425) | (1,743) | - | - | - |
| Increase (decrease) in deferred inflows from pension | - | 15,061 | 2,365 | 1,702 | - | - | - |
| Increase (decrease) in compensated absences | 37 | 46 | 68 | 56 | - | 207 | 1 |
| Increase (decrease) in deferred revenue | - | (4,177) | - | - | - | - | (58) |
| Increase (decrease) in customer deposits | - | 1,409 | 109 | 261 | - | 1,779 | - |
| Increase (decrease) in bond premium | 512 | - | - | - | - | 512 | - |
| Increase (decrease) in deferred revenue | - | - | (118) | - | - | - | - |
| Increase in landfill closure and postclosure liabilities | - | - | - | 519 | - | 519 | - |
| Total adjustments | 4,818 | 14,436 | 3,475 | 1,769 | 607 | 31,064 | 8,861 |
| Net cash provided by (used in) operating activities | \$ 9,787 | 33,231 | 6,265 | 4,348 | (107) | 53,524 | 735 |
| Noncash investing, capital, and financing activities : | | | | | | | |
| Increase (decrease) in fair value of investments | \$ 68 | 100 | 30 | 71 | 6 | 275 | 189 |

See accompanying notes to basic financial statements

City Of Burbank
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2015
(in thousands)

| | Private - Purpose Trust Fund Successor Agency |
|--|--|
| Assets : | |
| Pooled cash and investments (note 4) | \$ 16,060 |
| Restricted non-pooled cash and cash equivalents (note 4) | 6,672 |
| Accounts receivable (note 9) | 39 |
| Receivables from the City of Burbank (note 7) | 2,007 |
| Due from City of Burbank (note 7) | 14,051 |
| Capital assets | 11,890 |
| Total assets | 50,719 |
| Liabilities : | |
| Accounts payable | 44 |
| Accrued expenses | 1,783 |
| Interest payable | 349 |
| Current portion of long term liabilities (note 8) | 6,805 |
| Long term liabilities, net of current portion (note 8) | 85,036 |
| Payable to the City of Burbank (note 7) | 53,556 |
| Total liabilities | 147,573 |
| Net position | |
| Unrestricted | (96,854) |
| Total net position | \$ (96,854) |

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, 2015
(in thousands)

| | Private - Purpose Trust Fund |
|--|---|
| | Successor Agency |
| ADDITIONS : | |
| Receipts from County | \$ 10,387 |
| Use of money or property | 710 |
| Intergovernmental | 2,347 |
| Other | 329 |
| Total additions | 13,773 |
| DEDUCTIONS : | |
| Administrative expenses | 1,400 |
| Interest expense (note 8) | 5,564 |
| Total deductions | 6,964 |
| Change in net position | 6,809 |
| Net position, July 1, 2014 (as restated) | (103,663) |
| Net position, June 30, 2015 | \$ (96,854) |

See accompanying notes to basic financial statements

City of Burbank
For the Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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; 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, 2015, 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
For the Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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, within and nearby the City's Redevelopment project areas. 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

For the Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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 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:

Fiduciary Funds - 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.

Internal Service Funds – 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.

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.

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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 records 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 - Land held for resale

Land held for resale is recorded at the lower of cost or estimated net realizable value. Estimated net realizable value is determined by an agreed upon sales price with potential developers, when applicable. Amounts recorded as land held for resale are reported as nonspendable fund balance in the fund financial statements, since those amounts are not available spendable resources.

F - 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 estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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:

| | Estimated useful life |
|---|-----------------------|
| 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 |

Capital outlay purchases of \$33,359 were recorded as expenditures on the governmental fund level financial statements.

G - 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 60% 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

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

H - 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).

I - 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
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

J - 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 91 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, 2015. 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

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.

K - Interfund Advances

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

L - 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

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

M - Current Year Standards

In fiscal year 2014-2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*" and GASB Statement No. 71 - "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pension plans, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accounting changes adopted to conform to the provisions of this statement should be applied retroactively. The adoption of these standards required retrospective application resulting in a \$246,590,000, \$93,600,000, \$71,810,000, \$11,274,000, \$2,435,000 and \$8,081,000 reduction of previously reported net positions of the governmental activities, business-type activities, electric, water, water reclamation and sewer, and refuse collection and disposal enterprise funds, respectively.

- GASB Statement No. 69 - "*Government Combinations and Disposals of Government Operations*" was required to be implemented in the current fiscal year did not impact the City.

N - Pending Accounting Standards

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

- GASB 72 - "*Fair Value Measurement and Application*", effective for periods beginning after June 15, 2015.
- GASB 73 - "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*", effective for periods beginning after June, 15, 2015 - except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016.
- GASB 74 - "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*", effective for periods beginning after June 15, 2016.
- GASB 75 - "*Accounting and Financial Reporting for Postemployment Benefit Other Than Pension Plans*", effective for periods beginning after June 15, 2017.
- GASB 76 - "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*", effective for periods beginning after June 15, 2015.

O - 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 two items that qualify for reporting in this category. The first item is the deferred gain or loss on refunding, net of accumulated amortization reported in the government-wide statement of net position and the proprietary funds financial statements. A deferred gain or loss on refundings 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. The second item is the deferred outflow related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability.

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

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 future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has two items, that qualify for reporting in this category. The first item, *unavailable revenues*, which arises only under a modified accrual basis of accounting, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from two sources: taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is a deferred inflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.

P - 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.

Q - 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.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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 funds :

| | |
|---|-------------------|
| Capital assets of internal service funds, net of accumulated depreciation | \$ 22,113 |
| Governmental assets, net of accumulated depreciation | 669,919 |
| Net investment in capital assets | <u>\$ 692,032</u> |

Proprietary funds :

| | |
|---|-------------------|
| Capital assets, net of accumulated depreciation | \$ 445,554 |
| All revenue bonds, current and long term portions | (138,867) |
| Loan payable | (8,023) |
| Net investment in capital assets | <u>\$ 298,664</u> |

(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. Such appropriations are as follows: \$1,821 Johnny Carson Park Revitalization and \$1,346 Traffic Signal Modifications.

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.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, (continued)

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.

For the fiscal year ended June 30, 2015, the following fund reflected expenditures in excess of budgeted amounts : State Gas Tax Special Revenue fund, an excess of \$138. Also, the general fund had expenditures in excess of budgeted amounts in the following department: Fire Departments an excess of \$898, City Attorney an excess of \$91 and Recreation an excess of \$46. Magnolia Power Plant had a deficit fund balance of \$533 and Tieton Hydro had a deficit fund balance of \$283.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(4) CASH AND INVESTMENTS

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows :

| | Govern- mental | Business Type | Fiduciary Fund | Total |
|---|-------------------|------------------|-------------------|------------|
| Pooled cash and investments | \$ 236,589 | 133,327 | 16,060 | \$ 385,976 |
| Restricted pooled cash and investments | - | 19,015 | - | 19,015 |
| Restricted non-pooled cash and cash equivalents | 130 | - | 6,672 | 6,802 |
| Restricted investments | 45,595 | 5,263 | - | 50,858 |
| Total | \$ 282,314 | 157,605 | 22,732 | \$ 462,651 |
| Cash on hand | | | | \$ 1,835 |
| Demand deposits | | | | 154 |
| Investments | | | | 460,662 |
| Total | | | | \$ 462,651 |

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% | No limit |
| Corporate-medium term notes | Yes | 5 years | 30% | 5% |
| LAIF-Local Agency Invest. Fund | Yes | N/A | \$150 million | \$50 million per account |
| U.S. Treasury obligations | Yes | 5 years | 100% | No limit |
| Non-negotiable Certificates of Deposit | No | 5 years | N/A | N/A |
| Certificates of deposit | Yes | 5 years | 20% | No limit |
| Money market mutual funds | Yes | 90 days | 15% | No limit |
| State and Local Agency Obligations | Yes | 5 years | 15% | 5% |
| Banker's acceptances | No | N/A | N/A | N/A |
| Commercial paper | No | N/A | N/A | N/A |
| Repurchase agreements | No | N/A | N/A | N/A |
| 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.

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.

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(4) CASH AND INVESTMENTS, (continued)

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment One Issuer |
|--------------------------------|------------------|---------------------------------|-------------------------------|
| Investment Agreements | N/A | No limit | No limit |
| LAIF-Local Agency Invstmt Fund | N/A | No limit | No limit |
| Money Market | N/A | No limit | No limit |
| Pledge Bonds | N/A | No limit | No limit |
| U.S. Treasury Obligations | N/A | No limit | No limit |

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:

| | Total | Remaining Maturity (in Months) | | | |
|------------------------------------|-------------------|--------------------------------|-----------------|-----------------|---------------------|
| | | 12 Months Or Less | 13 to 24 Months | 25 to 60 Months | More Than 60 Months |
| Agency-U.S. Federal Agency | \$ 216,857 | 12,027 | 19,698 | 185,132 | - |
| U.S. Treasury obligations | 1,980 | | | 1,980 | |
| Corporate-Medium Term Notes | 60,332 | 10,128 | 14,643 | 35,561 | - |
| Municipal Bonds | 12,832 | 1,459 | 1,339 | 10,034 | - |
| Negotiable Certificates of Deposit | 48,327 | 5,643 | 9,113 | 33,571 | - |
| LAIF-Local Agency Invst Fund | 62,673 | 62,673 | | | |
| Held by bond trustee: | | | | | |
| Investment Agreements | 5,949 | - | - | - | 5,949 |
| Money Market | 6,117 | 6,117 | | | |
| Local obligation bonds | 45,595 | 2,125 | 2,260 | 7,505 | 33,705 |
| | <u>\$ 460,662</u> | <u>100,172</u> | <u>47,053</u> | <u>273,783</u> | <u>39,654</u> |

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.

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(4) CASH AND INVESTMENTS, (continued)

| | Total | Minimum Legal Rating | Not Rated |
|------------------------------------|-------------------|----------------------------|----------------|
| Agency-U.S. Federal Agency | \$ 216,857 | A | - |
| U.S. Treasury obligations | 1,980 | N/A | - |
| Corporate-Medium Term Notes | 60,332 | A | - |
| Municipal Bonds | 12,832 | A | - |
| Negotiable Certificates of Deposit | 48,327 | AA | 48,327 |
| LAIF-Local Agency Invstmt Fund | 62,673 | N/A | 62,673 |
| Held by bond trustee: | | | |
| Investment Agreements | 5,949 | A | - |
| Money Market | 6,117 | Aaa | - |
| Local obligation bonds | 45,595 | N/A | 45,595 |
| Totals | <u>\$ 460,662</u> | | <u>156,595</u> |

| | Rating as of year end | | | Not required to be rated |
|------------------------------------|-----------------------|---------------|---------------|-----------------------------|
| | Aaa | Aa | A | |
| Agency-U.S. Federal Agency | \$ 216,857 | - | - | - |
| U.S. Treasury obligations | - | - | - | 1,980 |
| Corporate-Medium Term Notes | 6,000 | 19,607 | 34,725 | - |
| Municipal Bonds | - | 12,832 | - | - |
| Negotiable Certificates of Deposit | - | - | - | - |
| LAIF-Local Agency Invstmt Fund | - | - | - | - |
| Held by bond trustee: | | | | |
| Investment Agreements | - | - | 5,949 | - |
| Money Market | 6,117 | - | - | - |
| Totals | <u>\$ 228,974</u> | <u>32,439</u> | <u>40,674</u> | <u>1,980</u> |

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 - \$50,780
 FHLMC Debentures - U.S. Federal Agency - \$57,466
 FNMA - U.S. Federal Agency - \$75,316
 Federal Farm Credit Bank - U.S. Federal Agency - \$30,286

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.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(4) CASH AND INVESTMENTS, (continued)

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. The City's investments are in the name of Wells Fargo and Wells Fargo has allocated a portion of the value of the investments to the City.

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.

Investment in Local Obligation Bonds

The City's investment in local obligation bonds are investments in the Successor Agency's Tax Allocation Bonds that are secured by a pledge of, and lien on, and repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established and held by the County Auditor-Controller for the Successor Agency by the Dissolution Act (the "RPTTF").

(5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 is as follows.

| Governmental activities | Balance July 1, 2014 as restated | Additions | Deletions | Balance June 30, 2015 |
|--|---|------------------|------------------|--------------------------------------|
| Capital assets not being depreciated : | | | | |
| Land | \$ 49,368 | - | - | 49,368 |
| Land held under easements | 345,277 | - | - | 345,277 |
| Construction in progress | 13,659 | 8,471 | (9,004) | 13,126 |
| Internal service fund assets : | | | | |
| Construction in progress | 1,690 | 2,168 | (2,134) | 1,724 |
| Total capital assets not being depreciated | <u>409,994</u> | <u>10,639</u> | <u>(11,138)</u> | <u>409,495</u> |
| Capital assets being depreciated : | | | | |
| Land Improvements | \$ 8,694 | - | - | 8,694 |
| Accumulated depreciation | (5,212) | (353) | - | (5,565) |
| Buildings & Improvements | 205,005 | 669 | (59) | 205,615 |
| Accumulated depreciation | (125,468) | (6,241) | 58 | (131,651) |
| Infrastructure | 312,008 | 9,375 | - | 321,383 |
| Accumulated depreciation | (130,806) | (7,823) | - | (138,629) |
| Machinery & other | 5,112 | 857 | (16) | 5,953 |
| Accumulated depreciation | (3,069) | (599) | 16 | (3,652) |
| Internal service fund assets : | | | | |
| Buildings and improvements | 4,324 | 1,841 | - | 6,165 |
| Accumulated depreciation | (1,454) | (245) | - | (1,699) |
| Machinery & other | 62,993 | 4,541 | (1,102) | 66,432 |
| Accumulated depreciation | (46,987) | (4,544) | 1,022 | (50,509) |
| Total capital assets being depreciated, net | <u>285,140</u> | <u>(2,522)</u> | <u>(81)</u> | <u>282,537</u> |
| Total net capital assets - governmental activities | <u>\$ 695,134</u> | <u>8,117</u> | <u>(11,219)</u> | <u>692,032</u> |

Depreciation charged to governmental functions on the statement of activities during the year is as follows; \$5,563 General Government, \$83 to Police, \$5 to Fire, \$8,432 to Public Works, \$2,523 to Community Development, \$2,462 to Parks and Recreation and \$737 to Library.

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(5) CAPITAL ASSETS, (continued)

Total Enterprise fund type capital assets are as follows :

| All Business-type activities | Balance July 1, 2014 | Additions | Deletions | Balance June 30, 2015 |
|---|-------------------------------------|------------------|------------------|--------------------------------------|
| Capital assets not being depreciated : | | | | |
| Land | \$ 11,824 | - | - | 11,824 |
| Construction in progress | 7,242 | 18,792 | (6,864) | 19,170 |
| Total capital assets not being depreciated | 19,066 | 18,792 | (6,864) | 30,994 |
| Capital assets being depreciated : | | | | |
| Land improvements | 13,199 | - | - | 13,199 |
| Accumulated depreciation | (9,496) | (421) | - | (9,917) |
| Rights to purchased power | 1,335 | - | - | 1,335 |
| Accumulated depreciation | (627) | (43) | - | (670) |
| Buildings & Improvements | 698,658 | 6,641 | (4,777) | 700,522 |
| Accumulated depreciation | (303,496) | (19,978) | (34) | (323,508) |
| Machinery & other | 82,706 | 5,398 | (1,441) | 86,663 |
| Accumulated depreciation | (47,049) | (6,267) | 252 | (53,064) |
| Total capital assets being depreciated, net | 435,230 | (14,670) | (6,000) | 414,560 |
| Total net capital assets - business-type activities | <u>\$ 454,296</u> | <u>4,122</u> | <u>(12,864)</u> | <u>445,554</u> |

Water Reclamation & Sewer fund capital assets are as follows :

| | Balance July 1, 2014 | Additions | Deletions | Balance June 30, 2015 |
|--|-------------------------------------|------------------|------------------|--------------------------------------|
| Capital assets not being depreciated : | | | | |
| Land | \$ 5,316 | - | - | 5,316 |
| Construction in progress | 496 | 935 | (761) | 670 |
| Total capital assets not being depreciated | 5,812 | 935 | (761) | 5,986 |
| Capital assets being depreciated : | | | | |
| Land improvements | 6,096 | - | - | 6,096 |
| Accumulated depreciation | (3,692) | (316) | - | (4,008) |
| Buildings & Improvements | 117,684 | 716 | - | 118,400 |
| Accumulated depreciation | (63,536) | (2,972) | - | (66,508) |
| Machinery & other | 2,445 | 45 | - | 2,490 |
| Accumulated depreciation | (1,844) | (144) | - | (1,988) |
| Total capital assets being depreciated, net | 57,153 | (2,671) | - | 54,482 |
| Total net capital assets - Water reclamation and sewer | <u>\$ 62,965</u> | <u>(1,736)</u> | <u>(761)</u> | <u>60,468</u> |

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(5) CAPITAL ASSETS, (continued)

Electric Utility fund capital assets are as follows :

| | Balance July 1, 2014 | Additions | Deletions | Balance June 30, 2015 |
|---|-------------------------------------|------------------|------------------|--------------------------------------|
| Capital assets not being depreciated : | | | | |
| Land | \$ 2,734 | - | - | 2,734 |
| Construction in progress | 5,312 | 13,514 | (5,537) | 13,289 |
| Total capital assets not being depreciated | <u>8,046</u> | <u>13,514</u> | <u>(5,537)</u> | <u>16,023</u> |
| Capital assets being depreciated : | | | | |
| Land improvements | - | - | - | - |
| Accumulated depreciation | - | - | - | - |
| Rights to purchased power | 1,335 | - | - | 1,335 |
| Accumulated depreciation | (627) | (43) | - | (670) |
| Buildings & Improvements | 424,999 | 4,869 | (4,721) | 425,147 |
| Accumulated depreciation | (179,817) | (13,063) | (91) | (192,971) |
| Machinery & other | 65,258 | 3,403 | (1,412) | 67,249 |
| Accumulated depreciation | (33,084) | (5,345) | 242 | (38,187) |
| Total capital assets being depreciated, net | <u>278,064</u> | <u>(10,179)</u> | <u>(5,982)</u> | <u>261,903</u> |
| Total net capital assets - Electric utility | <u>\$ 286,110</u> | <u>3,335</u> | <u>(11,519)</u> | <u>277,926</u> |

During fiscal year ended June 30, 2015 the City had capitalized interest of \$0 in the Electric fund.

Water Utility fund capital assets are as follows :

| | Balance July 1, 2014 | Additions | Deletions | Balance June 30, 2015 |
|---|-------------------------------------|------------------|------------------|--------------------------------------|
| Capital assets not being depreciated : | | | | |
| Land | \$ 309 | - | - | 309 |
| Construction in progress | 1,325 | 3,256 | (531) | 4,050 |
| Total capital assets not being depreciated | <u>1,634</u> | <u>3,256</u> | <u>(531)</u> | <u>4,359</u> |
| Capital assets being depreciated : | | | | |
| Buildings & Improvements | 140,480 | 1,046 | (56) | 141,470 |
| Accumulated depreciation | (51,084) | (3,498) | 56 | (54,526) |
| Machinery & other | 5,365 | 299 | (29) | 5,635 |
| Accumulated depreciation | (3,920) | (296) | 10 | (4,206) |
| Total capital assets being depreciated, net | <u>90,841</u> | <u>(2,449)</u> | <u>(19)</u> | <u>88,373</u> |
| Total net capital assets - Water utility | <u>\$ 92,475</u> | <u>807</u> | <u>(550)</u> | <u>92,732</u> |

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(5) CAPITAL ASSETS, (continued)

Refuse Collection & Disposal fund capital assets are as follows :

| | Balance July 1, 2014 | Additions | Deletions | Balance June 30, 2015 |
|---|-------------------------------------|------------------|------------------|--------------------------------------|
| Capital assets not being depreciated : | | | | |
| Land | \$ 3,454 | - | - | 3,454 |
| Construction in progress | 85 | 1,035 | (10) | 1,110 |
| Total capital assets not being depreciated | <u>3,539</u> | <u>1,035</u> | <u>(10)</u> | <u>4,564</u> |
| Capital assets being depreciated : | | | | |
| Land improvements | 6,050 | - | - | 6,050 |
| Accumulated depreciation | (5,153) | (77) | - | (5,230) |
| Buildings & Improvements | 6,507 | 10 | - | 6,517 |
| Accumulated depreciation | (6,156) | (26) | - | (6,182) |
| Machinery & other | 9,247 | 1,651 | - | 10,898 |
| Accumulated depreciation | (7,914) | (459) | - | (8,373) |
| Total capital assets being depreciated, net | <u>2,581</u> | <u>1,099</u> | <u>-</u> | <u>3,680</u> |
| Total net capital assets - Refuse collection & disposal | <u>\$ 6,120</u> | <u>2,134</u> | <u>(10)</u> | <u>8,244</u> |

(6) DEFINED CONTRIBUTION AND PENSION 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, 2015, there were 142 active participants and 76 retired participants. VEBA members are required to contribute their final vested sick pay at retirement. The City is required to contribute \$31.96 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.

The VEBA's financial statements are prepared using the accrual basis of accounting, and the statements are available at the City of Burbank, 275 E Olive Ave, Burbank CA 91502. The employer contributions are recognized in the period that the contributions are made; contributions totaled \$414 for the fiscal year ended June 30, 2015. VEBA investments are reported at fair value. At June 30, 2015, the fair value of assets was \$5,975.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(6) DEFINED CONTRIBUTION (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, 2015 there were 121 active and 35 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 \$298 to the PEHP during the year ended June 30, 2015.

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows :

| Fund | Interfund | | Transfers | |
|--------------------------|------------|---------|-----------|--------|
| | Receivable | Payable | In | Out |
| General fund | \$ 18 | 1,146 | 8,829 | 3,348 |
| Golden State | | | | |
| debt service | - | - | - | - |
| Merged | | | | |
| capital projects | - | - | - | - |
| Low / Mod housing | - | - | - | - |
| General capital projects | - | - | 3,503 | 191 |
| Water recl & sewer | - | - | 45 | 53 |
| Electric utility | 190 | - | 70 | 11,106 |
| Water utility | 1,125 | - | 100 | - |
| Refuse coll. & disp. | - | - | 40 | 255 |
| Nonmajor prop. fund | - | - | 75 | - |
| Nonmajor | | | | |
| governmental funds | 1 | 190 | 2,535 | 755 |
| Internal service funds | 2 | - | 514 | 3 |
| Total interfund | | | | |
| receivable / payable / | | | | |
| transfers | \$ 1,336 | 1,336 | 15,711 | 15,711 |

Composition and purpose of interfund transfers is as follows :

Nonmajor governmental funds transfers in of \$3,453 includes \$2,479 for the Street Lighting fund transferred from Electric Utility fund for in-lieu of taxes payments and \$56 from the General fund for the LMMS capital project from IT holding account.

General fund transfers in of \$8,829 includes \$8,626 from the Electric Utility fund for in-lieu of taxes payments.

General Capital Projects fund transfers in of \$3,503 includes \$3,103 from the General fund for infrastructure reserve and additional street improvements per resolution 14-28689 and \$400 from the Youth Endowment Services fund for play equipment.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

The composition of interfund advances as of June 30, 2015 is as follows :

Advances from City :

The general fund advanced the golf fund \$2.9 million for construction of the new clubhouse. The terms of the advance were per resolution 27488, passed on June 19, 2007. The term of the advance was initially 20 years; the interest rate varies as it is indexed to yield on the Local Agency Investment Fund (LAIF) using a 12 month average plus .5%, with the first repayment date as January 2009. On June 7, 2011, the payment terms of this advance were revised per resolution 28347 to defer payments until fiscal year 2013-14 with payments commencing on January 1, 2014 and recalculated annually thereafter over 17 years through January 1, 2030. On April 9, 2013, the payment terms of this advance were revised to defer payments until fiscal year 2018-19 with payments commencing on January 1, 2019 and recalculated annually thereafter over 30 years through January 1, 2049.

\$ 2,196

The general fund advanced the golf fund \$1.0 million to make the golf fund fiscally solvent. The terms of the advance are per resolution 28347, passed on June 7, 2011. The term of the advance is 20 years; the interest rate varies as it is indexed to yield on the Local Agency Investment Fund (LAIF) using a 12 month average plus .5%. This advance will be recalculated every January, with the first repayment date as January 2014. On April 9, 2013, the payment terms of this advance were revised to defer payments until fiscal year 2015-16 with payments commencing on January 1, 2016 and recalculated annually thereafter over 20 years through January 1, 2036.

\$ 1,033

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.

\$ 323

\$ 3,552

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 interest rate earned by the funds deposited into the Local Agency Investment Fund. The annual advances repayments are subject to certain limitations. Advance repayments shall not be prior to the 2014-2015 fiscal year, 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).

\$ 52,504

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

\$ 201

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.

\$ 171

In 2003, the City and the Agency entered into a funding agreement to secure the lease of a future transportation site (Americold). The City loaned funds of \$680 to the Golden State project.

\$ 680

\$ 53,556

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

Advances to City from Successor Agency :

The Agency advanced the City \$1,327 in order for the City to reimburse the Housing Authority administrations reserve per resolution R-2255 on June 14, 2011. This loan is payable only out of the existing advances owed to the City, to be paid at the end of ten years post project area sunset/abolishment, whichever comes first. There is no repayment schedule. Transferred to Successor Agency February 1, 2012. \$ 1,327

In 2003, the City and the Agency entered into a funding agreement to secure the lease of a future transportation site (Americold). The South San Fernando project area loaned funds of \$680 to the City. The advance is not interest bearing and there is no repayment schedule. Transferred to Successor Agency February 1, 2012. \$ 680

\$ 2,007

Due to Successor Agency :

In 2015, it was deemed by the State Controller'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, 2015. \$ 2,306

Due from the Public Financing Authority. A receivable has been booked on the Agency's Statement of Net Position as of June 30, 2015. 11,746

\$ 14,052

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

| Fund | Internal Balances | | Transfers | |
|------------------------|-------------------|----------------|------------------|-----------------|
| | Governmental | Business-Type | Governmental | Business-Type |
| Governmental funds | | | | |
| interfund receivable | \$ 3,226 | - | \$ - | - |
| transfers in | - | - | 14,867 | - |
| interfund payable | (1,314) | - | - | - |
| transfers out | - | - | (4,294) | - |
| Internal service funds | | | | |
| interfund receivable | 2 | - | - | - |
| transfers in | - | - | 514 | - |
| interfund payable | - | - | - | - |
| transfers out | - | - | (3) | - |
| Proprietary funds | | | | |
| interfund receivable | - | 1,315 | - | - |
| transfers out | - | - | - | (11,414) |
| interfund payable | - | (3,229) | - | - |
| transfers in | - | - | - | 330 |
| Totals | <u>\$ 1,914</u> | <u>(1,914)</u> | <u>\$ 11,084</u> | <u>(11,084)</u> |

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG TERM LIABILITIES

| | Balance July 1, 2014 | Additions | Deletions | Balance June 30, 2015 | Due within one year |
|--|-------------------------------------|------------------|------------------|--------------------------------------|--------------------------------|
| Fiduciary activities: | | | | | |
| Community facilities district bonds | \$ 4,555 | - | (4,555) | - | - |
| Tax allocation bonds | 108,366 | 46,246 | (62,771) | 91,841 | 6,805 |
| Total fiduciary activities | <u>112,921</u> | <u>46,246</u> | <u>(67,326)</u> | <u>91,841</u> | <u>6,805</u> |
| Governmental activities : | | | | | |
| Revenue bonds | \$ 95,505 | - | (46,335) | 49,170 | 2,380 |
| Pension obligation bonds | 14,320 | - | (1,135) | 13,185 | 1,290 |
| *Compensated absences | 13,080 | 2,176 | (1,442) | 13,814 | 1,332 |
| Total non-internal service debt | <u>122,905</u> | <u>2,176</u> | <u>(48,912)</u> | <u>76,169</u> | <u>5,002</u> |
| Claims payable from self-insurance funds (note 16) | 36,045 | 13,438 | (9,536) | 39,947 | 10,308 |
| Compensated absences - payable from internal service funds | <u>256</u> | <u>33</u> | <u>(32)</u> | <u>257</u> | <u>1</u> |
| Total governmental activities | <u>\$ 159,206</u> | <u>15,647</u> | <u>(58,480)</u> | <u>116,373</u> | <u>15,311</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

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG TERM LIABILITIES, (continued)

| | Balance July 1, 2014 | Additions | Deletions | Balance June 30, 2015 | Due within one year |
|--|-------------------------------------|------------------|------------------|--------------------------------------|--------------------------------|
| Business-type activities : | | | | | |
| Water Reclamation & Sewer : | | | | | |
| Revenue bonds | \$ 12,177 | - | (907) | 11,270 | 785 |
| Compensated absences - payable from enterprise funds | 126 | 38 | (1) | 163 | 1 |
| Subtotal | 12,303 | 38 | (908) | 11,433 | 786 |
| Refuse Collection & Disposal : | | | | | |
| Revenue bonds | 5,743 | - | (700) | 5,043 | 610 |
| Other long-term liabilities | 16,700 | 519 | - | 17,219 | - |
| Compensated absences - payable from enterprise funds | 621 | 100 | (44) | 677 | 41 |
| Subtotal | 23,064 | 619 | (744) | 22,939 | 651 |
| Electric Utility : | | | | | |
| Revenue bonds | 92,313 | - | (4,282) | 88,031 | 3,745 |
| Compensated absences - payable from enterprise funds | 4,840 | 444 | (398) | 4,886 | 338 |
| Subtotal | 97,153 | 444 | (4,680) | 92,917 | 4,083 |
| Water Utility : | | | | | |
| Revenue bonds | 35,372 | - | (849) | 34,523 | 765 |
| Other long-term liabilities | 8,437 | - | (414) | 8,023 | 389 |
| Compensated absences - payable from enterprise funds | 832 | 84 | (16) | 900 | 15 |
| Subtotal | 44,641 | 84 | (1,279) | 43,446 | 1,169 |
| Total business-type activities : | | | | | |
| Revenue bonds | 145,605 | - | (6,738) | 138,867 | 5,905 |
| Other long-term liabilities | 25,137 | 519 | (414) | 25,242 | 389 |
| Compensated absences - payable from enterprise funds | 6,419 | 666 | (459) | 6,626 | 395 |
| Total business-type activities | <u>\$ 177,161</u> | <u>1,185</u> | <u>(7,611)</u> | <u>170,735</u> | <u>6,689</u> |

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

FIDUCIARY ACTIVITIES

Tax Allocation Bonds

\$69,000 Golden State Redevelopment Project Tax Allocation Bonds 1993 Series A

The bonds are due in annual installments from \$410 to \$4,655 through December 1, 2024. Interest at various rates ranging from 2.75% to 6.25% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provided funds for (i) the acquisition and construction of various projects (ii) the advance refunding of the Agency's outstanding Golden State Redevelopment Project First Lien Tax Allocation Bonds, 1985 Series A; and (iii) the advance refunding of the Agency's outstanding Golden State Redevelopment Project Second Lien Refunding Tax Allocation Bonds, 1985 Series A. As of June 30, 2015 the entire balance of the bonds are owned by Burbank Public Financing Authority.

\$ 6,670

\$31,930 Golden State Redevelopment Project Tax Allocation Bonds 2003 Series A

The bonds are due in annual installments from \$780 to \$6,620 through December 1, 2024. Interest at various rates ranging from 1.625% to 5.50% is payable semiannually on June 1 and December 1. These bonds are secured by a pledge of certain tax increment revenues, and other amounts payable to the Agency. As of June 30, 2015 the entire balance of the bonds are owned by Burbank Public Financing Authority.

\$ 13,925

2003 Golden State Subordinated Tax Allocation Bonds

On September 16, 2003, the Agency remarketed the 1993 Golden State Subordinated tax allocation bonds, in the amount of \$25,000, with interest due semiannually on June 1 and December 1, and annual maturities from \$610 to \$1,850, from December 1, 2022 to December 1, 2043, with interest rates ranging from 5.15% to 5.75%. As of June 30, 2015 the entire balance of the bonds are owned by Burbank Public Financing Authority.

\$ 25,000

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 next 19 years for a total savings of \$23.358.

\$ 41,020

Plus original issue premium

\$ 5,226

Total Tax Allocation Bonds

\$ 91,841

Total fiduciary activities

\$ 91,841

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

GOVERNMENTAL ACTIVITIES

2007 Series A Revenue Bonds Payable

In April 2007, the Authority issued \$52,335 Revenue Bonds Series A. The bonds are due in annual installments from \$50 to \$2,995 through December 1, 2043. Interest at various rates ranging from 3.50% to 5.00% is payable semiannually on June 1 and December 1. The bonds provided funds for (i) refunding a portion of the 2003 Authority's outstanding revenue bonds, (ii) fund a purchase in lieu of redemption of the Agency's subordinated tax allocation bonds, (iii) and to pay for public capital improvements. In consideration of the defeasance of a portion of the 2003 Authority bonds, a portion of the Agency's outstanding Golden State Redevelopment Project Tax Allocation Bonds, 1993 Series A (the "1993 Senior Agency Bonds") and a portion of the Agency's outstanding Golden State Redevelopment Tax Allocation Bonds, 2003 Series A (the "2003 Senior Agency Bonds"), which were held as pledged bonds securing the 2003 Authority Bonds were assigned as pledged bonds securing a portion of the 2007 Authority Bond.

\$ 49,170

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.

\$ 13,185

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, 2015, the noncurrent portions of the accrual consist of vacation leave of \$8,482, sick leave of \$2,648, and in-lieu time of \$1,352, and the current portion of \$1,332.

\$ 13,814

Outstanding Claims Payable - Self-Insurance

The Risk Management fund total outstanding claims are \$5,348. The current portion of the outstanding claims are reported in the current liability section of the statement of net position, of which \$2,633 is recorded as claims payable and the remainder is included in long-term liabilities.

\$ 5,348

The Workers' Compensation fund total outstanding claims are \$34,599. The current portion of the outstanding claims are reported in the current liability section of the statement of net position, of which \$7,675 is recorded as claims payable and the remainder is included in long-term liabilities.

\$ 34,599

Total long-term liabilities for self-insurance

\$ 39,947

Compensated absences :

All the Internal Service fund types' accumulated vacation and sick leave accrual is reported in the respective Internal Service fund. At June 30, 2015, the accrual consists of vacation leave of \$180, sick leave of \$33 and in-lieu time of \$43 and the current portion of \$1.

\$ 257

Total governmental activities

\$ 116,373

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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 is 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 2004 Wastewater Revenue Bonds were defeased during the fiscal year. The difference in the debt service payments totaled \$3,338 and the net present value gain was \$2,479.

Plus original issue premium

Total Wastewater Revenue bonds

| | |
|----|---------------|
| \$ | 9,815 |
| \$ | <u>1,455</u> |
| \$ | <u>11,270</u> |

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.

Plus original issue premium

Total Waste Disposal revenue bonds

| | |
|----|--------------|
| \$ | 4,670 |
| \$ | <u>373</u> |
| \$ | <u>5,043</u> |

Burbank Water and Power Revenue Bonds

\$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.

\$ 25,750

\$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

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

BUSINESS-TYPE ACTIVITIES - REVENUE BONDS

\$8,795 Burbank Water and Power Water Revenue/Refunding and New Bonds 2010 Series A

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.

\$ 6,210

\$27,945 Burbank Water and Power Water Revenue Bonds 2010 Series B (Taxable Build America Bonds)

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

\$9,810 Burbank Water and Power Electric Revenue Refunding Bonds, 2012 Series A

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.

\$ 7,105

Plus original issue premium

3,308

Less original issue discount

(429)

Total Burbank Water and Power revenue bonds

\$ 122,554

Total Enterprise revenue bonds

\$ 138,867

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.

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

The landfill closure and postclosure care liability at June 30, 2015 represents the cumulative amount reported to date based on the use of 46 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of \$24,663 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2015. Using the 2015 inflation factor of 1.015 percent, the total estimated adjusted closure and postclosure costs as of 2015 are \$40,153. 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, 2015, \$15,909 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. \$ 17,219

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. \$ 452

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. \$ 3,169

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. \$ 2,786

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. \$ 1,616

Total other long-term liabilities \$ 25,242

Compensated absences :

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, 2015, the noncurrent portions of the accrual consist of vacation leave of \$4,186, sick leave of \$1,379 and in-lieu time of \$602 and the current portion of \$459. \$ 6,626

Total business-type activities \$ 170,735

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

The annual requirements to amortize all bonded indebtedness and other long-term liabilities outstanding at June 30, 2015 are as follows :

Fiduciary activities

| Year ending June 30 | Fiduciary Tax Allocation | |
|--------------------------------|-------------------------------------|------------------|
| | Principal | Interest |
| 2016 | \$ 6,805 | 4,081 |
| 2017 | 6,425 | 3,853 |
| 2018 | 6,655 | 3,583 |
| 2019 | 6,965 | 3,279 |
| 2020 | 7,280 | 2,938 |
| 2021-2025 | 27,025 | 9,587 |
| 2026-2030 | 5,455 | 5,874 |
| 2031-2035 | 6,255 | 4,353 |
| 2036-2040 | 6,870 | 2,686 |
| 2041-2045 | 6,880 | 731 |
| Premium | 5,226 | - |
| Totals | \$ 91,841 | \$ 40,965 |

Governmental activities

| Year ending June 30 | Governmental Tax Allocation | | POB Bond | |
|--------------------------------|--|------------------|------------------|-----------------|
| | Principal | Interest | Principal | Interest |
| 2016 | \$ 2,380 | 2,173 | \$ 1,290 | 782 |
| 2017 | 2,465 | 2,068 | 1,455 | 706 |
| 2018 | 2,585 | 1,942 | 1,635 | 620 |
| 2019 | 2,725 | 1,809 | 1,825 | 522 |
| 2020 | 2,855 | 1,669 | 2,035 | 414 |
| 2021-2025 | 11,570 | 6,554 | 4,945 | 464 |
| 2026-2030 | 4,670 | 4,943 | - | - |
| 2031-2035 | 5,775 | 3,809 | - | - |
| 2036-2040 | 7,170 | 2,390 | - | - |
| 2041-2045 | 6,975 | 645 | - | - |
| Premium | - | - | - | - |
| Totals | \$ 49,170 | \$ 28,002 | \$ 13,185 | \$ 3,508 |

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

Business-type activities

| Year ending June 30 | Revenue Bonds | | Other Liabilities | |
|--------------------------------|----------------------|-----------------|--------------------------|-----------------|
| | Principal | Interest | Principal | Interest |
| 2016 | \$ 5,905 | 5,714 | \$ 389 | 166 |
| 2017 | 6,145 | 5,473 | 400 | 158 |
| 2018 | 6,410 | 5,204 | 409 | 150 |
| 2019 | 6,690 | 4,924 | 420 | 141 |
| 2020 | 6,985 | 4,622 | 432 | 132 |
| 2021-2025 | 27,600 | 23,066 | 2,331 | 516 |
| 2026-2030 | 19,755 | 20,179 | 2,651 | 258 |
| 2031-2035 | 24,705 | 13,790 | 991 | 23 |
| 2036-2040 | 29,965 | 5,659 | - | - |
| Discount | (429) | - | - | - |
| Premium | 5,136 | - | - | - |
| Totals | \$ 138,867 | 88,631 | \$ 8,023 | 1,544 |

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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:

| <u>Description of Pledged Revenue</u> | <u>Annual Amount of Pledged Revenue (net of expenses, where required)</u> | <u>Annual Debt Service Payments (of all debt secured by this revenue)</u> | <u>Debt Service as a Percentage of Pledged Revenue</u> |
|---------------------------------------|---|---|--|
| Water Revenues | 6,582 | 2,592 | 39.38% |
| Electric Revenues | 37,203 | 7,465 | 20.07% |
| Water Rec. & Sewer | 8,401 | 1,223 | 14.56% |
| Refuse Collection & Disposal | 3,141 | 748 | 23.81% |

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(9) RECEIVABLES

Receivables at June 30, 2015 consist of the following :

| | General Fund | Low/Mod Housing | General Cap. Proj. |
|----------------------------|-------------------------|----------------------------|-------------------------------|
| Governmental activities : | | | |
| Accounts receivable, net | \$ 8,745 | 40 | 1,042 |
| Interest receivable | 144 | 4 | 74 |
| Taxes receivable, net | 1,165 | - | - |
| Developer notes receivable | - | 37,622 | - |
| Total | \$ 10,054 | 37,666 | 1,116 |

| | Public Fin. Authority | Nonmajor Govt'l Funds | Internal Service Funds | Total Govern- mental |
|----------------------------|----------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|
| Governmental activities : | | | | |
| Accounts receivable, net | - | 898 | 396 | 11,121 |
| Interest receivable | 35 | 89 | 214 | 560 |
| Taxes receivable, net | - | - | - | 1,165 |
| Developer notes receivable | - | - | - | 37,622 |
| Total | 35 | 987 | 610 | 50,468 |

| | Water Reclam. & Sewer | Electric | Water | Refuse Collect. & Disposal | Nonmajor Prop. Funds | Total Business Type |
|----------------------------|--|-----------------|--------------|---|-------------------------------------|------------------------------------|
| Business-type activities : | | | | | | |
| Accounts receivable, net | \$ 1,619 | 15,063 | 2,761 | 1,776 | 32 | 21,251 |
| Interest receivable | 105 | 152 | 32 | 85 | 1 | 375 |
| Total | \$ 1,724 | 15,215 | 2,793 | 1,861 | 33 | 21,626 |

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, 2015). 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, 2015, the notes receivable balance was \$37,622, net of an allowance for doubtful accounts of \$18,591. For the fiscal year ended June 30, 2015, the allowance for doubtful accounts increased \$743.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(9) RECEIVABLES, (continued)

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, 2015 was \$0, net of an allowance for doubtful accounts of \$2,525, in both the governmental activities and the governmental funds. The notes receivable balance for HOME as of June 30, 2015 is \$0, net of an allowance for doubtful accounts of \$9,648, in both the governmental activities and the governmental funds.

(10) COMMITMENTS AND CONTINGENCIES

Media City Center Mall

In September 1992, the City entered into a Disposition and Development Agreement (DDA) which obligated the City to rebate either amounts equivalent to specified portions of property and sales taxes generated by the mall, or an amount equal to \$51,500 plus interest. These amounts helped offset the original construction costs incurred for construction of the Macy's building, and parking and related common area facilities at the Media City Centre mall that are owned by the developer. These payments to the developer are scheduled through February 1, 2016. After this date, the City will no longer be required to make payments to the developer. No liability has been recorded for this obligation, but for the year ended June 30, 2015, the City received \$3,503 in revenue which was paid to the developer under this agreement.

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

Outstanding construction commitments include \$1,740 Johnny Carson Park Revitalization; \$1,388 Materials Storage Area and \$1,262 for Traffic Signal Modifications.

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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, 2015 and 2014, the Electric Fund made payments totaling \$74,518 and \$68,074 for "take or pay" contracts, respectively, and \$2,204 and \$2,825 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.

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%.

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES (continued)

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 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%.

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 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).

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES (continued)

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).

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.

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES (continued)

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.

A summary of the City's contracts and related projects and its commitments at June 30, 2015 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% | \$ 47,824 | 52,842 |
| SCPPA: ⁽¹⁾ | | | |
| Southern Transmission System | 4.498% | 29,719 | 37,874 |
| Magnolia Power Project (Project A) | 32.350% | 105,630 | 153,959 |
| Prepaid Natural Gas Project #1 | 33.000% | 102,479 | 172,506 |
| Milford I Wind Project | 5.000% | 10,260 | 14,846 |
| Mead-Adelanto | 11.534% | 12,547 | 14,313 |
| Palo Verde | 4.400% | 1,590 | 1,650 |
| Tieton Hydropower Project | 50.000% | 24,835 | 45,368 |
| Mead-Phoenix | 15.400% | 5,109 | 5,734 |
| Natural Gas Project - Barnett | 100.000% | 19,019 | 27,416 |
| Hoover Upgrading Project | 15.957% | 973 | 1,051 |
| Natural Gas Project - Pinedale | 100.000% | 6,141 | 8,852 |
| SCPPA Total | | <u>318,303</u> | <u>483,569</u> |
| Total | | <u>\$ 366,127</u> | <u>\$ 536,411</u> |

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES (continued)

⁽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.

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

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).

| | 2015/16 | | 2016/17 | | 2017/18 | |
|------------------------------------|------------------|---------------|---------------|---------------|---------------|---------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| Intermountain Power Project | \$ 5,730 | 1,590 | 3,673 | 1,493 | 6,585 | 943 |
| SCPPA: | | | | | | |
| Southern Transmission System | 2,388 | 1,197 | 2,413 | 1,221 | 2,443 | 1,119 |
| Magnolia Power Project (Project A) | 3,555 | 3,615 | 3,711 | 3,452 | 2,339 | 3,312 |
| Prepaid Natural Gas Project #1 | 1,349 | 5,183 | 1,415 | 5,114 | 1,524 | 5,040 |
| Milford I Wind Project | 441 | 494 | 459 | 474 | 481 | 451 |
| Mead-Adelanto | 2,040 | 535 | 2,074 | 448 | 2,128 | 358 |
| Palo Verde | 514 | 33 | 529 | 20 | 546 | 7 |
| Tieton Hydropower Project | 420 | 1,251 | 435 | 1,234 | 455 | 1,215 |
| Mead-Phoenix | 844 | 193 | 849 | 159 | 872 | 122 |
| Natural Gas Project - Barnett | 1,701 | 1,034 | 1,674 | 941 | 1,485 | 854 |
| Hoover Upgrading Project | 308 | 43 | 324 | 26 | 341 | 9 |
| Natural Gas Project - Pinedale | 549 | 334 | 541 | 304 | 480 | 276 |
| Total | \$ 19,838 | 15,502 | 18,097 | 14,886 | 19,679 | 13,707 |
| | | | | | | |
| | 2018/19 | | 2019/20 | | 2020/25 | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| Intermountain Power Project | \$ 7,321 | 928 | 7,606 | 420 | 16,908 | (357) |
| SCPPA: | | | | | | |
| Southern Transmission System | 2,523 | 997 | 2,204 | 883 | 13,723 | 2,441 |
| Magnolia Power Project (Project A) | 2,446 | 3,205 | 2,564 | 3,086 | 15,446 | 13,567 |
| Prepaid Natural Gas Project #1 | 1,782 | 4,958 | 2,133 | 4,857 | 16,705 | 22,032 |
| Milford I Wind Project | 504 | 427 | 529 | 402 | 3,057 | 1,586 |
| Mead-Adelanto | 2,213 | 250 | 2,306 | 137 | 1,785 | 39 |
| Palo Verde | | | | | | |
| Tieton Hydropower Project | 475 | 1,193 | 500 | 1,168 | 2,923 | 5,397 |
| Mead-Phoenix | 905 | 85 | 929 | 50 | 711 | 16 |
| Natural Gas Project - Barnett | 1,342 | 776 | 1,240 | 705 | 5,205 | 2,607 |
| Hoover Upgrading Project | | | | | | |
| Natural Gas Project - Pinedale | 433 | 251 | 400 | 228 | 1,680 | 842 |
| Total | \$ 19,944 | 13,069 | 20,411 | 11,936 | 78,143 | 48,170 |

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES (continued)

| | 2025/30 | | 2030/35 | | 2035/40 | |
|------------------------------------|------------------|---------------|---------------|---------------|---------------|--------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| Intermountain Power Project | \$ | | | | | |
| SCPPA: | | | | | | |
| Southern Transmission System | 4,025 | 296 | | | | |
| Magnolia Power Project (Project A) | 21,644 | 10,398 | 26,467 | 6,568 | 27,465 | 1,124 |
| Prepaid Natural Gas Project #1 | 29,779 | 16,064 | 41,852 | 6,629 | 5,940 | 150 |
| Milford I Wind Project | 3,891 | 730 | 899 | 22 | | |
| Mead-Adelanto | | | | | | |
| Palo Verde | | | | | | |
| Tieton Hydropower Project | 4,793 | 4,255 | 5,115 | 3,094 | 6,528 | 1,646 |
| Mead-Phoenix | | | | | | |
| Natural Gas Project - Barnett | 4,146 | 1,280 | 2,226 | 199 | | |
| Hoover Upgrading Project | | | | | | |
| Natural Gas Project - Pinedale | 1,339 | 413 | 719 | 64 | | |
| Total | \$ 69,617 | 33,436 | 77,278 | 16,575 | 39,932 | 2,920 |

| | 2040/45 | | Total | |
|------------------------------------|-----------------|-----------|----------------|----------------|
| | Principal | Interest | Principal | Interest |
| Intermountain Power Project | \$ | | 47,824 | 5,018 |
| SCPPA: | | | | |
| Southern Transmission System | | | 29,719 | 8,155 |
| Magnolia Power Project (Project A) | | | 105,631 | 48,328 |
| Prepaid Natural Gas Project #1 | | | 102,479 | 70,026 |
| Milford I Wind Project | | | 10,260 | 4,586 |
| Mead-Adelanto | | | 12,547 | 1,766 |
| Palo Verde | | | 1,590 | 60 |
| Tieton Hydropower Project | 3,193 | 80 | 24,835 | 20,533 |
| Mead-Phoenix | | | 5,109 | 625 |
| Natural Gas Project - Barnett | | | 19,019 | 8,397 |
| Hoover Upgrading Project | | | 973 | 78 |
| Natural Gas Project - Pinedale | | | 6,141 | 2,711 |
| Total | \$ 3,193 | 80 | 366,128 | 170,283 |

City of Burbank
Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(12) ACCRUED LIABILITIES

Accrued liabilities for Governmental and Business Type Activities June 30, 2015, consist of the following:

| | Governmental Activities | Business Type Activities |
|----------------------|----------------------------|-----------------------------|
| Accrued expenditures | \$ 188 | \$ 12,475 |
| Accrued payroll | 5,608 | - |
| Other liabilities | 3,346 | - |
| Total | <u>\$ 9,142</u> | <u>\$ 12,475</u> |

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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, 2015, the City's deferred compensation plan had accumulated assets of \$141,525 under the 457 plan, and \$695 under the 457p plan.

(14) PREPAID ITEMS AND DEPOSITS

The City shows a total of \$28,375 in prepaid items and deposits. \$28,020 of the prepaid items are in the Electric Utility and \$355 in the Governmental funds (\$71 in the general fund), with incidental amounts in other internal service funds.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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, 2015, \$5,348 was accrued for general liability claims, and \$34,599 accrued for workers compensation claims. These amounts were determined by an actuarial study, performed biannually. 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, 2015, 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.

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>2013/14</u> | <u>2014/15</u> |
| Beginning liability, July 1 | \$ 35,360 | 36,045 |
| Claims and changes in estimates | 9,448 | 13,438 |
| Claims payments during the year | (8,763) | (9,536) |
| Ending liability, June 30 | <u>\$ 36,045</u> | <u>39,947</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.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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, 2015, the electric fund amortized \$75 on this prepaid lease, leaving a balance of \$488.

(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 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 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. 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, 2015, are summarized as follows:

| | Miscellaneous | |
|---|--------------------|--------------------|
| | Prior to | On or After |
| | January 1, 2013 | 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 2.7% | 1.0% to 2.5% |
| Required employee contribution rates | 8% | 6.75% |
| Required employer contribution rates | 16.53% | 16.53% |

| | Police | |
|---|--------------------|--------------------|
| | Prior to | On or After |
| | January 1, 2013 | 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% | 12.75% |
| Required employer contribution rates | 33.03% | 33.03% |

| | Fire | |
|---|--------------------|--------------------|
| | Prior to | On or After |
| | January 1, 2013 | January 1, 2013 |
| Hire date | | |
| Benefit formula | 3%@55 | 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% | 11.25% |
| Required employer contribution rates | 20.01% | 20.01% |

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(17) PENSION PLANS (continued):

A. General Information about the Pension Plans (Continued):

Employees Covered

At June 30, 2015, the following employees were covered by the benefit terms for each Plan:

| | Miscellaneous | Police | Fire |
|-------------------------------------|---------------|------------|------------|
| Inactive employees or beneficiaries | | | |
| currently receiving benefits | 1,189 | 227 | 183 |
| Inactive employees entitled to but | | | |
| not yet receiving benefits | 759 | 35 | 32 |
| Active employees | 1,034 | 151 | 122 |
| Total | <u>2,982</u> | <u>413</u> | <u>337</u> |

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. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

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, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

| | Miscellaneous | Police | Fire |
|-----------------------|---------------------------------|---------------------------------|---------------------------------|
| Valuation Date | June 30, 2013 | June 30, 2013 | June 30, 2013 |
| Measurement Date | June 30, 2014 | June 30, 2014 | June 30, 2014 |
| Actuarial Cost Method | Entry-Age Normal Cost Method | Entry-Age Normal Cost Method | Entry-Age Normal Cost Method |

Actuarial Assumptions:

| | | | |
|---------------------------|------------------|------------------|------------------|
| Discount Rate | 7.50% | 7.50% | 7.50% |
| Inflation | 2.75% | 2.75% | 2.75% |
| Payroll Growth | 3.00% | 3.00% | 3.00% |
| Projected Salary Increase | 3.3% - 14.2% (1) | 3.3% - 14.2% (1) | 3.3% - 14.2% (1) |
| Investment Rate of Return | 7.5% (2) | 7.5% (2) | 7.5% (2) |
| Mortality | (3) | (3) | (3) |

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) 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.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for each Plan. 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, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(17) PENSION PLANS (continued):

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time a change in methodology occurs.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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 pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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 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.

| Asset Class | New Strategic Allocation | Real Return Years 1 - 10 (a) | Real Return Years 11+ (b) |
|-------------------------------|--------------------------|------------------------------|---------------------------|
| Global Equity | 47.00% | 5.25% | 5.71% |
| Global Fixed Income | 19.00% | 0.99% | 2.43% |
| Inflation Sensitive | 6.00% | 0.45% | 3.36% |
| Private Equity | 12.00% | 6.83% | 6.95% |
| Real Estate | 11.00% | 4.50% | 5.13% |
| Infrastructure and Forestland | 3.00% | 4.50% | 5.09% |
| Liquidity | 2.00% | -0.55% | -1.05% |
| Total | 100.00% | | |

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

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

C. Changes in the Net Pension Liability:

The changes in the net pension liability for the Miscellaneous Plan are as follows:

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------|-------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| Balance at June 30, 2014 | \$ 750,194,001 | \$ 548,532,991 | \$ 201,661,010 |
| Changes in the Year: | | | |
| Service cost | 13,181,727 | - | 13,181,727 |
| Interest on the total pension liability | 55,430,897 | - | 55,430,897 |
| Differences between actual and expected experience | - | - | - |
| Changes in assumptions | - | - | - |
| Changes in benefit terms | - | - | - |
| Contribution - employer | - | 12,179,748 | (12,179,748) |
| Contribution - employee (paid by employer) | - | - | - |
| Contribution - employee | - | 6,416,442 | (6,416,442) |
| Net investment income | - | 94,169,766 | (94,169,766) |
| Administrative expenses | - | - | - |
| Benefit payments, including refunds of employee contributions | (35,412,463) | (35,412,463) | - |
| Net Changes | 33,200,161 | 77,353,493 | (44,153,332) |
| Balance at June 30, 2015 | \$ 783,394,162 | \$ 625,886,484 | \$ 157,507,678 |

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(17) PENSION PLANS (continued):

The changes in the net pension liability for the Police Plan are as follows:

| | Increase (Decrease) | | |
|---|-------------------------------|-----------------------------------|-------------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| Balance at June 30, 2014 | \$ 256,066,307 | \$ 180,316,110 | \$ 75,750,197 |
| Changes in the Year: | | | |
| Service cost | 5,537,702 | - | 5,537,702 |
| Interest on the total pension liability | 18,902,036 | - | 18,902,036 |
| Differences between actual and expected experience | - | - | - |
| Changes in assumptions | - | - | - |
| Changes in benefit terms | - | - | - |
| Contribution - employer | - | 5,711,333 | (5,711,333) |
| Contribution - employee (paid by employer) | - | - | - |
| Contribution - employee | - | 1,591,859 | (1,591,859) |
| Net investment income | - | 31,026,505 | (31,026,505) |
| Administrative expenses | - | - | - |
| Benefit payments, including refunds of employee contributions | (13,616,037) | (13,616,037) | - |
| Net Changes | <u>10,823,701</u> | <u>24,713,660</u> | <u>(13,889,959)</u> |
| Balance at June 30, 2015 | <u>\$ 266,890,008</u> | <u>\$ 205,029,770</u> | <u>\$ 61,860,238</u> |

The changes in the net pension liability for the Fire Plan are as follows:

| | Increase (Decrease) | | |
|---|-------------------------------|-----------------------------------|-------------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| Balance at June 30, 2014 | \$ 201,196,945 | \$ 155,490,274 | \$ 45,706,671 |
| Changes in the Year: | | | |
| Service cost | 3,365,967 | - | 3,365,967 |
| Interest on the total pension liability | 14,831,589 | - | 14,831,589 |
| Differences between actual and expected experience | - | - | - |
| Changes in assumptions | - | - | - |
| Changes in benefit terms | - | - | - |
| Contribution - employer | - | 2,633,397 | (2,633,397) |
| Contribution - employee (paid by employer) | - | - | - |
| Contribution - employee | - | 1,245,700 | (1,245,700) |
| Net investment income | - | 26,645,747 | (26,645,747) |
| Administrative expenses | - | - | - |
| Benefit payments, including refunds of employee contributions | (10,250,818) | (10,250,818) | - |
| Net Changes | <u>7,946,738</u> | <u>20,274,026</u> | <u>(12,327,288)</u> |
| Balance at June 30, 2015 | <u>\$ 209,143,683</u> | <u>\$ 175,764,300</u> | <u>\$ 33,379,383</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:

| | Miscellaneous | Police | Fire |
|-----------------------|---------------|---------------|---------------|
| 1% Decrease | 6.50% | 6.50% | 6.50% |
| Net Pension Liability | \$260,046,942 | \$ 96,355,172 | \$ 59,515,571 |
| Current Discount Rate | 7.50% | 7.50% | 7.50% |
| Net Pension Liability | \$157,507,678 | \$ 61,860,238 | \$ 33,379,383 |
| 1% Increase | 8.50% | 8.50% | 8.50% |
| Net Pension Liability | \$ 72,585,271 | \$ 33,404,148 | \$ 11,633,184 |

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(17) PENSION PLANS (continued):

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2015, the City recognized pension expense of \$19,610. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Pension contributions subsequent to measurement date | \$ 22,701 | \$ - |
| Differences between actual and expected experience | - | - |
| Change in assumptions | - | - |
| Net differences between projected and actual earnings on plan investments | - | (69,457) |
| Total | \$ 22,701 | \$ (69,457) |

\$22,701 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ending June 30, | Amount |
|----------------------------|-------------|
| 2016 | \$ (17,365) |
| 2017 | (17,364) |
| 2018 | (17,364) |
| 2019 | (17,364) |
| 2020 | - |
| Thereafter | - |

E. Payable to the Pension Plan:

At June 30, 2015, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The City contributes to three retiree healthcare benefit plans. The first is the Burbank Employees Retiree Medical Trust (BERMT). This single employer, defined benefit plan, 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 second plan is the CalPERS Healthcare (PEMHCA) plan, established by CalPERS under the authority of section 22750 to 22948 of the state of California's government code, a single 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 \$122 per month. In addition, the City pays retiree health contribution amounts of \$71.43 per month for 21 management retirees, and \$188 per month for 9 IBEW retirees. For these management/IBEW retirees, the PEMHCA minimum required contribution of \$122 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.

The third plan is the Utility Retiree Medical Trust, a single employer plan, established during the 2008-09 fiscal year for IBEW members and 13 management employees as a supplement to benefit payments from BERMT and PEMHCA. The total target benefit is \$600/month for fiscal year 2014-15, including payments from BERMT, PEMHCA minimum and Utility Retiree Medical Trust. For the fiscal year 2014-15, the City contributed \$19. The City's ARC was \$19 (in thousands) for the fiscal year 2014-15.

The City pre-funds the BERMT with both member and City contributions. 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 2014-15, the City contributed \$1,296 to BERMT. The City's ARC was \$1,831 for BERMT in the fiscal year 2014-15.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

The City has pre-funded the PEMHCA Plan through CalPERS OPEB Trust (CERBT) and has a policy of contributing 100% of the City's Annual Required Contribution (ARC) each year. For the fiscal year 2014-15, the City contributed \$1,707, including \$846 in benefit payments and \$861 deposit to CERBT. The City's ARC was \$1,211 for the fiscal year 2014-15.

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. BERMT also issues publicly available financial statements. These reports may be obtained by writing or calling the plans at the following addresses:

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

BERMT Delta Health Systems - Attn: Cindi Forbes - 555 W Benjamin Holt Drive, Stockton, CA 95207. (800) - 700-6762

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

The City's annual other post-employment benefit (OPEB) cost for each plan is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table, based on the City's actuarial valuation as of June 30, 2013, shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's Net OPEB obligation:

| | BERMT | PEMHCA | URMT |
|---|----------|----------|---------|
| Annual required contribution | \$ 1,831 | 1,211 | 19 |
| Interest on net OPEB obligation/(asset) | (41) | (715) | (262) |
| Adjustment to annual required contribution | 51 | 590 | 236 |
| Annual OPEB cost | 1,841 | 1,086 | (7) |
| Contributions made | (1,296) | (1,707) | (19) |
| Increase (Decrease) in net OPEB obligation | 545 | (621) | (26) |
| Net OPEB obligation/(asset) - beginning of year | (705) | (10,027) | (3,619) |
| Net OPEB obligation/(asset) - end of year | \$ (160) | (10,648) | (3,645) |

The OPEB funding excess is recorded as part of Net pension/OPEB Assets on the Statement of Net Position. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for each of the plans were as follows :

| | Year Ended | Annual OPEB Cost | Pct of OPEB cost Contributed | Net OPEB Asset |
|--------|---------------|------------------------|------------------------------------|----------------------|
| BERMT | 6/30/2013 | \$ 1,588 | 83.4% | \$ (1,410) |
| PEMHCA | 6/30/2013 | 1,018 | 190.3% | (9,265) |
| URMT | 6/30/2013 | 146 | 63.0% | (3,603) |
| BERMT | 6/30/2014 | \$ 2,016 | 65.0% | \$ (705) |
| PEMHCA | 6/30/2014 | 1,348 | 156.5% | (10,027) |
| URMT | 6/30/2014 | 92 | 117.4% | (3,619) |
| BERMT | 6/30/2015 | \$ 1,841 | 70.4% | \$ (160) |
| PEMHCA | 6/30/2015 | 1,086 | 157.2% | (10,648) |
| URMT | 6/30/2015 | (7) | -271.4% | (3,645) |

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

Funded status and funding progress

The funded status of the plans as of June 30, 2013 actuarial valuation was:

| | BERMT | PEMHCA | URMT |
|--|--------------|---------------|-------------|
| Actuarial accrued liability (a) | \$ 43,228 | 23,229 | 4,692 |
| Actuarial value of plan assets (b) | 19,872 | 16,085 | 6,635 |
| Unfunded actuarial accrued liability (funding excess) (a)-(b) | 23,356 | 7,144 | (1,943) |
| Funded ratio (b) / (a) | 46.0% | 69.2% | 141.4% |
| Covered payroll (c) | 74,296 | 106,075 | 16,753 |
| Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([(a)-(b)]/(c)) | 31.4% | 6.7% | -11.6% |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for the benefits.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows :

| | BERMT | PEMHCA | URMT |
|-----------------------------------|--|--|--|
| Actuarial valuation date | 6/30/2013 | 6/30/2013 | 6/30/2013 |
| Actuarial cost method | Entry Age Normal | Entry Age Normal | Entry Age Normal |
| Amortization method | Level Dollar for 30 years | Level % of pay for 28 years | Level % of pay for 25 years |
| Amortization period | Closed | Closed | Closed |
| Actuarial asset method | 5 year smoothed ≥80% and ≤ 120% of market value | 5 year smoothed ≥80% and ≤ 120% of market value | 5 year smoothed ≥80% and ≤ 120% of market value |
| | BERMT | PEMHCA | URMT |
| Actuarial assumptions : | | | |
| Discount rate | 5.75% | 7.25% | 7.25% |
| General inflation | 3.00% | 3.00% | 3.00% |
| Aggregate payroll increases | 3.25% | 3.25% | 3.25% |
| COLA | 0.00% | N/A | 4.50% |
| Healthcare trend (HMO) | N/A | 10.1% initial, 4.5% ultimate | N/A |
| Healthcare trend (PPO) | N/A | 10.8% initial, 4.5% ultimate | N/A |
| PEMHCA minimum increases 2013 | N/A | 4.50% Increase Per Year | 4.50% Increase Per Year |
| Mortality, withdrawal, disability | CalPERS 1997-2007 Scale AA from 2010 | CalPERS 1997-2007 Scale AA from 2010 | CalPERS 1997-2007 Scale AA from 2010 |
| Retirement | CalPERS 1997-2007 | CalPERS 1997-2007 | CalPERS 1997-2007 |

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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. In the fiscal year 2018-19, the United States Environmental Protection Agency (EPA) will determine the disposition of the BOU.

Unavailable Revenues

The General fund records deferred revenue of \$1,178 for sales taxes related to the "Triple Flip" and sales tax true up and \$353 for the General Capital Projects fund as of June 30, 2015. 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 \$96,854, which is expected to be offset by future tax increment revenues to the extent that they are received.

(20) RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES

On June 29, 2011, Assembly Bills 1 x 26 (the "Dissolution Act") and 1 x 27 were enacted as part of the fiscal year 2011-12 state budget package.

On June 27, 2012, as part of the fiscal year 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each a "Dissolved RDA") was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to serve as the Successor Agency. On January 31, 2012, the City elected to serve as the Successor Agency of the Burbank Redevelopment Agency.

The Dissolution Act also created oversight boards which monitor the activities of the successor agencies. The roles of the successor agencies and oversight boards is to administer the wind down of each Dissolved RDA which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA's housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The City elected on January 31, 2012 to serve as the Housing Successor Agency.

After the date of dissolution, the housing assets, obligations, and activities of the former RDA have been transferred and are reported in the Low/Mod Income Housing Special Revenue Fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The Dissolution Act and AB 1484 also establish roles for the County Auditor-Controller (the "CAC"), the California Department of Finance (the "DOF") and the California State Controller's office in the dissolution process and the satisfaction of enforceable obligations of the Dissolved RDAs.

The County Auditor-Controller is charged with establishing a Redevelopment Property Tax Trust Fund (the "RPTTF") for each Successor Agency and depositing into the RPTTF for each six-month period the amount of property taxes that would have been redevelopment property tax increment had the Dissolved RDA not been dissolved. The deposit in the RPTTF fund is to be used to pay to the Successor Agency the amounts due on the Successor Agency's enforceable obligations for the upcoming six-month period.

The Successor Agency is required to prepare a recognized obligation payment schedule (the "ROPS") approved by the oversight board setting forth the amounts due for each enforceable obligation during each six month period. The ROPS is submitted to the DOF for approval. The County Auditor-Controller will make payments to the Successor Agency from the RPTTF fund based on the ROPS amount approved by the DOF. The ROPS is prepared in advance for the enforceable obligations due over the next six months.

The process of making RPTTF deposits to be used to pay enforceable obligations of the Dissolved RDA will continue until all enforceable obligations have been paid in full and all non-housing assets of the Dissolved RDA have been liquidated.

City of Burbank

Year Ended June 30, 2015

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(20) RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (continued):

As part of the dissolution process AB 1484 required the Successor Agency to have due diligence reviews of both the low and moderate income housing funds and all other funds to be completed by October 15, 2012 and January 15, 2013 to compute the funds (cash) which were not needed by the Successor Agency to be retained to pay for existing enforceable obligations. These funds were to be remitted to the CAC after the DOF completed its review of the due diligence reviews. The Successor Agency made payments totaling \$60,367 to the CAC as a result of the due diligence reviews.

The DOF issued a Finding of Completion on May 16, 2013 in which DOF concurred that the Successor Agency has made full payments of any payments required as a result of the due diligence reviews.

The State Controller of the State of California has been directed to review the propriety of any transfers of assets between Dissolved RDA and other public bodies that occurred after January 1, 2011 (still ongoing). If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency. The result of the asset transfer review by the State Controller's office was that \$2,306 in unallowable transfers must be turned over to the Successor Agency. The receivable has been booked by the Successor Agency in June of 2015.

Management believes, in consultation with legal counsel, that the obligations of the Dissolved RDA due to the City are valid enforceable obligations payable by the Successor Agency under the requirements of the Dissolution Act and AB 1484. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

(21) RESTATEMENT OF NET POSITION AND FUND BALANCES:

| | | | |
|--|----------------------------|-----------------------------|---------------------|
| Net position as of July 1, 2014 were restated as follows: | Governmental Activities | Business Type Activities | Fiduciary Funds |
| Net position as of July 1, 2014, as originally reported | \$ 1,011,377 | \$ 444,757 | \$ (112,624) |
| Implementation of GASB Statements 68 and 71 to record net pension liability at beginning of year | (246,590) | (93,600) | - |
| To adjust for reduction in value for land not recognized in prior years | (38,622) | - | (2,430) |
| To adjust for liability due to Successor Agency | (11,391) | - | 11,391 |
| | <u>\$ 714,774</u> | <u>\$ 351,157</u> | <u>\$ (103,663)</u> |
| Net position as of July 1, 2014, as restated | | | |

Net position, of the proprietary funds, as of July 1, 2014 were restated as follows:

| | | | | |
|--|-----------------------------|--------------------------|------------------------------|--|
| | Proprietary Funds | | | |
| | Electric Utility Fund | Water Utility Fund | Water Rec & Sewer Fund | Refuse Collection & Disposal Fund |
| Net position as of July 1, 2014, as originally reported | \$ 275,456 | \$ 60,702 | \$ 87,255 | \$ 17,783 |
| To restate beginning equity for the net pension liability per GASB 68 requirements | (71,810) | (11,274) | (2,435) | (8,081) |
| Net position as of July 1, 2014, as restated | <u>\$ 203,646</u> | <u>\$ 49,428</u> | <u>\$ 84,820</u> | <u>\$ 9,702</u> |

(22) SUBSEQUENT EVENTS

Events occurring after June 30, 2015 have been evaluated for possible adjustments to the financial statements or disclosure as of January 11, 2016, which is the date these financial statements were available to be issued.

CITY OF BURBANK

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

Last Ten Fiscal Years*

| | 2015 |
|--|----------------|
| Total Pension Liability: | |
| Service cost | \$ 13,181,727 |
| Interest on total pension liability | 55,430,897 |
| Differences between expected and actual experience | - |
| Changes in assumptions | - |
| Changes in benefits | - |
| Benefit payments, including refunds of employee contributions | (35,412,463) |
| Net Change in Total Pension Liability | 33,200,161 |
| Total Pension Liability - Beginning of Year | 750,194,001 |
| Total Pension Liability - End of Year (a) | \$ 783,394,162 |
| Plan Fiduciary Net Position: | |
| Contributions - employer | \$ 12,179,748 |
| Contributions - employee | 6,416,442 |
| Net investment income | 94,169,766 |
| Benefit payments | (35,412,463) |
| Net Change in Plan Fiduciary Net Position | 77,353,493 |
| Plan Fiduciary Net Position - Beginning of Year | 548,532,991 |
| Plan Fiduciary Net Position - End of Year (b) | \$ 625,886,484 |
| Net Pension Liability - Ending (a)-(b) | \$ 157,507,678 |
| Plan fiduciary net position as a percentage of the total pension liability | 79.89% |
| Covered - employee payroll | \$ 79,288,586 |
| Net pension liability as percentage of covered- employee payroll | 198.65% |
| Notes to Schedule: | |
| Benefit Changes: | |
| In 2015, benefit terms were modified to base miscellaneous employee pensions on a final three-year average salary instead of a final five-year average salary. | |
| Changes in Assumptions: | |
| In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees. | |

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF BURBANK

SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS PLAN

Last Ten Fiscal Years*

| | 2015 |
|---|---------------|
| Actuarially determined contribution | \$ 13,793,807 |
| Contributions in relation to the actuarially determined contributions | (13,793,807) |
| Contribution deficiency (excess) | \$ - |
| Covered - employee payroll | \$ 79,288,586 |
| Contributions as a percentage of covered - employee payroll | 17.40% |

Notes to Schedule:

Valuation Date 6/30/2012

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Single and agent employers | Entry age actuarial cost method |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 19 years |
| Asset valuation method | 15 year smoothed market |
| Inflation | 2.75% |
| Salary increases | 3.00% |
| Investment rate of return | 7.50%, net of pension plan investment expense, including inflation |
| Retirement age | The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007 |
| Mortality | The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using the Scale AA published by the Society of Actuaries. |

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF BURBANK

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

Last Ten Fiscal Years*

| | 2015 |
|--|----------------|
| Total Pension Liability: | |
| Service cost | \$ 5,537,702 |
| Interest on total pension liability | 18,902,036 |
| Differences between expected and actual experience | - |
| Changes in assumptions | - |
| Changes in benefits | - |
| Benefit payments, including refunds of employee contributions | (13,616,037) |
| Net Change in Total Pension Liability | 10,823,701 |
| Total Pension Liability - Beginning of Year | 256,066,307 |
| Total Pension Liability - End of Year (a) | \$ 266,890,008 |
| Plan Fiduciary Net Position: | |
| Contributions - employer | \$ 5,711,333 |
| Contributions - employee | 1,591,859 |
| Net investment income | 31,026,505 |
| Benefit payments | (13,616,037) |
| Net Change in Plan Fiduciary Net Position | 24,713,660 |
| Plan Fiduciary Net Position - Beginning of Year | 180,316,110 |
| Plan Fiduciary Net Position - End of Year (b) | \$ 205,029,770 |
| Net Pension Liability - Ending (a)-(b) | \$ 61,860,238 |
| Plan fiduciary net position as a percentage of the total pension liability | 76.82% |
| Covered - employee payroll | \$ 17,523,263 |
| Net pension liability as percentage of covered- employee payroll | 353.02% |

Notes to Schedule:

Benefit Changes:

In 2015, benefit terms were modified to base miscellaneous employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in Assumptions:

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF BURBANK

SCHEDULE OF CONTRIBUTIONS - POLICE

Last Ten Fiscal Years*

| | 2015 |
|---|---------------|
| Actuarially determined contribution | \$ 6,004,544 |
| Contributions in relation to the actuarially determined contributions | (6,004,544) |
| Contribution deficiency (excess) | \$ - |
| Covered - employee payroll | \$ 17,523,263 |
| Contributions as a percentage of covered - employee payroll | 34.27% |

Notes to Schedule:

Valuation Date 6/30/2012

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Single and agent employers | Entry age actuarial cost method |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 26 years |
| Asset valuation method | 15 year smoothed market |
| Inflation | 2.75% |
| Salary increases | 3.00% |
| Investment rate of return | 7.50%, net of pension plan investment expense, including inflation |
| Retirement age | The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007 |
| Mortality | The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using the Scale AA published by the Society of Actuaries. |

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF BURBANK

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

Last Ten Fiscal Years*

| | 2015 |
|--|----------------|
| Total Pension Liability: | |
| Service cost | \$ 3,365,967 |
| Interest on total pension liability | 14,831,589 |
| Differences between expected and actual experience | - |
| Changes in assumptions | - |
| Changes in benefits | - |
| Benefit payments, including refunds of employee contributions | (10,250,818) |
| Net Change in Total Pension Liability | 7,946,738 |
| Total Pension Liability - Beginning of Year | 201,196,945 |
| Total Pension Liability - End of Year (a) | \$ 209,143,683 |
| Plan Fiduciary Net Position: | |
| Contributions - employer | \$ 2,633,397 |
| Contributions - employee | 1,245,700 |
| Net investment income | 26,645,747 |
| Benefit payments | (10,250,818) |
| Net Change in Plan Fiduciary Net Position | 20,274,026 |
| Plan Fiduciary Net Position - Beginning of Year | 155,490,274 |
| Plan Fiduciary Net Position - End of Year (b) | \$ 175,764,300 |
| Net Pension Liability - Ending (a)-(b) | \$ 33,379,383 |
| Plan fiduciary net position as a percentage of the total pension liability | 84.04% |
| Covered - employee payroll | \$ 13,785,343 |
| Net pension liability as percentage of covered- employee payroll | 242.14% |

Notes to Schedule:

Benefit Changes:

In 2015, benefit terms were modified to base miscellaneous employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in Assumptions:

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF BURBANK

SCHEDULE OF CONTRIBUTIONS - FIRE

Last Ten Fiscal Years*

| | <u>2015</u> |
|---|--------------------|
| Actuarially determined contribution | \$ 2,903,158 |
| Contributions in relation to the actuarially determined contributions | <u>(2,903,158)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Covered - employee payroll | \$ 13,785,343 |
| Contributions as a percentage of covered - employee payroll | 21.06% |

Notes to Schedule:

Valuation Date 6/30/2012

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Single and agent employers | Entry age actuarial cost method |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 21 years |
| Asset valuation method | 15 year smoothed market |
| Inflation | 2.75% |
| Salary increases | 3.00% |
| Investment rate of return | 7.50%, net of pension plan investment expense, including inflation |
| Retirement age | The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007 |
| Mortality | The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using the Scale AA published by the Society of Actuaries. |

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF BURBANK

SCHEDULES OF FUNDING PROGRESS OPEB PLANS (Unaudited)

Burbank Employees Retiree Medical Trust (BERMT)

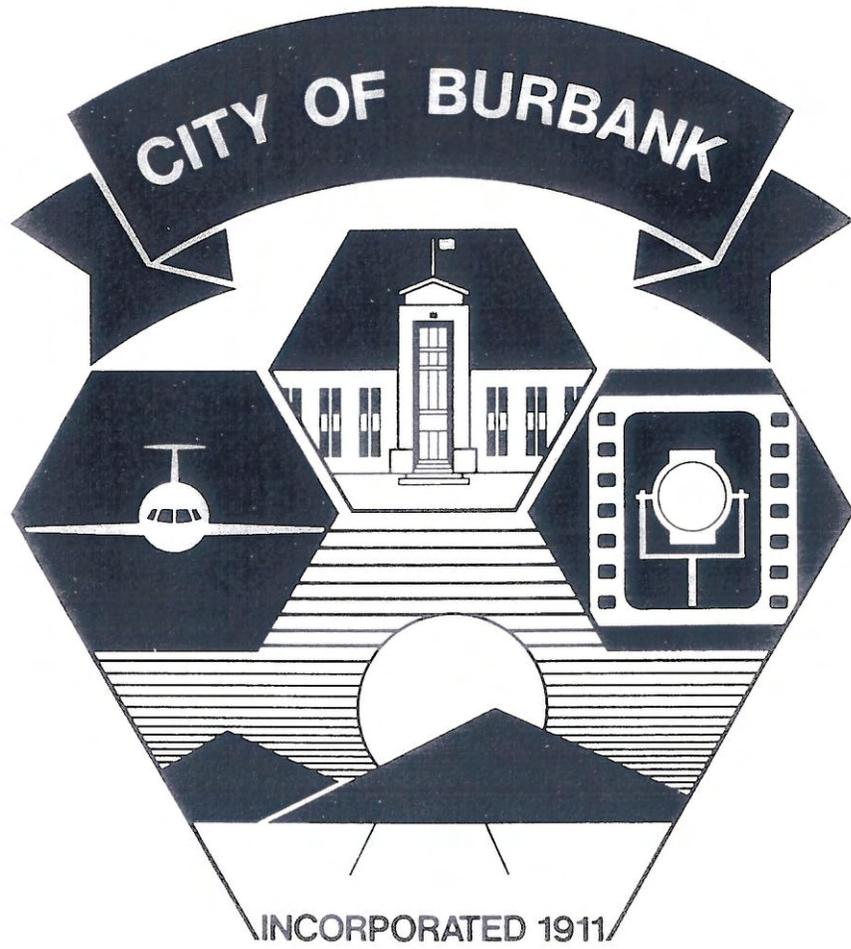
| | Actuarial Value of Plan Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ratio | Covered Payroll | Unfunded Actuarial Accrued Liability as a % of covered payroll |
|-----------|-----------------------------------|-----------------------------------|---|-----------------|--------------------|--|
| 6/30/2013 | 19,872 | 43,228 | 23,356 | 46.0% | 74,296 | 31.4% |
| 6/30/2011 | 13,833 | 39,553 | 25,720 | 35.0% | 89,772 | 28.7% |
| 6/30/2010 | 10,627 | 34,279 | 23,652 | 31.0% | 86,947 | 27.2% |

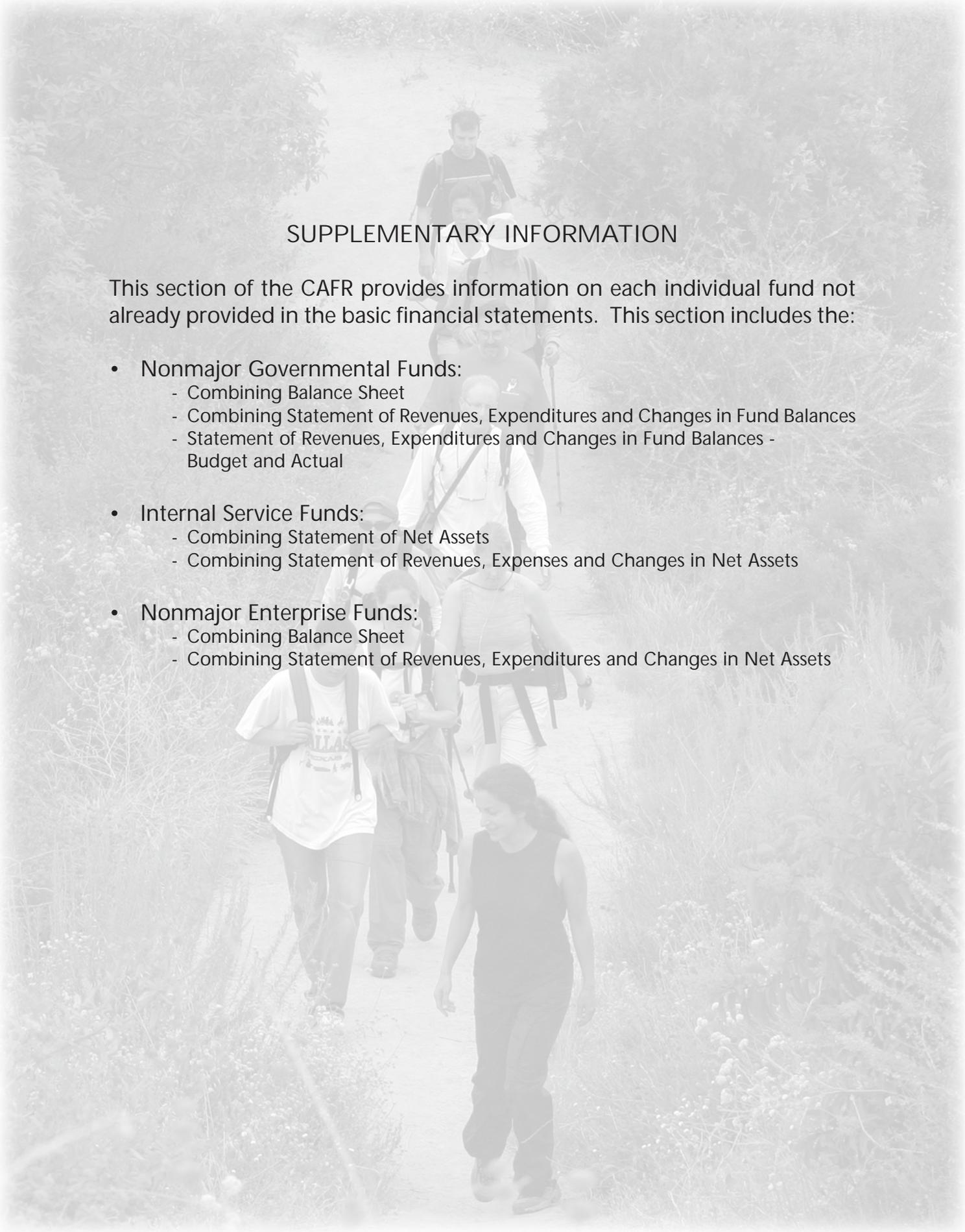
CalPERS Healthcare (PEHMHCA)

| | | | | | | |
|-----------|--------|--------|-------|-------|---------|------|
| 6/30/2013 | 16,085 | 23,229 | 7,144 | 69.2% | 106,075 | 6.7% |
| 6/30/2011 | 11,411 | 20,475 | 9,064 | 55.7% | 117,001 | 7.7% |
| 6/30/2010 | 9,055 | 17,454 | 8,399 | 51.9% | 113,318 | 7.4% |

Utility Retiree Medical Trust (URMT)

| | | | | | | |
|-----------|-------|-------|---------|--------|--------|--------|
| 6/30/2013 | 6,635 | 4,692 | (1,943) | 141.4% | 16,753 | -11.6% |
| 6/30/2011 | 5,346 | 5,119 | (227) | 104.4% | 17,345 | -1.3% |
| 6/30/2010 | 4,661 | 4,403 | (258) | 105.9% | 16,799 | -1.5% |





SUPPLEMENTARY INFORMATION

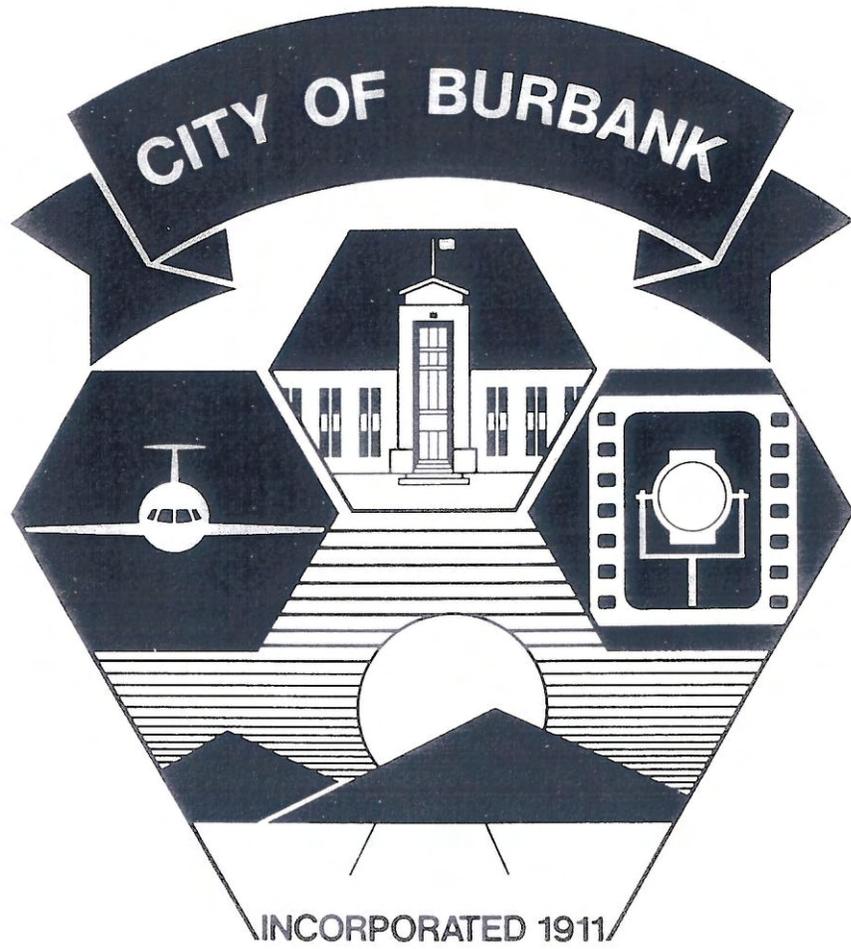
This section of the CAFR provides information on each individual fund not already provided in the basic financial statements. This section includes the:

- **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

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, 2015
(in thousands)

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|---|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money and or property | \$ 95 | 95 | 9,272 | 9,177 |
| Total revenues | 95 | 95 | 9,272 | 9,177 |
| Expenditures : | | | | |
| Debt service: | | | | |
| Principal retirement | 4,000 | 4,000 | 52,050 | (48,050) |
| Interest and finance charges | 2,484 | 2,484 | 3,058 | (574) |
| Total expenditures | 6,484 | 6,484 | 55,108 | (48,624) |
| Excess (deficiency) of revenues over expenditures | (6,389) | (6,389) | (45,836) | (39,447) |
| Fund balance, July 1, 2014 | 91,583 | 91,583 | 91,583 | - |
| Fund balance, June 30, 2015 | <u>\$ 85,194</u> | <u>85,194</u> | <u>45,747</u> | <u>(39,447)</u> |



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.

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

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.

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.

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

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.

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.

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

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

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.

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

CAPITAL PROJECTS FUNDS

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

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.

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.

City Of Burbank
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2015
(in thousands)

| | Special Revenue Funds | | | | | |
|-------------------------------------|------------------------------|----------------------------|-------------|-------------------------|---|------------------------------|
| | Transp. Prop. A | Transp. Prop. C | AQMD | Home Program | Commun. Dev Block Grants | Housing Authority |
| Assets : | | | | | | |
| Pooled cash and investments | \$ 1,855 | 1,682 | 210 | 334 | 820 | 652 |
| Accounts receivable | 8 | 41 | 34 | 3 | 350 | 44 |
| Interest receivable | 6 | 4 | 1 | - | 2 | - |
| Interfund receivables | - | - | - | - | - | 1 |
| Inventories | - | - | - | - | - | - |
| Total assets | <u>\$ 1,869</u> | <u>1,727</u> | <u>245</u> | <u>337</u> | <u>1,172</u> | <u>697</u> |
| Liabilities : | | | | | | |
| Accounts payable | \$ 35 | 16 | 6 | - | 290 | 181 |
| Interfund payable | - | - | - | - | - | - |
| Due to Successor Agency | - | - | - | - | - | 20 |
| Deposits | - | - | 8 | - | - | - |
| Advances payable | - | - | - | - | - | - |
| Total liabilities | <u>35</u> | <u>16</u> | <u>14</u> | <u>-</u> | <u>290</u> | <u>201</u> |
| Fund balances : | | | | | | |
| Nonspendable (deficits): | | | | | | |
| Inventories | - | - | - | - | - | - |
| Restricted : | | | | | | |
| Transportation | 1,834 | 1,711 | - | - | - | - |
| Federal and state grants | - | - | 231 | 337 | 882 | 496 |
| Public safety | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - |
| Committed : | | | | | | |
| Transportation | - | - | - | - | - | - |
| Unassigned | | | | | | |
| Total fund balances (deficits) | <u>1,834</u> | <u>1,711</u> | <u>231</u> | <u>337</u> | <u>882</u> | <u>496</u> |
| Total liabilities and fund balances | <u>\$ 1,869</u> | <u>1,727</u> | <u>245</u> | <u>337</u> | <u>1,172</u> | <u>697</u> |

(Continued)

City Of Burbank
COMBINING BALANCE SHEET, CONTINUED
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2015
(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 | \$ 2,660 | 489 | 255 | 31 | 907 | 3,049 |
| Accounts receivable | - | 190 | - | - | 4 | - |
| Interest receivable | 6 | 1 | 1 | - | 2 | 7 |
| Interfund receivable | - | - | - | - | - | - |
| Inventories | - | 208 | - | - | - | - |
| Total assets | <u>\$ 2,666</u> | <u>888</u> | <u>256</u> | <u>31</u> | <u>913</u> | <u>3,056</u> |
| Liabilities : | | | | | | |
| Accounts payable | \$ - | - | - | 1 | 15 | 214 |
| Interfund payable | - | - | - | - | - | - |
| Due to Successor Agency | - | - | - | - | - | - |
| Deposits | - | - | - | - | - | - |
| Advances payable | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>15</u> | <u>214</u> |
| Fund balances : | | | | | | |
| Nonspendable (deficits): | | | | | | |
| Inventories | - | 208 | - | - | - | - |
| Restricted | | | | | | |
| Transportation | 2,666 | - | - | - | - | 2,842 |
| Federal and state grants | - | - | - | 30 | - | - |
| Public safety | - | - | 256 | - | 898 | - |
| Capital projects | - | - | - | - | - | - |
| Committed : | | | | | | |
| Transportation | - | 680 | - | - | - | - |
| Unassigned | | | | | | |
| Total fund balances (deficits) | <u>2,666</u> | <u>888</u> | <u>256</u> | <u>30</u> | <u>898</u> | <u>2,842</u> |
| Total liabilities and fund balances | <u>\$ 2,666</u> | <u>888</u> | <u>256</u> | <u>31</u> | <u>913</u> | <u>3,056</u> |

(Continued)

City Of Burbank
COMBINING BALANCE SHEET, CONCLUDED
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2015
(in thousands)

| | Special Revenue Funds | | Capital Projects Funds | | | Total Nonmajor Governmental Funds |
|-------------------------------------|------------------------------|---------------------|-------------------------------|--------------------------|------------------------|--|
| | Magnolia Power Plant | Tieton Hydro | Public Improve. | Parking Authority | Youth Endowment | |
| Assets : | | | | | | |
| Pooled cash and investments | 2,746 | - | 19,303 | 1,402 | 1,634 | \$ 38,029 |
| Accounts receivable | - | 85 | 90 | 49 | - | 898 |
| Interest receivable | 7 | - | 46 | 2 | 4 | 89 |
| Interfund receivable | - | - | - | - | - | 1 |
| Inventories | - | - | - | - | - | 208 |
| Total assets | <u>\$ 2,753</u> | <u>85</u> | <u>19,439</u> | <u>1,453</u> | <u>1,638</u> | <u>\$ 39,225</u> |
| Liabilities : | | | | | | |
| Accounts payable | \$ 3,286 | 178 | 220 | 73 | - | 4,515 |
| Interfund payable | - | 190 | - | - | - | 190 |
| Due to Successor Agency | - | - | - | - | 888 | 908 |
| Deposits | - | - | - | - | - | 8 |
| Advances payable | - | - | 323 | - | - | 323 |
| Total liabilities | <u>3,286</u> | <u>368</u> | <u>543</u> | <u>73</u> | <u>888</u> | <u>5,944</u> |
| Fund balances : | | | | | | |
| Nonspendable (deficits) | | | | | | |
| Inventories | - | - | - | - | - | 208 |
| Restricted | | | | | | |
| Transportation | - | - | - | - | - | 9,053 |
| Federal and state grants | - | - | - | - | - | 1,976 |
| Public safety | - | - | - | - | - | 1,154 |
| Capital projects | - | - | - | 1,380 | 750 | 2,130 |
| Committed | | | | | | |
| Transportation | - | - | 18,896 | - | - | 19,576 |
| Unassigned | (533) | (283) | - | - | - | (816) |
| Total fund balances (deficits) | <u>(533)</u> | <u>(283)</u> | <u>18,896</u> | <u>1,380</u> | <u>750</u> | <u>33,281</u> |
| Total liabilities and fund balances | <u>2,753</u> | <u>85</u> | <u>19,439</u> | <u>1,453</u> | <u>1,638</u> | <u>\$ 39,225</u> |

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended June 30, 2015
(in thousands)

| | Special Revenue Funds | | | | | |
|--|------------------------------|----------------------------|-------------|-------------------------|---|------------------------------|
| | Transp. Prop. A | Transp. Prop. C | AQMD | Home Program | Commun. Dev Block Grants | Housing Authority |
| Revenues : | | | | | | |
| Taxes | \$ 1,918 | 1,571 | - | - | - | - |
| Use of money or property | 30 | 154 | 3 | 3 | 9 | 2 |
| Intergovernmental | 89 | 290 | 131 | 165 | 1,137 | 8,896 |
| Charges for services | 96 | 151 | - | - | 5 | - |
| Total revenues | <u>2,133</u> | <u>2,166</u> | <u>134</u> | <u>168</u> | <u>1,151</u> | <u>8,898</u> |
| Expenditures : | | | | | | |
| General government : | | | | | | |
| Administrative services | - | - | - | - | - | - |
| Public safety : | | | | | | |
| Police | - | - | - | - | - | - |
| Environmental : | | | | | | |
| Community development | 1,890 | 1,469 | 143 | 106 | 1,023 | 8,778 |
| Capital outlay : | | | | | | |
| Street improvements | - | - | - | - | - | - |
| General capital improvements | - | - | - | - | - | - |
| Total capital outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>1,890</u> | <u>1,469</u> | <u>143</u> | <u>106</u> | <u>1,023</u> | <u>8,778</u> |
| Excess (deficiency) of revenues over expenditures | <u>243</u> | <u>697</u> | <u>(9)</u> | <u>62</u> | <u>128</u> | <u>120</u> |
| Other financing sources (uses) : | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | (177) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(177)</u> |
| Net change in fund balance | 243 | 697 | (9) | 62 | 128 | (57) |
| Fund balances (deficits), July 1, 2014 | <u>1,591</u> | <u>1,014</u> | <u>240</u> | <u>275</u> | <u>754</u> | <u>553</u> |
| Fund balances (deficits), June 30, 2015 | <u>\$ 1,834</u> | <u>1,711</u> | <u>231</u> | <u>337</u> | <u>882</u> | <u>496</u> |

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, CONTINUED
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended June 30, 2015
(in thousands)

| | Special Revenue Funds | | | | | |
|--|------------------------------|----------------------------|--|---------------------------|--------------------------------------|--------------|
| | State Gas Tax | Street Lighting | Sup Law Enforce Service | Comm. Services | Drug Asset Forfeiture | |
| Revenues : | | | | | | |
| Taxes | \$ - | - | - | - | - | 1,155 |
| Use of money or property | 31 | 113 | 4 | 39 | 12 | 46 |
| Intergovernmental | 3,030 | - | 270 | - | 17 | - |
| Charges for services | - | 438 | - | - | - | - |
| Total revenues | <u>3,061</u> | <u>551</u> | <u>274</u> | <u>39</u> | <u>29</u> | <u>1,201</u> |
| Expenditures : | | | | | | |
| General government : | | | | | | |
| Administrative services | - | - | - | - | - | - |
| Public safety : | | | | | | - |
| Police | - | - | 251 | - | 125 | - |
| Environmental : | | | | | | - |
| Community development | - | - | - | 10 | - | - |
| Capital outlay : | | | | | | |
| Street improvements | 2,762 | 2,737 | - | - | - | 560 |
| General capital improvements | - | - | - | - | - | 551 |
| Total capital outlay | <u>2,762</u> | <u>2,737</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,111</u> |
| Total expenditures | <u>2,762</u> | <u>2,737</u> | <u>251</u> | <u>10</u> | <u>125</u> | <u>1,111</u> |
| Excess (deficiency) of revenues over expenditures | <u>299</u> | <u>(2,186)</u> | <u>23</u> | <u>29</u> | <u>(96)</u> | <u>90</u> |
| Other financing sources (uses) : | | | | | | |
| Transfers in | - | 2,479 | - | - | - | - |
| Transfers out | - | (70) | - | (23) | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>2,409</u> | <u>-</u> | <u>(23)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 299 | 223 | 23 | 6 | (96) | 90 |
| Fund balances (deficits), July 1, 2014 | <u>2,367</u> | <u>665</u> | <u>233</u> | <u>24</u> | <u>994</u> | <u>2,752</u> |
| Fund balances (deficits), June 30, 2015 | <u>\$ 2,666</u> | <u>888</u> | <u>256</u> | <u>30</u> | <u>898</u> | <u>2,842</u> |

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, CONCLUDED
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended June 30, 2015
(in thousands)

| | Special Revenue Funds | | Capital Projects Funds | | | Total Nonmajor Governmental Funds |
|---|------------------------------|---------------------|-------------------------------|--------------------------|------------------------|--|
| | Magnolia Power Plant | Tieton Hydro | Public Improve. | Parking Authority | Youth Endowment | |
| Revenues : | | | | | | |
| Taxes | \$ - | - | - | - | - | 4,644 |
| Use of money or property | 35 | - | 220 | 811 | 25 | 1,537 |
| Intergovernmental | - | - | 1,275 | - | - | 15,300 |
| Charges for services | 17,634 | 1,443 | 3,195 | - | - | 22,962 |
| Total revenues | 17,669 | 1,443 | 4,690 | 811 | 25 | 44,443 |
| Expenditures : | | | | | | |
| General government : | | | | | | |
| Administrative services | - | - | - | 764 | 888 | 1,652 |
| Public safety : | | | | | | |
| Police | - | - | - | - | - | 376 |
| Environmental : | | | | | | |
| Community development | 17,590 | 1,491 | 2,092 | - | - | 34,592 |
| Capital outlay : | | | | | | |
| Street improvements | - | - | - | - | - | 6,059 |
| General capital improvements | - | 40 | - | - | - | 591 |
| Total capital outlay | - | 40 | - | - | - | 6,650 |
| Total expenditures | 17,590 | 1,531 | 2,092 | 764 | 888 | 43,270 |
| Excess (deficiency) of revenues over expenditures | 79 | (88) | 2,598 | 47 | (863) | 1,173 |
| Other financing sources (uses) : | | | | | | |
| Transfers in | - | - | 56 | - | - | 2,535 |
| Transfers out | - | - | - | - | (485) | (755) |
| Total other financing sources (uses) | - | - | 56 | - | (485) | 1,780 |
| Net change in fund balance | 79 | (88) | 2,654 | 47 | (1,348) | 2,953 |
| Fund balances (deficits), July 1, 2014 | (612) | (195) | 16,242 | 1,333 | 2,098 | 30,328 |
| Fund balances (deficits), June 30, 2015 | (533) | (283) | 18,896 | 1,380 | 750 | \$ 33,281 |

City Of Burbank
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION PROP A

For the Year ended June 30, 2015
(in thousands)

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Taxes | \$ 1,948 | 1,948 | 1,918 | (30) |
| Use of money or property | 9 | 9 | 30 | 21 |
| Intergovernmental | 89 | 89 | 89 | - |
| Charges for services | 139 | 139 | 96 | (43) |
| Total revenues | <u>2,185</u> | <u>2,185</u> | <u>2,133</u> | <u>(52)</u> |
| Expenditures : | | | | |
| Environmental: | | | | |
| Community development | 1,988 | 1,980 | 1,890 | 90 |
| Total expenditures | <u>1,988</u> | <u>1,980</u> | <u>1,890</u> | <u>90</u> |
| Excess (deficiency) of revenues over expenditures | <u>197</u> | <u>205</u> | <u>243</u> | <u>38</u> |
| Fund balance, July 1, 2014 | <u>1,591</u> | <u>1,591</u> | <u>1,591</u> | <u>-</u> |
| Fund balance, June 30, 2015 | <u><u>\$ 1,788</u></u> | <u><u>\$ 1,796</u></u> | <u><u>\$ 1,834</u></u> | <u><u>\$ 38</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, 2015
(in thousands)**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Taxes | \$ 1,549 | 1,549 | 1,571 | 22 |
| Use of money or property | 6 | 6 | 154 | 148 |
| Intergovernmental | - | - | 290 | 290 |
| Charges for services | 185 | 185 | 151 | (34) |
| Total revenues | <u>1,740</u> | <u>1,740</u> | <u>2,166</u> | <u>426</u> |
| Expenditures : | | | | |
| Environmental: | | | | |
| Community development | 1,631 | 1,604 | 1,469 | 135 |
| Parks and recreation : | | | | |
| Special community services | 65 | - | - | - |
| Total expenditures | <u>1,696</u> | <u>1,604</u> | <u>1,469</u> | <u>135</u> |
| Excess (deficiency) of revenues over expenditures | 44 | 136 | 697 | 561 |
| Fund balance, July 1, 2014 | <u>1,014</u> | <u>1,014</u> | <u>1,014</u> | <u>-</u> |
| Fund balance June 30, 2015 | <u>\$ 1,058</u> | <u>\$ 1,150</u> | <u>\$ 1,711</u> | <u>\$ 561</u> |

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL AQMD

**For the Year ended June 30, 2015
(in thousands)**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money or property | \$ 2 | 2 | 3 | 1 |
| Intergovernmental | 120 | 120 | 131 | 11 |
| Total revenues | 122 | 122 | 134 | 12 |
| Expenditures : | | | | |
| Environmental: | | | | |
| Community development | 195 | 195 | 143 | 52 |
| Excess (deficiency) of revenues over expenditures | (73) | (73) | (9) | 64 |
| Fund balance, July 1, 2014 | 240 | 240 | 240 | - |
| Fund balance, June 30, 2015 | \$ 167 | 167 | 231 | 64 |

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL HOME PROGRAM

**For the Year ended June 30, 2015
(in thousands)**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money or property | \$ 1 | 1 | 3 | 2 |
| Intergovernmental | 485 | 485 | 165 | (320) |
| Total revenues | 486 | 486 | 168 | (318) |
| Expenditures : | | | | |
| Environmental: | | | | |
| Community development | 591 | 591 | 106 | 485 |
| Excess (deficiency) of revenues over expenditures | (105) | (105) | 62 | 167 |
| Fund balance, July 1, 2014 | 275 | 275 | 275 | - |
| Fund balance, June 30, 2015 | \$ 170 | 170 | 337 | 167 |

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, 2015
(in thousands)**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money or property | \$ 5 | 5 | 9 | 4 |
| Intergovernmental | 1,563 | 1,563 | 1,137 | (426) |
| Charges for services | 183 | 183 | 5 | (178) |
| Total revenues | 1,751 | 1,751 | 1,151 | (600) |
| Expenditures : | | | | |
| Environmental: | | | | |
| Community development | 1,855 | 1,855 | 1,023 | 832 |
| Excess (deficiency) of revenues over expenditures | (104) | (104) | 128 | 232 |
| Fund balance (deficit), July 1, 2014 | 754 | 754 | 754 | - |
| Fund balance (deficit), June 30, 2015 | \$ 650 | 650 | 882 | 232 |

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL HOUSING AUTHORITY

For the Year ended June 30, 2015
(in thousands)

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money or property | \$ 2 | 2 | 2 | - |
| Intergovernmental | 8,893 | 8,893 | 8,896 | 3 |
| Total revenues | 8,895 | 8,895 | 8,898 | 3 |
| Expenditures : | | | | |
| Environmental: | | | | |
| Community development | 8,963 | 9,028 | 8,778 | 250 |
| Total expenditures | 8,963 | 9,028 | 8,778 | 250 |
| Excess (deficiency) of revenues over expenditures | (68) | (133) | 120 | 253 |
| Other financing uses : | | | | |
| Transfers out | - | (177) | (177) | - |
| Total other financing uses | - | (177) | (177) | - |
| Net change in fund balance of revenues over expenditures and other uses | (68) | (310) | (57) | 253 |
| Fund balance, July 1, 2014 | 553 | 553 | 553 | - |
| Fund balance, June 30, 2015 | \$ 485 | 243 | 496 | 253 |

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL STATE GAS TAX

**For the Year ended June 30, 2015
(in thousands)**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money or property | \$ 13 | 13 | 31 | 18 |
| Intergovernmental | 3,094 | 3,094 | 3,030 | (64) |
| Total revenues | 3,107 | 3,107 | 3,061 | (46) |
| Expenditures : | | | | |
| Capital outlay : | | | | |
| Street improvements | 2,674 | 2,624 | 2,762 | (138) |
| Total expenditures | 2,674 | 2,624 | 2,762 | (138) |
| Excess (deficiency) of revenues over expenditures | 433 | 483 | 299 | (184) |
| Other financing uses : | | | | |
| Transfers out | (1,922) | (1,922) | - | 1,922 |
| Net change in fund balance | (1,489) | (1,439) | 299 | 1,738 |
| Fund balance, July 1, 2014 | 2,367 | 2,367 | 2,367 | - |
| Fund balance, June 30, 2015 | \$ 878 | 928 | 2,666 | 1,738 |

City Of Burbank
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING

For the Year ended June 30, 2015
(in thousands)

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|---|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money or property | \$ 60 | 60 | 113 | 53 |
| Charges for services | 1,767 | 1,767 | 438 | (1,329) |
| Total revenues | 1,827 | 1,827 | 551 | (1,276) |
| Expenditures : | | | | |
| Capital outlay : | | | | |
| Street improvements | 3,533 | 3,533 | 2,737 | 796 |
| Deficiency of revenues over expenditures | (1,706) | (1,706) | (2,186) | (480) |
| Other financing sources (uses): | | | | |
| Transfers in | 2,479 | 2,479 | 2,479 | - |
| Transfers out | (70) | (70) | (70) | - |
| Total other financing sources (uses) | 2,409 | 2,409 | 2,409 | - |
| Net change in fund balance | 703 | 703 | 223 | (480) |
| Fund balance, July 1, 2014 | 665 | 665 | 665 | - |
| Fund balance, June 30, 2015 | \$ 1,368 | 1,368 | 888 | (480) |

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, 2015
(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 | \$ 14 | 14 | 4 | (10) |
| Intergovernmental | <u>265</u> | <u>265</u> | <u>270</u> | <u>5</u> |
| Total revenues | 279 | 279 | 274 | (5) |
| Expenditures : | | | | |
| Public Safety: | | | | |
| Police | <u>50</u> | <u>280</u> | <u>251</u> | <u>29</u> |
| Excess (deficiency) of revenue over expenditures | 229 | (1) | 23 | 24 |
| Fund balance, July 1, 2014 | <u>233</u> | <u>233</u> | <u>233</u> | - |
| Fund balance, June 30, 2015 | <u>\$ 462</u> | <u>232</u> | <u>256</u> | <u>24</u> |

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL COMMUNITY SERVICES

**For the Year ended June 30, 2015
(in thousands)**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money or property | <u>\$ 24</u> | <u>24</u> | <u>39</u> | <u>15</u> |
| Expenditures : | | | | |
| Environmental: | | | | |
| Community development | <u>10</u> | <u>10</u> | <u>10</u> | <u>-</u> |
| Total expenditures | <u>10</u> | <u>10</u> | <u>10</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | 14 | 14 | 29 | 15 |
| Other financing uses : | | | | |
| Transfers out | <u>-</u> | <u>-</u> | <u>(23)</u> | <u>(23)</u> |
| Net change in fund balance | 14 | 14 | 6 | (8) |
| Fund balance, July 1, 2014 | <u>24</u> | <u>24</u> | <u>24</u> | <u>-</u> |
| Fund balance, June 30, 2015 | <u>\$ 38</u> | <u>38</u> | <u>30</u> | <u>(8)</u> |

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL MEASURE R

**For the Year ended June 30, 2015
(in thousands)**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Taxes | \$ - | - | 1,155 | 1,155 |
| Use of money or property | - | - | 46 | 46 |
| Total revenues | - | - | 1,201 | 1,201 |
| Expenditures : | | | | |
| Capital outlay: | | | | |
| Street improvements | 620 | 620 | 560 | 60 |
| Community development | 975 | 975 | 551 | 424 |
| Total expenditures | 1,595 | 1,595 | 1,111 | 484 |
| Excess (deficiency) of revenues over expenditures | (1,595) | (1,595) | 90 | 1,685 |
| Fund balance, July 1, 2014 | 2,752 | 2,752 | 2,752 | - |
| Fund balance, June 30, 2015 | \$ 1,157 | 1,157 | 2,842 | 1,685 |

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL MAGNOLIA POWER PLANT

**For the Year ended June 30, 2015
(in thousands)**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money or property | \$ - | - | 35 | 35 |
| Charges for services | 22,101 | 22,101 | 17,634 | (4,467) |
| Total revenues | 22,101 | 22,101 | 17,669 | (4,432) |
| Expenditures : | | | | |
| Environmental: | | | | |
| Community development | 25,775 | 25,775 | 17,590 | 8,185 |
| Total expenditures | 25,775 | 25,775 | 17,590 | 8,185 |
| Excess (deficiency) of revenues over expenditures | (3,674) | (3,674) | 79 | 3,753 |
| Fund balance (deficit), July 1, 2014 | (612) | (612) | (612) | - |
| Fund balance (deficit), June 30, 2015 | <u>\$ (4,286)</u> | <u>(4,286)</u> | <u>(533)</u> | <u>3,753</u> |

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL TIETON HYDRO

**For the Year ended June 30, 2015
(in thousands)**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Charges for services | \$ 1,293 | 1,293 | 1,443 | 150 |
| Total revenues | 1,293 | 1,293 | 1,443 | 150 |
| Expenditures : | | | | |
| Capital outlay: | | | | |
| Community development | 1,431 | 1,431 | 1,491 | (60) |
| Environmental: | | | | |
| Capital improvements | 100 | 100 | 40 | 60 |
| Total expenditures | 1,531 | 1,531 | 1,531 | - |
| Excess (deficiency) of revenues over expenditures | (238) | (238) | (88) | 150 |
| Fund balance (deficit), July 1, 2014 | (195) | (195) | (195) | - |
| Fund balance (deficit), June 30, 2015 | \$ (433) | (433) | (283) | 150 |

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, 2015
(in thousands)**

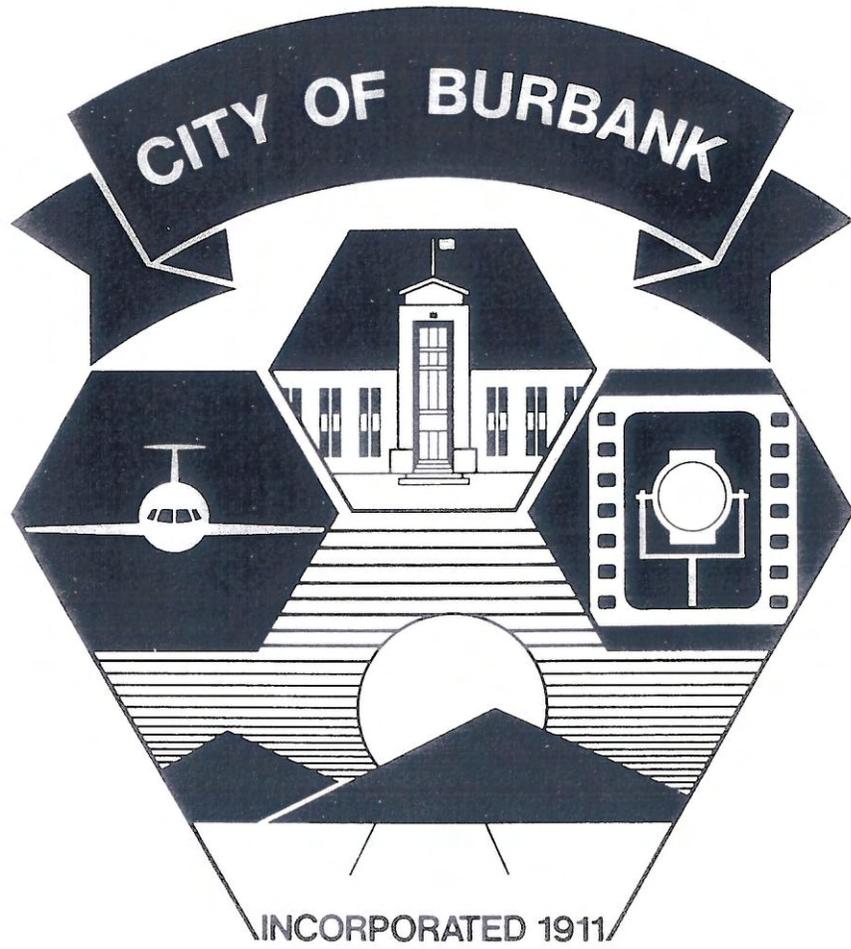
| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money or property | <u>\$ 799</u> | <u>799</u> | <u>811</u> | <u>12</u> |
| Total revenues | <u>799</u> | <u>799</u> | <u>811</u> | <u>12</u> |
| Expenditures : | | | | |
| General government: | | | | |
| Administrative services | <u>1,629</u> | <u>1,623</u> | <u>764</u> | <u>859</u> |
| Total expenditures | <u>1,629</u> | <u>1,623</u> | <u>764</u> | <u>859</u> |
| Excess (deficiency) of revenues over expenditures | <u>(830)</u> | <u>(824)</u> | <u>47</u> | <u>871</u> |
| Fund balance, July 1, 2014 | <u>1,333</u> | <u>1,333</u> | <u>1,333</u> | <u>-</u> |
| Fund balance, June 30, 2015 | <u>\$ 503</u> | <u>509</u> | <u>1,380</u> | <u>871</u> |

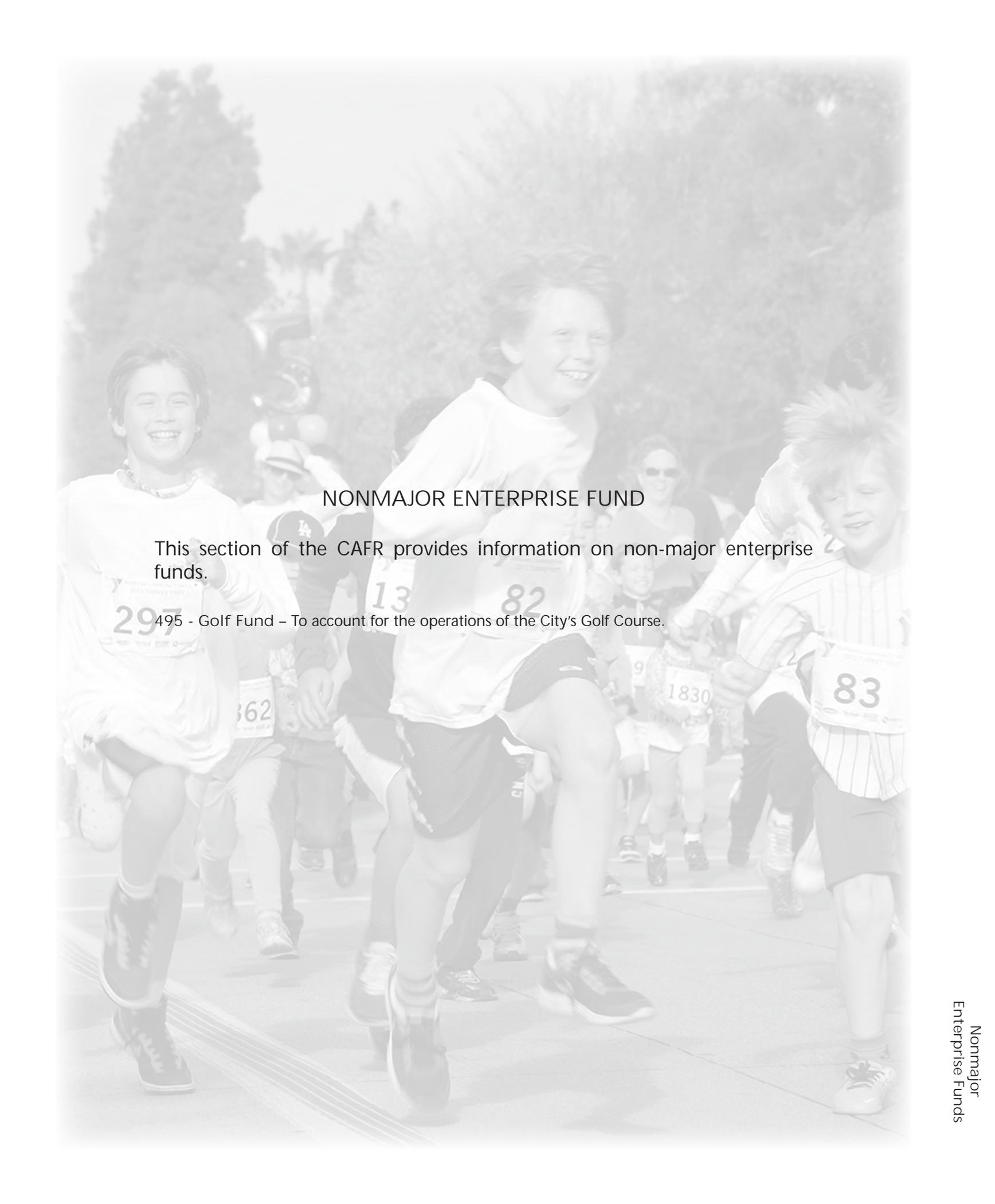
City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL YOUTH ENDOWMENT SERVICES

For the Year ended June 30, 2015
(in thousands)

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------------|--|
| Revenues : | | | | |
| Use of money or property | \$ - | 11 | 25 | 14 |
| Total revenues | - | 11 | 25 | 14 |
| Expenditures : | | | | |
| General government: | | | | |
| Administrative services | - | - | 888 | (888) |
| Total expenditures | - | - | 888 | (888) |
| Excess (deficiency) of revenues over expenditures | - | 11 | (863) | (874) |
| Other financing uses: | | | | |
| Transfers out | (600) | (485) | (485) | - |
| Total other financing uses | (600) | (485) | (485) | - |
| Net change in fund balance | (600) | (474) | (1,348) | (874) |
| Fund balance, July 1, 2014 | 2,098 | 2,098 | 2,098 | - |
| Fund balance, June 30, 2015 | \$ 1,498 | 1,624 | 750 | (874) |



A black and white photograph of a group of children participating in a race. They are running on a paved path, smiling, and holding hands. The children are wearing athletic gear, including t-shirts and shorts. Some have race bibs with numbers like 297, 13, 82, 1830, and 83. The background shows trees and a clear sky.

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.

City Of Burbank
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUND
June 30, 2015
(in thousands)

| | Golf Fund | Total Nonmajor Enterprise Fund |
|--|----------------------|---|
| Assets : | | |
| Current assets : | | |
| Pooled cash and investments | \$ 254 | 254 |
| Accounts receivable | 32 | 32 |
| Interest receivable | 1 | 1 |
| Total current assets | 287 | 287 |
| Capital assets : | | |
| Land | 11 | 11 |
| Land improvements | 1,053 | 1,053 |
| Buildings and improvements | 8,988 | 8,988 |
| Machinery and equipment | 391 | 391 |
| Construction in progress | 52 | 52 |
| Less accumulated depreciation | (4,311) | (4,311) |
| Total capital assets, net of accumulated depreciation | 6,184 | 6,184 |
| Total assets | 6,471 | 6,471 |
| Liabilities : | | |
| Accounts payable | 51 | 51 |
| Total current liabilities | 51 | 51 |
| Long-term liabilities: | | |
| Advances payable | 3,229 | 3,229 |
| Total long-term liabilities | 3,229 | 3,229 |
| Total liabilities | 3,280 | 3,280 |
| Net position : | | |
| Net investment in capital assets | 6,184 | 6,184 |
| Unrestricted (deficit) | (2,993) | (2,993) |
| Total net position | \$ 3,191 | 3,191 |

City Of Burbank
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2015
(in thousands)

| | Golf Fund | Total Nonmajor Enterprise Fund |
|---|----------------------|---|
| Operating revenues : | | |
| Charges for services | \$ 19 | 19 |
| Total operating revenues | <u>19</u> | <u>19</u> |
| Operating expenses : | | |
| Operations and maintenance | 261 | 261 |
| Depreciation | 472 | 472 |
| Total operating expenses | <u>733</u> | <u>733</u> |
| Operating (loss) | <u>(714)</u> | <u>(714)</u> |
| Nonoperating income (expense) : | | |
| Interest income | 2 | 2 |
| Interest expense | (20) | (20) |
| Other income - net | 287 | 287 |
| Total nonoperating income (expense) | <u>269</u> | <u>269</u> |
| Income (loss) before capital contributions and transfers | (445) | (445) |
| Transfers in | <u>75</u> | <u>75</u> |
| Change in net position | (370) | (370) |
| Net position, July 1, 2014 | <u>3,561</u> | <u>3,561</u> |
| Net position, June 30, 2015 | <u>\$ 3,191</u> | <u>3,191</u> |

City Of Burbank
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2015
(in thousands)

| | Golf Fund | Total Nonmajor Enterprise Fund |
|--|----------------------|---|
| Cash flows from operating activities : | | |
| Cash received from customers | \$ 106 | 106 |
| Cash paid to suppliers | (213) | (213) |
| | <u>(107)</u> | <u>(107)</u> |
| Net cash used in operating activities | | |
| Cash flows from noncapital financing activities : | | |
| Received from City of Burbank | 20 | 20 |
| Other income/expense | 287 | 287 |
| Transfers in | 75 | 75 |
| | <u>382</u> | <u>382</u> |
| Net cash provided by noncapital financing activities | | |
| Cash flows from capital and related financing activities : | | |
| Acquisition and construction of assets | (28) | (28) |
| Interest paid | (20) | (20) |
| | <u>(48)</u> | <u>(48)</u> |
| Net cash used in capital and related financing activities | | |
| Cash flows from investing activities : | | |
| Interest received | 2 | 2 |
| | <u>2</u> | <u>2</u> |
| Net cash provided by investing activities | | |
| | <u>2</u> | <u>2</u> |
| Net increase in cash and cash equivalents | 229 | 229 |
| Cash and cash equivalents, July 1, 2014 | <u>25</u> | <u>25</u> |
| Cash and cash equivalents, June 30, 2015 | <u>\$ 254</u> | <u>254</u> |

(Continued)

City Of Burbank
STATEMENT OF CASH FLOWS, (concluded)
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2015
(in thousands)

| | Golf Fund | Total Nonmajor Enterprise Fund |
|--|----------------------|---|
| | <u> </u> | <u> </u> |
| Reconciliation of operating loss to net cash used in operating activities : | | |
| Operating loss | \$ (714) | (714) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation | 472 | 472 |
| Decrease in accounts receivable | 87 | 87 |
| Increase in accounts payable | 48 | 48 |
| | <u>607</u> | <u>607</u> |
| Total adjustments | | |
| Net cash used in operating activities | <u>\$ (107)</u> | <u>(107)</u> |

INTERNAL SERVICE FUNDS

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

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, 2015
(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 | \$ 17,806 | 37,554 | 18,801 | 3,493 | 1,977 |
| Accounts receivable | - | - | 75 | - | 246 |
| Interest receivable | 41 | 91 | 45 | 9 | 5 |
| Interfund receivable | - | - | - | - | - |
| Inventories | - | - | 437 | - | - |
| Prepaid expenses | 2 | - | 9 | - | - |
| Total current assets | <u>17,849</u> | <u>37,645</u> | <u>19,367</u> | <u>3,502</u> | <u>2,228</u> |
| Capital assets : | | | | | |
| Buildings and improvements | - | - | 2,777 | - | - |
| Accumulated depreciation | - | - | (943) | - | - |
| Machinery and equipment | - | - | 34,809 | 3,394 | - |
| Accumulated depreciation | - | - | (22,065) | (3,080) | - |
| Construction in progress | - | - | - | - | 631 |
| Total capital assets | <u>-</u> | <u>-</u> | <u>14,578</u> | <u>314</u> | <u>631</u> |
| Total assets | <u>17,849</u> | <u>37,645</u> | <u>33,945</u> | <u>3,816</u> | <u>2,859</u> |
| Liabilities : | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 45 | 107 | 630 | 40 | 658 |
| Compensated absences | - | - | - | - | - |
| Deposits | 9 | - | 5 | - | 61 |
| Outstanding claims - self insurance | 2,633 | 7,675 | - | - | - |
| Total current liabilities | <u>2,687</u> | <u>7,782</u> | <u>635</u> | <u>40</u> | <u>719</u> |
| Long-term liabilities (net of current portion): | | | | | |
| Compensated absences | - | - | 135 | - | 5 |
| Outstanding claims - self insurance | 2,715 | 26,924 | - | - | - |
| Total long-term liabilities | <u>2,715</u> | <u>26,924</u> | <u>135</u> | <u>-</u> | <u>5</u> |
| Total liabilities | <u>5,402</u> | <u>34,706</u> | <u>770</u> | <u>40</u> | <u>724</u> |
| Net Position : | | | | | |
| Net investment in capital assets | - | - | 14,578 | 314 | 631 |
| Unrestricted | 12,447 | 2,939 | 18,597 | 3,462 | 1,504 |
| Total net position | <u>\$ 12,447</u> | <u>2,939</u> | <u>33,175</u> | <u>3,776</u> | <u>2,135</u> |

(Continued)

City Of Burbank
COMBINING STATEMENT OF NET POSITION, (concluded)
INTERNAL SERVICE FUNDS

June 30, 2015
(in thousands)

| | Commun. Equip. Rental | Comp. Equip. Replace. | Total |
|---|--------------------------------------|--------------------------------------|--------------------|
| Assets: | | | |
| Current assets : | | | |
| Cash and investments | \$ 4,831 | 5,194 | 89,656 |
| Accounts receivable | 54 | 21 | 396 |
| Interest receivable | 12 | 11 | 214 |
| Interfund receivable | - | 2 | 2 |
| Inventories | 131 | - | 568 |
| Prepaid expenses | - | 273 | 284 |
| Total current assets | <u>5,028</u> | <u>5,501</u> | <u>91,120</u> |
| Capital assets : | | | |
| Buildings and improvements | 3,388 | - | 6,165 |
| Accumulated depreciation | (756) | - | (1,699) |
| Machinery and equipment | 13,043 | 15,186 | 66,432 |
| Accumulated depreciation | (11,181) | (14,183) | (50,509) |
| Construction in progress | 10 | 1,083 | 1,724 |
| Total capital assets | <u>4,504</u> | <u>2,086</u> | <u>22,113</u> |
| Total assets | <u>9,532</u> | <u>7,587</u> | <u>113,233</u> |
| Liabilities : | | | |
| Current liabilities: | | | |
| Accounts payable | 140 | 505 | 2,125 |
| Compensated absences | 1 | - | 1 |
| Deposits | - | - | 75 |
| Outstanding claims - self insurance | - | - | 10,308 |
| Total current liabilities | <u>141</u> | <u>505</u> | <u>12,509</u> |
| Long-term liabilities (net of current portion): | | | |
| Compensated absences | 115 | 1 | 256 |
| Outstanding claims - self insurance | - | - | 29,639 |
| Total long-term liabilities | <u>115</u> | <u>1</u> | <u>29,895</u> |
| Total liabilities | <u>256</u> | <u>506</u> | <u>42,404</u> |
| Net Position : | | | |
| Net investment in capital assets | 4,504 | 2,086 | 22,113 |
| Unrestricted | 4,772 | 4,995 | 48,716 |
| Total net position | <u>\$ 9,276</u> | <u>7,081</u> | <u>70,829</u> |

City Of Burbank

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

**For the Year ended June 30, 2015
(in thousands)**

| | Risk Mgmt. Self-Ins. | Workers Comp. Self-Ins. | Vehicle Equip. Rental | Office Equip. Rental | Muni. Bldg. Replace. |
|---|-------------------------------------|--|--------------------------------------|-------------------------------------|-------------------------------------|
| Operating revenues : | | | | | |
| Charges for services | \$ 5,515 | 10,668 | 8,350 | 341 | 1,100 |
| Total operating revenues | <u>5,515</u> | <u>10,668</u> | <u>8,350</u> | <u>341</u> | <u>1,100</u> |
| Operating expenses : | | | | | |
| Operations and maintenance | 10,326 | 11,738 | 5,296 | 112 | 3,028 |
| Depreciation | - | - | 2,823 | 132 | - |
| Total operating expenses | <u>10,326</u> | <u>11,738</u> | <u>8,119</u> | <u>244</u> | <u>3,028</u> |
| Operating income (loss) | <u>(4,811)</u> | <u>(1,070)</u> | <u>231</u> | <u>97</u> | <u>(1,928)</u> |
| Nonoperating income (expense) : | | | | | |
| Interest income | 200 | 444 | 222 | 42 | 21 |
| Other local taxes | - | - | - | - | 1,602 |
| Gain (loss) on disposal of capital assets | - | - | 161 | - | - |
| Other income (expense) | 2,735 | 103 | 300 | 10 | 191 |
| Total nonoperating income (expense) | <u>2,935</u> | <u>547</u> | <u>683</u> | <u>52</u> | <u>1,814</u> |
| Income (loss) before transfers | (1,876) | (523) | 914 | 149 | (114) |
| Transfers in | - | 308 | - | - | 201 |
| Transfers out | - | - | - | - | - |
| Change in net position | (1,876) | (215) | 914 | 149 | 87 |
| Net position, July 1, 2014 | <u>14,323</u> | <u>3,154</u> | <u>32,261</u> | <u>3,627</u> | <u>2,048</u> |
| Net position, June 30, 2015 | <u>\$ 12,447</u> | <u>2,939</u> | <u>33,175</u> | <u>3,776</u> | <u>2,135</u> |

(Continued)

City Of Burbank

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET
POSITION, (concluded)
INTERNAL SERVICE FUNDS
For the Year ended June 30, 2015
(in thousands)**

| | Commun. Equip. Rental | Comp. Equip. Replace. | Total |
|---|--------------------------------------|--------------------------------------|----------------|
| Operating revenues : | | | |
| Charges for services | \$ 2,751 | 2,006 | 30,731 |
| Total operating revenues | <u>2,751</u> | <u>2,006</u> | <u>30,731</u> |
| Operating expenses : | | | |
| Operations and maintenance | 1,716 | 1,857 | 34,073 |
| Depreciation | 1,252 | 577 | 4,784 |
| Total operating expenses | <u>2,968</u> | <u>2,434</u> | <u>38,857</u> |
| Operating income (loss) | <u>(217)</u> | <u>(428)</u> | <u>(8,126)</u> |
| Nonoperating income (expense) : | | | |
| Interest income | 63 | 78 | 1,070 |
| Other local taxes | - | - | 1,602 |
| Gain (loss) on disposal of capital assets | - | - | 161 |
| Other income (expense) | 67 | 636 | 4,042 |
| Total nonoperating income (expense) | <u>130</u> | <u>714</u> | <u>6,875</u> |
| Income (loss) before transfers | <u>(87)</u> | <u>286</u> | <u>(1,251)</u> |
| Transfer in | - | 5 | 514 |
| Transfer out | <u>-</u> | <u>(3)</u> | <u>(3)</u> |
| Change in net position | <u>(87)</u> | <u>288</u> | <u>(740)</u> |
| Net position, July 1, 2014 | <u>9,363</u> | <u>6,793</u> | <u>71,569</u> |
| Net position, June 30, 2015 | <u>\$ 9,276</u> | <u>7,081</u> | <u>70,829</u> |

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year ended June 30, 2015
(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 | \$ 5,515 | 10,668 | 8,350 | 341 | 1,100 |
| Cash paid to suppliers | (9,886) | (8,325) | (3,778) | (109) | (2,663) |
| Cash paid to employees | - | - | (1,360) | - | (76) |
| Net cash provided by (used in) operating activities | <u>(4,371)</u> | <u>2,343</u> | <u>3,212</u> | <u>232</u> | <u>(1,639)</u> |
| Cash flows from noncapital financing activities : | | | | | |
| Proceeds from other funds | 2,735 | 103 | 300 | 10 | 1,793 |
| Transfers from other funds | - | 308 | - | - | 201 |
| Transfers to other funds | - | - | - | - | - |
| Net cash provided by noncapital financing activities | <u>2,735</u> | <u>411</u> | <u>300</u> | <u>10</u> | <u>1,994</u> |
| Cash flows from capital and related financing activities : | | | | | |
| Proceeds from sales of capital assets | - | - | 161 | 47 | 22 |
| Acquisition and construction of assets | - | - | (2,648) | (90) | - |
| Net cash provided by (used in) capital and related financing activities | <u>-</u> | <u>-</u> | <u>(2,487)</u> | <u>(43)</u> | <u>22</u> |
| Cash flows from investing activities : | | | | | |
| Interest received | 202 | 425 | 216 | 40 | 19 |
| Net cash provided by investing activities | <u>202</u> | <u>425</u> | <u>216</u> | <u>40</u> | <u>19</u> |
| Net increase (decrease) in cash and cash equivalents | (1,434) | 3,179 | 1,241 | 239 | 396 |
| Cash and cash equivalents, July 1, 2014 | 19,240 | 34,375 | 17,560 | 3,254 | 1,581 |
| Cash and cash equivalents, June 30, 2015 | <u>\$ 17,806</u> | <u>37,554</u> | <u>18,801</u> | <u>3,493</u> | <u>1,977</u> |

(Continued)

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS, CONTINUED
INTERNAL SERVICE FUNDS
For the Year ended June 30, 2015
(in thousands)

| | Commun. Equip. Rental | Comp. Equip. Replace. | Total |
|--|--------------------------------------|--------------------------------------|--------------|
| Cash flows from operating activities : | | | |
| Cash received from customers | \$ 2,751 | 2,006 | 30,731 |
| Cash paid to suppliers | (904) | (1,804) | (27,469) |
| Cash paid to employees | (936) | (155) | (2,527) |
| Net cash provided by (used in) operating activities | 911 | 47 | 735 |
| Cash flows from noncapital financing activities : | | | |
| Proceeds from other funds | 67 | 636 | 5,644 |
| Transfers from other funds | - | 5 | 514 |
| Transfers to other funds | - | (3) | (3) |
| Net cash provided by noncapital financing activities | 67 | 638 | 6,155 |
| Cash flows from capital and related financing activities : | | | |
| Proceeds from sales of capital assets | - | - | 230 |
| Acquisition and construction of assets | (1,301) | (2,363) | (6,402) |
| Net cash provided by (used in) capital and related financing activities | (1,301) | (2,363) | (6,172) |
| Cash flows from investing activities : | | | |
| Interest received | 61 | 79 | 1,042 |
| Net cash provided by investing activities | 61 | 79 | 1,042 |
| Net increase (decrease) in cash and cash equivalents | (262) | (1,599) | 1,760 |
| Cash and cash equivalents, July 1, 2014 | 5,093 | 6,793 | 87,896 |
| Cash and cash equivalents, June 30, 2015 | \$ 4,831 | 5,194 | 89,656 |

(Continued)

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year ended June 30, 2015
(in thousands)

| | Risk Mgmt. Self-Ins. | Workers Comp. Self-Ins. | Vehicle Equip. Rental | Office Equip. Rental | Muni. Bldg. Replace. |
|---|-------------------------------------|--|--------------------------------------|-------------------------------------|-------------------------------------|
| Reconciliation of operating income (loss) to net cash provided by operating activities : | | | | | |
| Operating income (loss) | \$ (4,811) | (1,070) | 231 | 97 | (1,928) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities : | | | | | |
| Depreciation | - | - | 2,823 | 132 | - |
| (Increase) decrease in accounts receivable | - | 15 | 19 | - | 52 |
| (Increase) decrease in inventories | - | - | (10) | - | - |
| (Increase) decrease in prepaid items | 2 | - | (1) | - | - |
| Increase (decrease) in outstanding claims payable | 557 | 3,345 | - | - | - |
| Increase (decrease) in accounts payable | (119) | 53 | 145 | 3 | 294 |
| Increase (decrease) in compensated absences | - | - | 5 | - | 1 |
| Increase (decrease) in deferred revenue | - | - | - | - | (58) |
| Increase (decrease) in customer deposits | - | - | - | - | - |
| Total adjustments | 440 | 3,413 | 2,981 | 135 | 289 |
| Net cash provided by (used in) operating activities | <u>\$ (4,371)</u> | <u>2,343</u> | <u>3,212</u> | <u>232</u> | <u>(1,639)</u> |
| Noncash investing, capital, and financing activities : | | | | | |
| Increase (decrease) in fair value of investments | <u>\$ 44</u> | <u>70</u> | <u>37</u> | <u>7</u> | <u>3</u> |

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS, (concluded)
INTERNAL SERVICE FUNDS

For the Year ended June 30, 2015
(in thousands)

| | Commun. Equip. Rental | Comp. Equip. Replace. | Total |
|---|--------------------------------------|--------------------------------------|--------------|
| Reconciliation of operating income (loss) to net cash provided by operating activities : | | | |
| Operating income (loss) | \$ (217) | (428) | (8,126) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities : | | | |
| Depreciation | 1,252 | 577 | 4,784 |
| (Increase) decrease in accounts receivable | (52) | (17) | 17 |
| (Increase) decrease in inventories | 6 | - | (4) |
| (Increase) decrease in prepaid items | - | (273) | (272) |
| Increase (decrease) in outstanding claims payable | - | - | 3,902 |
| Increase (decrease) in accounts payable | (73) | 188 | 491 |
| Increase (decrease) in compensated absences | (5) | - | 1 |
| Increase (decrease) in deferred revenue | - | - | (58) |
| Increase (decrease) in customer deposits | - | - | - |
| Total adjustments | 1,128 | 475 | 8,861 |
| Net cash provided by (used in) operating activities | \$ 911 | 47 | 735 |
| Noncash investing, capital, and financing activities : | | | |
| Increase (decrease) in fair value of investments | \$ 11 | 17 | 189 |

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.

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 |
|--------------------|-------------------------------------|-------------------|---------------------|--------------|
| 2005-06 | 614,550 | 85,220 | 186,441 | 886,211 |
| 2006-07 | 652,200 | 95,958 | 187,313 | 935,471 |
| 2007-08 | 679,945 | 89,024 | 201,906 | 970,875 |
| 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 |

Business-type Activities :

| Fiscal Year | Investment in capital assets | Restricted | Unrestricted | Total |
|--------------------|-------------------------------------|-------------------|---------------------|--------------|
| 2005-06 | 191,069 | - | 118,241 | 309,310 |
| 2006-07 | 206,962 | - | 126,564 | 333,526 |
| 2007-08 | 247,383 | - | 101,024 | 348,407 |
| 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 |

Primary Government :

| Fiscal Year | Investment in capital assets | Restricted | Unrestricted | Total |
|--------------------|-------------------------------------|-------------------|---------------------|--------------|
| 2005-06 | 805,619 | 85,220 | 304,682 | 1,195,521 |
| 2006-07 | 859,162 | 95,958 | 313,877 | 1,268,997 |
| 2007-08 | 927,328 | 89,024 | 302,930 | 1,319,282 |
| 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 |

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, | | | | |
|---|-----------------------------------|----------------|----------------|----------------|----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | | |
| Governmental activities : | | | | | |
| General government | 2,649 | 7,437 | 15,976 | 12,022 | 14,600 |
| Police | 43,161 | 48,453 | 50,557 | 48,288 | 48,613 |
| Fire | 31,648 | 31,543 | 32,743 | 31,754 | 29,771 |
| Public works | 55,699 | 39,573 | 51,496 | 27,481 | 39,550 |
| Community development | 70,264 | 68,778 | 46,976 | 47,011 | 44,946 |
| Parks & recreation | 20,363 | 19,803 | 18,526 | 19,613 | 19,241 |
| Library | 7,014 | 6,961 | 6,736 | 6,593 | 6,735 |
| Extraordinary Gain (Loss) | - | 37,354 | - | - | - |
| Interest on long-term debt | 21,970 | 13,936 | 2,955 | 7,254 | 3,743 |
| Total governmental activities expenses | 252,768 | 273,838 | 225,965 | 200,016 | 207,199 |
| Business-type activities : | | | | | |
| Water reclamation & sewer | 13,577 | 13,408 | 13,596 | 13,556 | 13,146 |
| Golf course | 2,669 | 2,576 | 2,460 | 1,719 | 753 |
| Electric utility | 214,840 | 186,279 | 199,755 | 211,426 | 198,286 |
| Water utility | 22,453 | 24,126 | 25,957 | 29,529 | 28,350 |
| Refuse collection & disposal | 14,117 | 14,810 | 16,172 | 14,056 | 14,076 |
| Total business-type activities expenses | 267,656 | 241,199 | 257,940 | 270,286 | 254,611 |
| Total primary government expenses | 520,424 | 515,037 | 483,905 | 470,302 | 461,810 |
| Program Revenues | | | | | |
| Governmental activities : | | | | | |
| Charges for services | | | | | |
| General government | 101 | 393 | 160 | 160 | 189 |
| Police | 3,956 | 3,763 | 3,729 | 3,612 | 3,856 |
| Fire | 3,522 | 3,174 | 3,691 | 3,684 | 3,474 |
| Public works | 1,426 | 1,361 | 1,354 | 1,147 | 2,126 |
| Community development | 16,828 | 11,467 | 21,399 | 9,630 | 10,350 |
| Parks and recreation | 3,918 | 4,188 | 3,467 | 3,759 | 3,817 |
| Library | 184 | 184 | 179 | 179 | 188 |
| Operating grants and contributions | 19,238 | 17,869 | 19,040 | 19,214 | 18,637 |
| Total governmental activities program revenues | 49,173 | 42,399 | 53,019 | 41,385 | 42,637 |

SOURCE : City Financial Services Department

(continued)

City Of Burbank

**Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)**

| | Fiscal year ended June 30, | | | | |
|--|-----------------------------------|------------------|------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Business-type activities : | | | | | |
| Charges for services : | | | | | |
| Water reclamation & sewer | 14,941 | 15,915 | 16,606 | 17,056 | 17,654 |
| Golf course | 1,769 | 2,005 | 1,932 | 887 | 19 |
| Electric utility | 225,901 | 202,216 | 218,712 | 224,958 | 212,282 |
| Water utility | 23,281 | 26,682 | 27,724 | 31,286 | 29,068 |
| Refuse collection & disposal | 15,016 | 15,474 | 16,365 | 16,302 | 16,841 |
| Operating grants and contributions | 20 | 4,502 | 1,898 | 2,639 | 5,044 |
| Capital grants and contributions | 4,120 | 1,705 | 732 | 891 | 1,007 |
| Total business-type activities program revenues | <u>285,048</u> | <u>268,499</u> | <u>283,969</u> | <u>294,019</u> | <u>281,915</u> |
| Total primary government program revenues | <u>334,221</u> | <u>310,898</u> | <u>336,988</u> | <u>335,404</u> | <u>324,552</u> |
| Net (expense) / revenue | | | | | |
| Governmental activities | (203,595) | (231,439) | (172,946) | (158,631) | (164,562) |
| Business-type activities | <u>17,392</u> | <u>27,300</u> | <u>26,029</u> | <u>23,733</u> | <u>27,304</u> |
| Total primary government net expense | <u>(186,203)</u> | <u>(204,139)</u> | <u>(146,917)</u> | <u>(134,898)</u> | <u>(137,258)</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)

| | Fiscal year ended June 30, | | | | |
|--|-----------------------------------|-----------------|----------------|----------------|----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Revenues and Other | | | | | |
| Changes in Net Assets | | | | | |
| Governmental activities : | | | | | |
| Property tax | 66,240 | 46,328 | 46,499 | 32,936 | 37,351 |
| Sales tax | 29,907 | 31,352 | 32,967 | 31,657 | 30,441 |
| Utility users tax | 18,524 | 19,784 | 20,237 | 19,905 | 19,312 |
| Motor-vehicle in-lieu tax | 4,559 | 4,631 | 5,021 | 4,919 | 5,309 |
| Franchise tax | 8,938 | 8,436 | 8,574 | 8,819 | 9,147 |
| Transient occupancy tax | 5,686 | 5,943 | 6,548 | 7,145 | 7,902 |
| Transient parking tax | 2,886 | 2,821 | 2,805 | 2,818 | 2,846 |
| Unrestricted investment earnings | 14,315 | 9,565 | 7,802 | 18,156 | 13,883 |
| Other | 22,389 | 29,789 | 17,142 | 27,025 | 31,157 |
| Extraordinary gain on dissolution of redevelopment agency | - | 116,599 | - | - | - |
| Transfers | 11,354 | 11,651 | 12,183 | 12,058 | 11,084 |
| Total governmental activities | 184,798 | 286,899 | 159,778 | 165,438 | 168,432 |
| Business-type activities : | | | | | |
| Unrestricted investment earnings | 3,327 | 2,358 | 43 | 2,939 | 2,176 |
| Other | 1,706 | (2,228) | 2,469 | 2,606 | 3,790 |
| Transfers | (11,354) | (11,651) | (12,183) | (12,058) | (11,084) |
| Total business-type activities | (6,321) | (11,521) | (9,671) | (6,513) | (5,118) |
| Total primary government | 178,477 | 275,378 | 150,107 | 158,925 | 163,314 |
| Change in Net Position | | | | | |
| Governmental activities | (18,797) | 89,872 | (13,168) | 6,807 | 3,870 |
| Business-type activities | 11,071 | 15,779 | 16,358 | 17,220 | 22,186 |
| Total primary government | (7,726) | 105,651 | 3,190 | 24,027 | 26,056 |

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

| | Fiscal year ended June 30, | | | | |
|---|-----------------------------------|----------------|----------------|----------------|----------------|
| | 2006 | 2,007 | 2008 | 2009 | 2010 |
| Expenses | | | | | |
| Governmental activities : | | | | | |
| General government | 8,097 | 5,254 | 6,535 | 7,731 | - |
| Police | 38,925 | 41,345 | 43,759 | 46,718 | 45,118 |
| Fire | 26,993 | 29,955 | 33,262 | 34,426 | 32,169 |
| Public works | 22,048 | 26,163 | 25,977 | 27,365 | 47,947 |
| Community development | 22,796 | 26,953 | 37,322 | 25,917 | 46,785 |
| Parks & recreation | 19,583 | 19,533 | 20,945 | 21,983 | 30,113 |
| Library | 6,200 | 6,256 | 6,764 | 6,968 | 7,370 |
| Interest on long-term debt | 21,997 | 19,027 | 19,673 | 28,087 | 21,781 |
| Total governmental activities expenses | 166,639 | 174,486 | 194,237 | 199,195 | 231,283 |
| Business-type activities : | | | | | |
| Water reclamation & sewer | 12,249 | 14,573 | 13,680 | 13,639 | 12,714 |
| Golf course | 13,676 | 17,814 | 19,762 | 21,208 | 20,290 |
| Electric utility | 328,832 | 347,122 | 370,144 | 270,341 | 218,051 |
| Water utility | 15,708 | 17,064 | 20,657 | 19,831 | 19,777 |
| Refuse collection & disposal | 11,282 | 12,452 | 12,461 | 12,768 | 13,796 |
| Total business-type activities expenses | 381,747 | 409,025 | 436,704 | 337,787 | 284,628 |
| Total primary government expenses | 548,386 | 583,511 | 630,941 | 536,982 | 515,911 |
| Program Revenues | | | | | |
| Governmental activities : | | | | | |
| Charges for services | | | | | |
| General government | 179 | 737 | 917 | 1,369 | 850 |
| Police | 4,717 | 4,771 | 4,364 | 4,483 | 4,207 |
| Fire | 2,586 | 2,915 | 3,111 | 3,208 | 3,170 |
| Public works | 2,468 | 2,664 | 2,427 | 2,142 | 1,728 |
| Community development | 13,684 | 15,436 | 10,990 | 9,152 | 7,833 |
| Parks and recreation | 3,335 | 3,434 | 3,606 | 3,774 | 3,725 |
| Library | 205 | 190 | 189 | 193 | 183 |
| Operating grants and contributions | 23,306 | 20,238 | 19,859 | 19,046 | 18,404 |
| Total governmental activities program revenues | 50,480 | 50,385 | 45,463 | 43,367 | 40,100 |

SOURCE : City Financial Services Department

(continued)

City Of Burbank

**Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)**

| | Fiscal year ended June 30, | | | | |
|--|-----------------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Business-type activities : | | | | | |
| Charges for services : | | | | | |
| Water reclamation & sewer | 12,861 | 13,406 | 13,819 | 14,171 | 14,459 |
| Golf course | 13,591 | 17,821 | 19,316 | 20,307 | 19,303 |
| Electric utility | 345,158 | 368,760 | 382,167 | 287,589 | 235,020 |
| Water utility | 18,936 | 19,618 | 23,224 | 21,372 | 22,118 |
| Refuse collection & disposal | 10,469 | 11,075 | 11,827 | 13,142 | 14,332 |
| Capital grants and contributions | 2,414 | 3,181 | 2,635 | 2,749 | 2,659 |
| | <u>403,429</u> | <u>433,861</u> | <u>453,179</u> | <u>359,805</u> | <u>308,421</u> |
| Total business-type activities program revenues | <u>403,429</u> | <u>433,861</u> | <u>453,179</u> | <u>359,805</u> | <u>308,421</u> |
| Total primary government program revenues | <u><u>453,909</u></u> | <u><u>484,246</u></u> | <u><u>498,642</u></u> | <u><u>403,172</u></u> | <u><u>348,521</u></u> |
| Net (expense) / revenue | | | | | |
| Governmental activities | (116,159) | (124,101) | (148,774) | (155,828) | (191,183) |
| Business-type activities | <u>21,682</u> | <u>24,836</u> | <u>16,475</u> | <u>22,018</u> | <u>23,793</u> |
| Total primary government net expense | <u><u>(94,477)</u></u> | <u><u>(99,265)</u></u> | <u><u>(132,299)</u></u> | <u><u>(133,810)</u></u> | <u><u>(167,390)</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)

| | Fiscal year ended June 30, | | | | |
|---------------------------------------|----------------------------|-------------------|----------------|----------------|----------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Revenues and Other | | | | | |
| Changes in Net Position | | | | | |
| Governmental activities : | | | | | |
| Property tax | 55,947 | 65,559 | 69,483 | 80,079 | 79,803 |
| Sales tax | 29,509 | 31,904 | 33,419 | 30,249 | 24,948 |
| Utility users tax | 18,787 | 19,505 | 20,310 | 20,236 | 19,908 |
| Motor-vehicle in-lieu tax | 7,610 | 7,801 | 8,419 | 8,596 | 4,212 |
| Franchise tax | 4,798 | 5,073 | 5,130 | 5,283 | 8,760 |
| Transient occupancy tax | 5,632 | 5,691 | 5,981 | 5,941 | 5,273 |
| Transient parking tax | 3,238 | 3,526 | 3,651 | 2,978 | 2,759 |
| Unrestricted investment earnings | 3,966 | 21,283 | 19,627 | 10,995 | 17,631 |
| Other | 8,217 | 2,300 | 3,522 | 7,654 | 7,412 |
| Transfers | 9,870 | 10,721 | 10,728 | 11,103 | 11,667 |
| Total governmental activities | 147,574 | 173,363 | 180,270 | 183,114 | 182,373 |
| Business-type activities : | | | | | |
| Unrestricted investment earnings | 4,691 | 8,479 | 8,210 | 3,119 | 3,771 |
| Other | 720 | 1,622 | 924 | 201 | 255 |
| Transfers | (9,870) | (10,721) | (10,728) | (11,103) | (11,667) |
| Total business-type activities | (4,459) | (620) | (1,594) | (7,783) | (7,641) |
| Total primary government | 172,743 | \$ 172,743 | 178,676 | 175,331 | 174,732 |
| Change in Net Position | | | | | |
| Governmental activities | 31,415 | 49,262 | 180,270 | 27,286 | (8,810) |
| Business-type activities | 17,223 | 24,216 | (133,893) | 14,235 | 16,152 |
| Total primary government | 48,638 | 73,478 | 46,377 | 41,521 | 7,342 |

SOURCE : City Financial Services Department

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 |
|--------------------|------------------------------|--------------------------------|---------------------------|--|-----------------------------------|------------------------------------|---|
| 2005-06 | 54,190 | 57,681 | 111,871 | 133,387 | 25,034 | 59,517 | 217,938 |
| 2006-07 | 53,469 | 68,066 | 121,535 | 177,775 | 30,208 | 46,172 | 254,155 |
| 2007-08 | 52,837 | 66,847 | 119,684 | 177,011 | 30,417 | 38,315 | 245,743 |
| 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

| | 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 |

| | All Other Governmental Nonspendable | All Other Governmental Restricted | All Other Governmental Committed | All Other Governmental Assigned | All Other Governmental Unassigned | Total 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 |

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)

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|-----------------|-----------------|-----------------|----------------|-----------------|
| Revenues | | | | | |
| Sales tax | 29,789 | 31,352 | 32,967 | 31,657 | 30,441 |
| Property tax | 76,308 | 46,328 | 46,499 | 32,936 | 37,351 |
| Utility Users tax | 18,524 | 19,784 | 20,237 | 19,905 | 19,312 |
| Other | 12,230 | 24,786 | 13,529 | 25,692 | 27,370 |
| Total Taxes | <u>136,851</u> | <u>122,250</u> | <u>113,232</u> | <u>110,190</u> | <u>114,474</u> |
| Special Assessments | - | - | - | - | - |
| Licenses & Permits | 3,798 | 4,228 | 4,373 | 4,298 | 5,852 |
| Fines, forfeitures, and penalties | 2,340 | 2,590 | 2,308 | 2,110 | 2,570 |
| Use of money or property | 11,232 | 11,449 | 5,625 | 11,447 | 14,575 |
| Intergovernmental | 29,604 | 26,056 | 27,617 | 28,282 | 31,763 |
| Charges for services | <u>46,766</u> | <u>45,439</u> | <u>38,368</u> | <u>32,049</u> | <u>34,375</u> |
| Total revenues | <u>230,591</u> | <u>212,012</u> | <u>191,523</u> | <u>188,376</u> | <u>203,609</u> |
| Expenditures | | | | | |
| General government | 40,537 | 32,607 | 23,113 | 12,391 | 15,640 |
| Public Safety | 72,832 | 77,111 | 80,070 | 79,432 | 80,519 |
| Environmental | 60,374 | 59,325 | 60,377 | 53,791 | 52,005 |
| Culture and recreation | 25,213 | 25,032 | 23,066 | 23,358 | 23,517 |
| Capital outlay | 22,552 | 23,895 | 38,223 | 11,840 | 14,337 |
| Debt service : | | | | | |
| Principal | 9,590 | 15,280 | 4,500 | 6,700 | 53,185 |
| Other | - | - | - | - | - |
| Interest | <u>22,007</u> | <u>13,939</u> | <u>2,959</u> | <u>6,786</u> | <u>4,041</u> |
| Total expenditures | <u>253,105</u> | <u>247,189</u> | <u>232,308</u> | <u>194,298</u> | <u>243,244</u> |
| Excess of revenues over (under) expenditures | <u>(22,514)</u> | <u>(35,177)</u> | <u>(40,785)</u> | <u>(5,922)</u> | <u>(39,635)</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | 69,253 | 24,462 | 20,084 | 17,885 | 14,867 |
| Transfers out | (57,399) | (13,070) | (5,451) | (4,307) | (4,294) |
| Other revenues | <u>-</u> | <u>-</u> | <u>15,620</u> | <u>28</u> | <u>92</u> |
| Total other financing sources (uses) | <u>11,854</u> | <u>11,392</u> | <u>30,253</u> | <u>13,606</u> | <u>10,665</u> |
| Extraordinary gain/(loss) on dissolution of Redevelopment agency | <u>-</u> | <u>(37,354)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>(10,660)</u> | <u>(61,139)</u> | <u>(10,532)</u> | <u>7,684</u> | <u>(28,970)</u> |
| Debt service as a percentage of noncapital expenditures | 13.7% | 13.1% | 3.8% | 7.4% | 25.0% |

SOURCE : City Financial Services Department

(Continued)

City Of Burbank

Table 4 - Changes in Fund Balances of Governmental Funds, Concluded
Last ten fiscal years (modified accrual basis)
(in thousands)
(Unaudited)

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|--|----------------|----------------|-----------------|----------------|-----------------|
| Revenues | | | | | |
| Sales tax | 29,509 | 31,904 | \$ 33,419 | \$ 30,249 | 24,948 |
| Property tax | 55,947 | 65,559 | 69,483 | 80,079 | 79,803 |
| Utility Users tax | 18,787 | 19,505 | 20,310 | 20,236 | 19,908 |
| Other | 14,266 | 13,614 | 14,124 | 14,102 | 13,279 |
| Total Taxes | <u>118,509</u> | <u>130,582</u> | <u>137,336</u> | <u>144,666</u> | <u>137,938</u> |
| Special Assessments | 236 | 234 | - | - | - |
| Licenses & Permits | 5,738 | 4,802 | 4,646 | 4,115 | 3,680 |
| Fines, forfeitures, and penalties | 3,287 | 3,222 | 2,617 | 2,974 | 2,597 |
| Use of money or property | 13,717 | 18,923 | 18,220 | 12,476 | 16,281 |
| Intergovernmental | 31,759 | 27,467 | 29,418 | 28,298 | 29,056 |
| Charges for services | <u>32,962</u> | <u>33,844</u> | <u>28,356</u> | <u>34,555</u> | <u>29,032</u> |
| Total revenues | <u>206,208</u> | <u>219,074</u> | <u>220,593</u> | <u>227,084</u> | <u>218,584</u> |
| Expenditures | | | | | |
| General government | 28,900 | 27,949 | 33,797 | 28,172 | 48,736 |
| Public Safety | 63,295 | 68,758 | 73,740 | 76,616 | 75,205 |
| Environmental | 39,359 | 35,099 | 35,999 | 37,573 | 37,856 |
| Culture and recreation | 23,602 | 25,172 | 27,349 | 29,391 | 30,527 |
| Capital outlay | 15,308 | 23,863 | 43,602 | 19,702 | 18,330 |
| Debt service : | | | | | |
| Principal | 12,535 | 8,456 | 8,440 | 8,330 | 9,115 |
| Other | 28 | 592 | - | - | - |
| Interest | 22,019 | 19,163 | 19,625 | 23,035 | 21,841 |
| Total expenditures | <u>205,046</u> | <u>209,052</u> | <u>242,552</u> | <u>222,819</u> | <u>241,610</u> |
| Excess of revenues over (under) expenditures | <u>1,162</u> | <u>10,022</u> | <u>(21,959)</u> | <u>4,265</u> | <u>(23,026)</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | 32,830 | 77,806 | 69,514 | 48,877 | 53,290 |
| Transfers out | (24,748) | (69,850) | (60,369) | (35,729) | (41,276) |
| Advances from City | - | - | - | - | - |
| Payment of unfunded actuarial liability | - | - | - | - | - |
| Bond proceeds | 6,155 | 52,325 | - | - | - |
| Total other financing sources (uses) | <u>14,237</u> | <u>60,281</u> | <u>9,145</u> | <u>13,148</u> | <u>12,014</u> |
| Net change in fund balances | <u>15,399</u> | <u>70,303</u> | <u>(12,814)</u> | <u>17,413</u> | <u>(11,012)</u> |
| Debt service as a percentage of noncapital expenditures | 18.2% | 15.2% | 14.1% | 15.4% | 13.9% |

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 |
|--------------------|--------------------|-------------------|-------------------------|-------------------|-----------------------------------|------------------|--------------|
| 2005-06 | 35,113 | 46,259 | | 60,966 | 1,149 | 195,512 | 6,159 |
| 2006-07 | 36,157 | 51,897 | | 63,163 | 2,699 | 207,259 | 7,585 |
| 2007-08 | 37,755 | 79,376 | | 35,142 | 3,238 | 220,177 | 6,479 |
| 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 |

Source : Burbank Water and Power

City Of Burbank

**Table 6 - Electricity Rates
Last ten fiscal years
(Unaudited)**

| Fiscal Year | Residential | Commercial | Large Commercial |
|--------------------|--------------------|-------------------|-----------------------------|
| 2005-06 | 0.12908 | 0.12106 | 0.10507 |
| 2006-07 | 0.12782 | 0.12748 | 0.10469 |
| 2007-08 | 0.13068 | 0.12768 | 0.11255 |
| 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 |

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 16.9% of total electricity supplied and were billed 15.9% 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 | |
| 2005-06 | 6,380 | | 19,100 | 208,953 | 228,053 |
| 2006-07 | 6,155 | | 18,840 | 229,503 | 248,343 |
| 2007-08 | 6,155 | | 18,500 | 221,747 | 240,247 |
| 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 |

Source : Financial Services Department

(Continued)

City Of Burbank

Table 8 - Ratios of Outstanding Debt by Type, Concluded
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 | | | |
| 2005-06 | 133,856 | 1,531 | 135,387 | 363,440 | 9.21% | 3.4 |
| 2006-07 | 122,613 | 1,361 | 123,974 | 372,317 | 10.02% | 3.51 |
| 2007-08 | 111,902 | 1,186 | 113,088 | 353,335 | 8.75% | 3.27 |
| 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 | 4.68% | 1.99 |

(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 Fiduciary Trust Fund.

Source : Financial Services Department

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) |
| 2005-06 | 208,953 | 19,100 | 228,053 | 1.62% | 2.13 |
| 2006-07 | 229,503 | 18,830 | 248,333 | 1.60% | 2.30 |
| 2007-08 | 221,747 | 18,500 | 240,247 | 1.42% | 2.22 |
| 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 | 0.30% | 0.59 |

(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.

Source : Financial Services Department

City Of Burbank

Table 10 - Schedule of Direct and Overlapping Debt

June 30, 2015

(in thousands)

(Unaudited)

| | |
|--|---------------|
| City Assessed Valuation | \$ 20,536,339 |
| Redevelopment Agency Incremental Valuation | 4,485,002 |
| Total Assessed Valuation | \$ 25,021,341 |

| | Percentage Applicable (1) | Outstanding Debt 14/15 | Estimated Share of Overlapping Debt |
|--|--------------------------------------|-----------------------------------|--|
| Burbank Unified School District | 100.000% | 82,406 | 82,406 |
| Los Angeles Community College District | 2.987% | 3,935,561 | 117,555 |
| Total overlapping debt | | 4,017,967 | 199,961 |
| City direct debt : | | | |
| Burbank Redevelopment Tax Allocation (2) | | 141,011 | |
| Pension obligation bonds | | 13,185 | |
| Total City direct debt | | | 154,196 |
| Total direct and overlapping debt | | | \$ 354,157 |

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) |
|-------------|------------|----------------|-------------------|---------|
| 2005-06 | 2,118,116 | 198,543 | 1,919,573 | 9.37% |
| 2006-07 | 2,333,694 | 218,975 | 2,114,719 | 9.38% |
| 2007-08 | 2,533,836 | 224,041 | 2,309,795 | 8.84% |
| 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% |

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

| | | |
|---|--------|---------------|
| Net assessed value | | \$ 19,002,295 |
| Debt limit - 15% of assessed value | | 2,850,344 |
| Amount of debt applicable to debt limit : | | |
| Community facilities district bonds (1) | - | |
| Redevelopment debt - tax allocation bonds (1) | 91,841 | |
| Total | 91,841 | |
| Less : | | |
| Reserves in Debt Service funds available for payment of principal : | | |
| Redevelopment debt | 6,524 | |
| Total | 6,524 | |
| Total amount of debt applicable to debt limit | | 85,317 |
| Legal debt margin | | \$ 2,765,027 |

(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 | | | | | |
| 2005-06 | 347,514 | 312,728 | 34,786 | 10,228 | 3.40 |
| 2006-07 | 374,340 | 330,977 | 43,363 | 9,304 | 4.66 |
| 2007-08 | 387,358 | 354,041 | 33,317 | 12,413 | 2.69 |
| 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 |
| WATER UTILITY FUND | | | | | |
| 2005-06 | 19,162 | 13,224 | 5,938 | 1,093 | 5.43 |
| 2006-07 | 20,385 | 14,456 | 5,929 | 1,098 | 5.40 |
| 2007-08 | 24,476 | 17,958 | 6,518 | 1,102 | 5.91 |
| 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 |
| WATER RECLAMATION AND SEWER FUND | | | | | |
| 2005-06 | 13,922 | 7,955 | 5,967 | 2,554 | 2.34 |
| 2006-07 | 14,876 | 10,273 | 4,603 | 2,640 | 1.75 |
| 2007-08 | 14,984 | 9,253 | 5,731 | 1,421 | 4.04 |
| 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 |

(Continued)

City Of Burbank

Table 12 - Pledged Revenue Coverage, concluded
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 | | | | | |
| 2005-06 | 11,530 | 9,553 | 1,977 | 1,289 | 1.54 |
| 2006-07 | 12,579 | 10,820 | 1,759 | 1,304 | 1.35 |
| 2007-08 | 13,194 | 10,781 | 2,413 | 1,302 | 1.86 |
| 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 |

| Fiscal Year | Tax Increment | Debt Service | | Times coverage |
|-------------|---------------|--------------|----------|----------------|
| | | Principal | Interest | |
| 2004-05 | 31,003 | 3,920 | 8,208 | 2.56 |
| 2005-06 | 33,709 | 4,025 | 8,054 | 2.79 |
| 2006-07 | 42,003 | 4,408 | 7,034 | 3.67 |
| 2007-08 | 44,043 | 5,050 | 8,671 | 3.21 |
| 2008-09 | 53,099 | 6,215 | 10,921 | 3.10 |
| 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 |

- 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.

Source: City Financial Services Department

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) |
|--------------------|-----------------------|--------------------------------|---|----------------------------------|
| 2005-06 | 106,879 | 3,945,652 | 36,917 | 3.5% |
| 2006-07 | 107,921 | 3,715,288 | 34,426 | 3.9% |
| 2007-08 | 108,029 | 4,036,179 | 37,362 | 5.9% |
| 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% |

- 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 Nine Years Ago

(Unaudited)

| | 2015 | | 2006 | |
|-------------------------------------|------------------------|--------|------------------------|-------|
| | Number of Employees | % | Number of Employees | % |
| 1. Warner Bros. Entertainment | 5,400 | 8.0% | 8,000 | 13.7% |
| 2. The Walt Disney Company | 4,100 | 6.1% | 9,466 | 16.2% |
| 3. Providence St. Joseph's Hospital | 2,850 | 4.2% | 3,500 | 6.0% |
| 4. Bob Hope Airport | 2,200 | 3.3% | 2,010 | 2.4% |
| 5. Burbank Unified School District | 1,800 | 2.7% | 1,400 | 2.4% |
| 6. City of Burbank | 1,600 | 2.4% | 1,509 | 2.6% |
| 7. Deluxe Shared Services | 1,600 | 2.4% | - | 0.0% |
| 8. ABC Inc | 906 | 1.4% | - | 0.0% |
| 9. Senior Aerospace | 610 | 0.9% | - | 0.0% |
| 10. Nickelodeon Animation | 602 | 0.9% | - | 0.0% |
| Other employers | 45,497 | 67.7% | 32,423 | 55.6% |
| (1) | 67,165 | 100.0% | 58,308 | 98.9% |

Source : City of Burbank Economic Development Department.

(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, | | | | |
|------------------------------|-----------------------------------|--------------|--------------|--------------|--------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| General government | 145 | 161 | 163 | 161 | 166 |
| Police | 266 | 265 | 265 | 265 | 268 |
| Fire | 135 | 135 | 137 | 139 | 139 |
| Public works | 108 | 128 | 129 | 131 | 136 |
| Community development | 49 | 75 | 81 | 97 | 93 |
| Parks and recreation | 222 | 160 | 157 | 154 | 158 |
| Library | 63 | 63 | 63 | 62 | 64 |
| Water Reclamation and Sewer | 11 | 11 | 11 | 11 | 12 |
| Electric Utility | 286 | 286 | 286 | 288 | 288 |
| Water Utility | 51 | 51 | 51 | 51 | 51 |
| Refuse Collection & Disposal | 55 | 55 | 55 | 54 | 49 |
| | 1,391 | 1,390 | 1,398 | 1,413 | 1,424 |

| | Fiscal year ended June 30, | | | | |
|------------------------------|-----------------------------------|--------------|--------------|--------------|--------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| General government | 166 | 169 | 165 | 164 | 164 |
| Police | 271 | 279 | 273 | 270 | 274 |
| Fire | 139 | 143 | 141 | 137 | 146 |
| Public works | 144 | 146 | 144 | 144 | 144 |
| Community development | 82 | 86 | 84 | 83 | 80 |
| Parks and recreation | 178 | 179 | 174 | 174 | 179 |
| Library | 67 | 69 | 69 | 67 | 67 |
| Water Reclamation and Sewer | 12 | 12 | 11 | 11 | 10 |
| Electric Utility | 278 | 275 | 275 | 273 | 263 |
| Water Utility | 50 | 50 | 50 | 48 | 52 |
| Refuse Collection & Disposal | 48 | 46 | 46 | 46 | 45 |
| | 1,435 | 1,454 | 1,432 | 1,417 | 1,424 |

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

Source : City Financial Services Department

City Of Burbank

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

| | Fiscal year ended June 30, | | | | |
|--|-----------------------------------|---------------|---------------|---------------|---------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Police : | | | | | |
| Arrests | 5,601 | 5,802 | 5,628 | 5,443 | 5,492 |
| Reports taken | 11,848 | 12,221 | 12,387 | 12,359 | 11,953 |
| Service calls | 44,663 | 44,355 | 44,889 | 44,889 | 42,566 |
| Animals entering shelter (1) | 2,220 | 2,630 | 2,504 | 2,839 | 2,879 |
| Moving violations issued | 15,377 | 13,703 | 14,445 | 13,337 | 13,127 |
| Fire : | | | | | |
| Safety employees | 125 | 120 | 123 | 115 | 125 |
| Fire incidents | 1,221 | 1,221 | 1,218 | 1,260 | 1,243 |
| Medical incidents | 7,818 | 7,818 | 7,818 | 7,457 | 7,568 |
| Community Development : | | | | | |
| Building permits | 4,060 | 4,428 | 5,749 | 4,388 | 3,978 |
| Business licenses/business permits (3) | 938 | 1,026 | 1,005 | 1,020 | 799 |
| Business tax registrations | 13,043 | 12,791 | 12,620 | 12,333 | 11,757 |
| Parks and Recreation : | | | | | |
| Number of street trees | 28,505 | 28,631 | 28,788 | 28,758 | 28,656 |
| Sports participants | 15,230 | 17,290 | 15,507 | 17,540 | 17,619 |
| Afterschool and daycamp participants | 13,924 | 13,716 | 15,140 | 14,825 | 11,640 |
| Special interest participants | 11,004 | 11,416 | 13,258 | 11,585 | 7,871 |
| Burbank bus ridership (2) | 317,178 | 332,232 | 351,724 | 359,092 | 392,637 |
| RSVP volunteer hours served | 119,955 | 178,000 | 178,000 | 178,000 | 189,000 |
| Library : | | | | | |
| Number of books | 480,374 | 548,494 | 531,253 | 512,118 | 482,490 |
| Number of audiovisual recordings | 85,482 | 87,254 | 82,415 | 76,981 | 71,148 |
| Water Reclamation & Sewer : | | | | | |
| Customer accounts (4) | 47,371 | 47,242 | 55,883 | 48,044 | 47,690 |
| Electric Utility : | | | | | |
| Number of meters | 54,086 | 53,130 | 52,788 | 52,766 | 52,627 |
| Generating capacity (KW) | 225,000 | 225,000 | 211,000 | 211,000 | 225,000 |
| Peak demand (KW) | 316,000 | 266,000 | 294,000 | 305,000 | 322,000 |
| Water Utility : | | | | | |
| Number of meters | 27,003 | 26,880 | 26,853 | 26,815 | 26,792 |
| Average daily gallons used (millions) | 14,694 | 17,796 | 17,117 | 16,856 | 21,980 |
| Refuse collection & Disposal : | | | | | |
| Customer accounts | 49,853 | 48,996 | 48,331 | 53,536 | 51,650 |
| Golf Course : | | | | | |
| Rounds of full golf | 56,000 | 55,000 | 56,782 | 58,357 | 52,185 |
| Rounds of 3 par golf | 13,000 | 14,000 | 15,100 | 16,624 | 17,108 |

(continued)

City Of Burbank

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

| | Fiscal year ended June 30, | | | | |
|--------------------------------------|----------------------------|---------|---------|---------|---------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Police : | | | | | |
| Arrests | 7,417 | 8,674 | 9,076 | 8,879 | 8,284 |
| Reports taken | 12,209 | 13,559 | 13,667 | 13,667 | 13,809 |
| Service calls | 39,966 | 44,621 | 46,809 | 47,003 | 49,667 |
| Animals entering shelter (1) | 3,068 | 3,081 | 2,605 | 2,870 | 3,069 |
| Moving violations issued | 17,450 | 14,800 | 13,856 | 15,875 | 15,474 |
| Fire : | | | | | |
| Safety employees | 125 | 123 | 125 | 121 | 119 |
| Fire incidents | 1,293 | 1,348 | 1,554 | 1,447 | 1,532 |
| Medical incidents | 7,418 | 7,136 | 7,146 | 7,076 | 6,612 |
| Community Development : | | | | | |
| Building permits (3) | 3,601 | 3,958 | 4,713 | 4,864 | 6,970 |
| Business licenses | 2,000 | 2,000 | 700 | 790 | 534 |
| Business tax registrations | 14,000 | 15,000 | 16,534 | 16,311 | 15,991 |
| Parks and Recreation : | | | | | |
| Number of street trees | 28,643 | 28,670 | 29,000 | 28,489 | 25,422 |
| Sports participants | 16,489 | 16,326 | 15,837 | 16,214 | 15,760 |
| Afterschool and daycamp participants | 11,892 | 11,008 | 17,005 | 5,740 | 5,942 |
| Special interest participants | 8,718 | 10,362 | 10,545 | 10,500 | 10,750 |
| Burbank bus ridership (2) | 520,372 | 611,184 | 529,813 | 459,626 | 410,730 |
| RSVP volunteer hours served | 187,875 | 221,926 | 136,674 | 180,402 | 132,470 |
| Library : | | | | | |
| Number of books | 433,975 | 432,817 | 456,553 | 440,232 | 440,232 |
| Number of audiovisual recordings | 69,802 | 64,288 | 56,555 | 42,566 | 42,566 |
| Water Reclamation & Sewer : | | | | | |
| Customer accounts (4) | 47,413 | 57,526 | 56,499 | 56,335 | 45,451 |
| Electric Utility : | | | | | |
| Number of meters | 51,796 | 51,384 | 51,338 | 51,310 | 51,310 |
| Generating capacity (KW) | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 |
| Peak demand (KW) | 286,000 | 289,000 | 308,000 | 285,000 | 285,000 |
| Water Utility : | | | | | |
| Number of meters | 26,506 | 26,486 | 26,455 | 26,391 | 26,351 |
| Average daily gallons used | 18,854 | 23,367 | 22,410 | 20,470 | 19,500 |
| Refuse collection & Disposal : | | | | | |
| Customer accounts | 50,307 | 50,132 | 47,212 | 29,000 | 30,659 |
| Golf Course : | | | | | |
| Rounds of full golf | 56,397 | 60,933 | 59,605 | 65,472 | 61,020 |
| Rounds of 3 par golf | 21,462 | 21,775 | 22,311 | 24,296 | 23,980 |

- (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, | | | | |
|---|-----------------------------------|-------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| 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 | 367 |
| Street lights | 9,180 | 9,148 | 9,133 | 9,008 | 8,979 |
| Miles of storm drains | 63 | 63 | 61 | 61 | 61 |
| Signalized intersections | 196 | 196 | 196 | 196 | 196 |
| Parks and Recreation : | | | | | |
| Number of parks | 28 | 28 | 28 | 28 | 28 |
| Swimming pools | 2 | 2 | 2 | 2 | 2 |
| Tennis courts | 21 | 21 | 21 | 21 | 24 |
| Ballfields | 13 | 15 | 15 | 15 | 16 |
| Community gymnasiums | 3 | 3 | 3 | 3 | 3 |
| Library : | | | | | |
| Main and branch libraries | 3 | 3 | 3 | 3 | 3 |
| Water Reclamation & Sewer : | | | | | |
| Miles of sewers | 225 | 225 | 223 | 223 | 223 |
| Electric Utility : | | | | | |
| Transmission & distribution lines (miles) | 419 | 420 | 405 | 419 | 423 |
| Water Utility : | | | | | |
| Miles of water mains | 280 | 280 | 280 | 280 | 280 |

(continued)

City Of Burbank

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

| | Fiscal year ended June 30, | | | | |
|---|-----------------------------------|-------------|-------------|-------------|-------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| 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 | 367 | 367 | 367 | 367 | 366 |
| Street lights | 9,419 | 9,383 | 9,238 | 9,184 | 9,184 |
| Miles of storm drains | 61 | 61 | 61 | 61 | 61 |
| Signalized intersections | 194 | 190 | 183 | 183 | 183 |
| Parks and Recreation : | | | | | |
| Number of parks | 27 | 26 | 25 | 25 | 25 |
| Swimming pools | 2 | 2 | 2 | 2 | 2 |
| Tennis courts | 24 | 24 | 24 | 24 | 24 |
| Ballfields | 16 | 16 | 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) | 356 | 356 | 410 | 410 | 410 |
| Water Utility : | | | | | |
| Miles of water mains | 280 | 278 | 278 | 278 | 277 |

City Of Burbank
Table 18 - Schedule of Credits
June 30, 2015
(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 |
| Heidi Okimoto, Principal Accountant | Governmental Funds : General Fund Special Revenue Funds Inventory Notes to Financial Statements |
| Angela O'Connor, Senior Accountant | Sucessor Agency - Private Purpose Trust Fund Redevelopment Capital Projects & Debt Service Funds Public Financing Authority Internal Service Funds Notes to Financial Statements |
| Eva Felipe Accountant | Projects Enterprise Funds |
| Monina Marin Accountant | Fixed Assets Accounting Bank Reconciliations Notes to Financial Statements |
| Craig Wood, Financial Systems Manager | Systems Programming Grant Activity Report (Single Audit) |
| Cathy Jaramillo Account Clerk | Bond Cash Reconciliations Nutrition Accounting |
| Jonathan Mendoza Accountant | Fixed Assets Accounting Statistical Section |
| Mike McDaniel, Reprographics Supervisor | Reprographic Services |
| Cassidy Allen, Graphic Illustrator | Cover photos and design |



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