

city of

BURBANK

california

comprehensive
annual financial report
year ended june 30, 2017



ABOUT THE COVER

The City of Burbank Fiscal Year 2016-17 Comprehensive Annual Financial Report features a variety of exciting projects and improvements taking place throughout the City, as City officials and staff work toward “Building a Better Burbank”. The City Council has identified Citywide infrastructure as one of their top priorities, placing special focus on maintenance and improvement projects in recent budget cycles. The result of these efforts is a City that is transforming each day, with safer streets, modernized parks, improved transit and a variety of new businesses and developments that make Burbank a top Southern California destination to live, work and play!

The Public Works Department has overseen the resurfacing and reconstruction of over 35 miles of streets and 560,000 square feet of sidewalk over the past three years, in addition to a variety of improvements to City facilities. The Community Development Department (CDD) continues the expansion of our Citywide transportation programs with projects such as the Burbank Channel Bikeway and the Interstate 5 High Occupancy Vehicle/Empire Interchange, in addition to supporting a variety of development projects throughout the City.

Cover Design & Graphics:
Cassidy Allen (Graphic Media Designer - City of Burbank)

Photography:
City Staff

C O M P R E H E N S I V E
ANNUAL FINANCIAL REPORT

OF THE

CITY OF BURBANK
BURBANK, CALIFORNIA

FISCAL YEAR ENDED June 30, 2017

Prepared by :
Financial Services Department
Cindy Giraldo
Financial Services Director

**CITY OF BURBANK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED June 30, 2017**

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	90
Schedule of Contributions - Miscellaneous Plan	91
Schedule of Changes in the Net Position Liability and Related Ratios - Police	92
Schedule of Contributions - Police	93
Schedule of Changes in the Net Position Liability and Related Ratios - Fire	94
Schedule of Contributions - Fire	95
Schedules of Funding Progress OPEB Plans	96

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (Public Financing Authority Debt Service fund)	97
---	----

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

Governmental Funds :

Combining Balance Sheet - Nonmajor Governmental Funds.....	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	101
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Nonmajor Governmental Funds.....	104

**CITY OF BURBANK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED June 30, 2017**

TABLE OF CONTENTS

Proprietary Fund Activities :

Nonmajor Enterprise Fund

Statement of Net Position.....	119
Statement of Revenues, Expenses, and Changes in Net Position.....	120
Statement of Cash Flows.....	121

Internal Service Funds

Combining Statement of Net Position.....	123
Combining Statement of Revenues, Expenses, and Changes in fund Net Position.....	125
Combining Statement of Cash Flows.....	127

STATISTICAL SECTION

(Unaudited)

Table		
1	Net Position by Component (accrual basis) - Last Ten Fiscal Years.....	131
2	Changes in Net Position (accrual basis) - Last Ten Fiscal Years.....	132
3	Fund Balances of Governmental Funds (modified accrual basis) - Last Ten Fiscal Years.....	138
4	Changes in Fund balances of Governmental Funds (modified accrual basis) - Last Ten Fiscal Years.....	139
5	Electricity Sold by Type of Customer - Last Ten Fiscal Years.....	141
6	Electricity Rates - Last Ten Fiscal Years.....	142
7	Largest Electrical Customers - Current and Nine Years Ago.....	143
8	Ratios of Outstanding Debt by Type - Last Ten Fiscal Years.....	144
9	Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years.....	146
10	Schedule of Direct and Overlapping Debt.....	147
11	Legal Debt Margin Information - Last Ten Fiscal Years.....	148
12	Pledged Revenue Coverage - Last Ten Fiscal Years.....	149
13	Demographic and Economic Statistics - Last Ten Fiscal Years.....	151
14	Principal Employers - Current and Nine Years Ago.....	152
15	Full-Time and Part-Time City Employees by Function.....	153
16	Operating Indicators by Function - Last Ten Fiscal Years.....	154
17	Capital Asset Statistics - Last Ten Fiscal Years.....	156
18	Schedule of Credits.....	158

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



Will Rogers
Mayor



Emily Gabel-Luddy
Vice Mayor



Bob Frutos
Council Member



Sharon Springer
Council Member



Jess Talamantes
Council Member



Zizette Mullins
City Clerk



Debbie Kukta
City Treasurer



December 1, 2017

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, 2017. 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, 2017, 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, 2017, 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 108,538.

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.

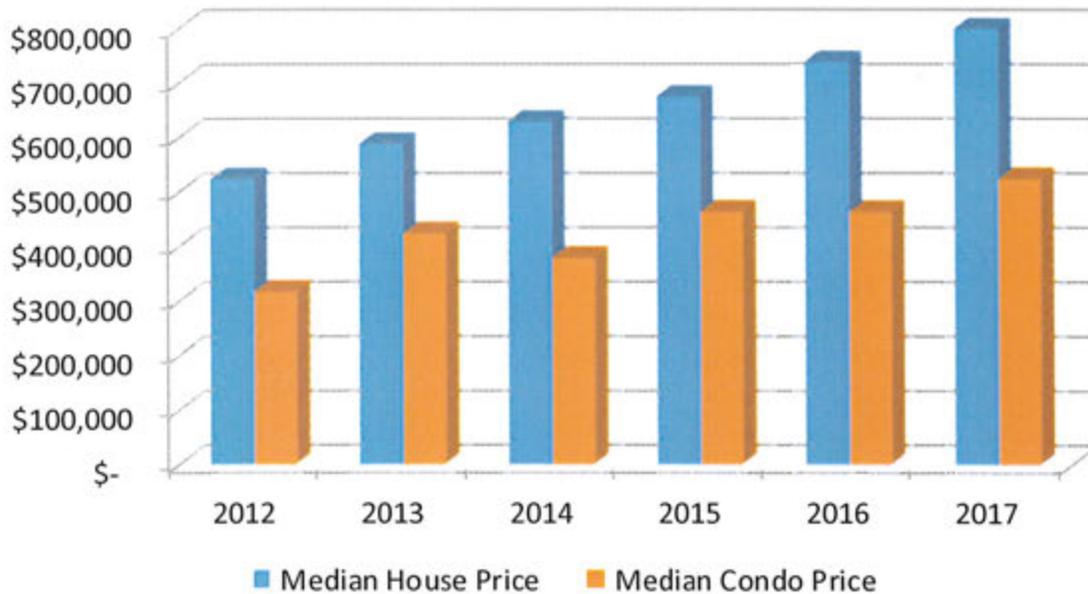
Local Economic Environment

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

Retail sales in Downtown Burbank continue to thrive with activity anchored by AMC movie theaters and the Westfield Mall. 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, Yardhouse, Urban Press Winery, Guisados, The Carving Board, BJ's, Barney's Beanery, Gourmet 88, Gordon Biersch, PF Chang's, Kabuki, Wood Ranch BBQ and Grill, 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. In addition the IKEA was relocated to 600 South Ikea Way, just a few blocks from Downtown Burbank. WeWork Burbank, popular with millennial's and the emerging workforce of tomorrow, leased 75,000 square feet of shared co-working space in the vibrant Media District walking distance to Walt Disney Headquarters and the Burbank Studios. New businesses which opened up during the year include DryBar, Cascabel, Red Maple Café and Gelato Bar, Wine and Design, and Morphe Brushes.

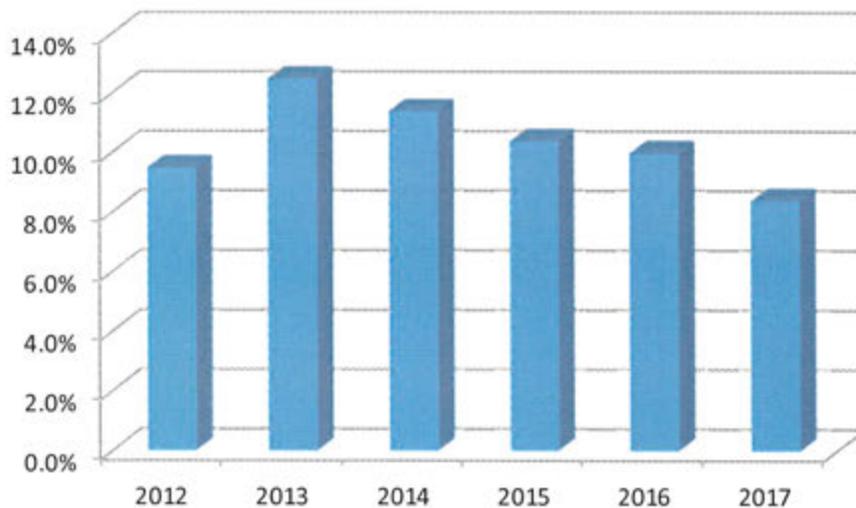
Burbank's single-family home prices continue to steadily increase as reflected in a median home price of \$800,000 in June 2017, compared to \$739,000 in June 2016. The median value for condominium sales for June 2016 was \$464,500, and increased to \$525,000 in June 2017.

Burbank Median Housing Prices



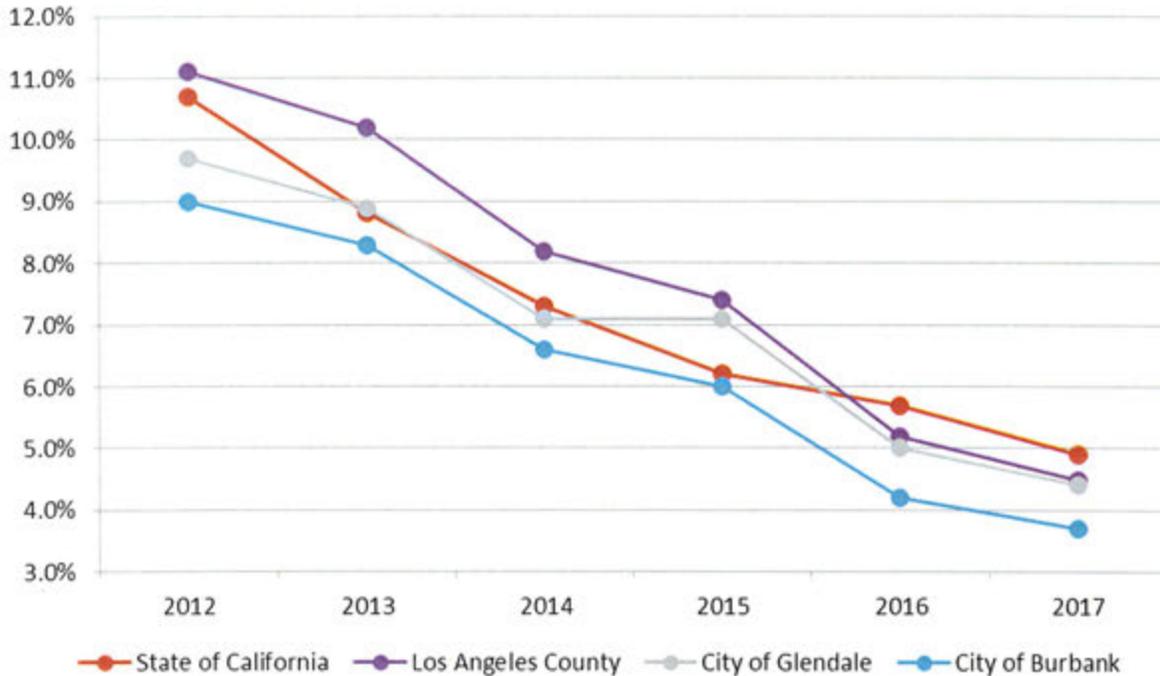
Burbank's office space vacancy continued to improve ending 2017 at 8.40% compared to 10.00% in June 2016. Rental rates also showed continued growth averaging \$2.77 per square foot compared to \$2.71 per square foot in June 2016.

Office Vacancy Trend



Unemployment rates continue to decrease both locally and statewide. The City of Burbank's unemployment rate at 3.7% continues to be lower in comparison to the City of Glendale's 4.4%, Los Angeles County's 4.5% and State of California's rate of 4.9%.

Unemployment Rate Trend



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

Long-Term Financial Planning

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

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

The Burbank City Council also annually reviews and adopts a five-year forecast of Capital Improvement Projects, grouping them by categories such as low-moderate housing, municipal facilities, pedestrian access and roadways, transportation, and the various utilities. These

investments reflect the City Council's commitment to maintain and improve the City of Burbank, in order to provide citizens with the highest possible service.

Major City Goals.

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 the implementation of these goals, by allocating the necessary resources. The following goals are intended to address the highest priority issues, community-wide concerns, and long-term needs.

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

MAJOR INITIATIVES

The City continued its efforts on a number of significant initiatives in fiscal year 2016-17 which will have a beneficial effect on the City's financial health and quality of life.

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. The estimated completion date is February 2018.

The largest ***IKEA*** in America opened in the Spring of 2017. It boasts a 470,000 square foot store, 1,700 parking spaces, and 450 employees. Ikea relocated to the South Side of the City.

The newly constructed ***Nickelodeon*** campus that opened in the Summer of 2017 features five floors and 114,000 square feet of office building space, and a 137,000 square foot parking garage. For the first time, all 750 employees are working together under the same roof.

First Street Village This mixed-use project consists of three, six-story buildings with 275 multi-family apartments on the upper floors and up to 18,876 square-feet of retail and

commercial space on the ground floors. The property is the first of its kind to include 14 affordable workforce housing units. On-site amenities and open space area will be included. Estimated completion date is 2020.

Screenland Drive Mixed Use Project This mixed-use project has a residential 13-story building (40 apartments) and a single 3,730 SF suite for a retail/commercial use on the ground floor, with subterranean and surface parking. Estimated completion date is 2020.

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, 2016. This was the 33rd consecutive year that the City of Burbank has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

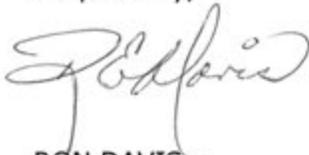
The Certificate of Achievement for Excellence in Financial Reporting from the GFOA is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement requirements, and it will be submitted to the GFOA in anticipation of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

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

Acknowledgements

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

Respectfully,



RON DAVIS
City Manager



CINDY GIRALDO
Financial Services Director

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burbank for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the 33rd 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

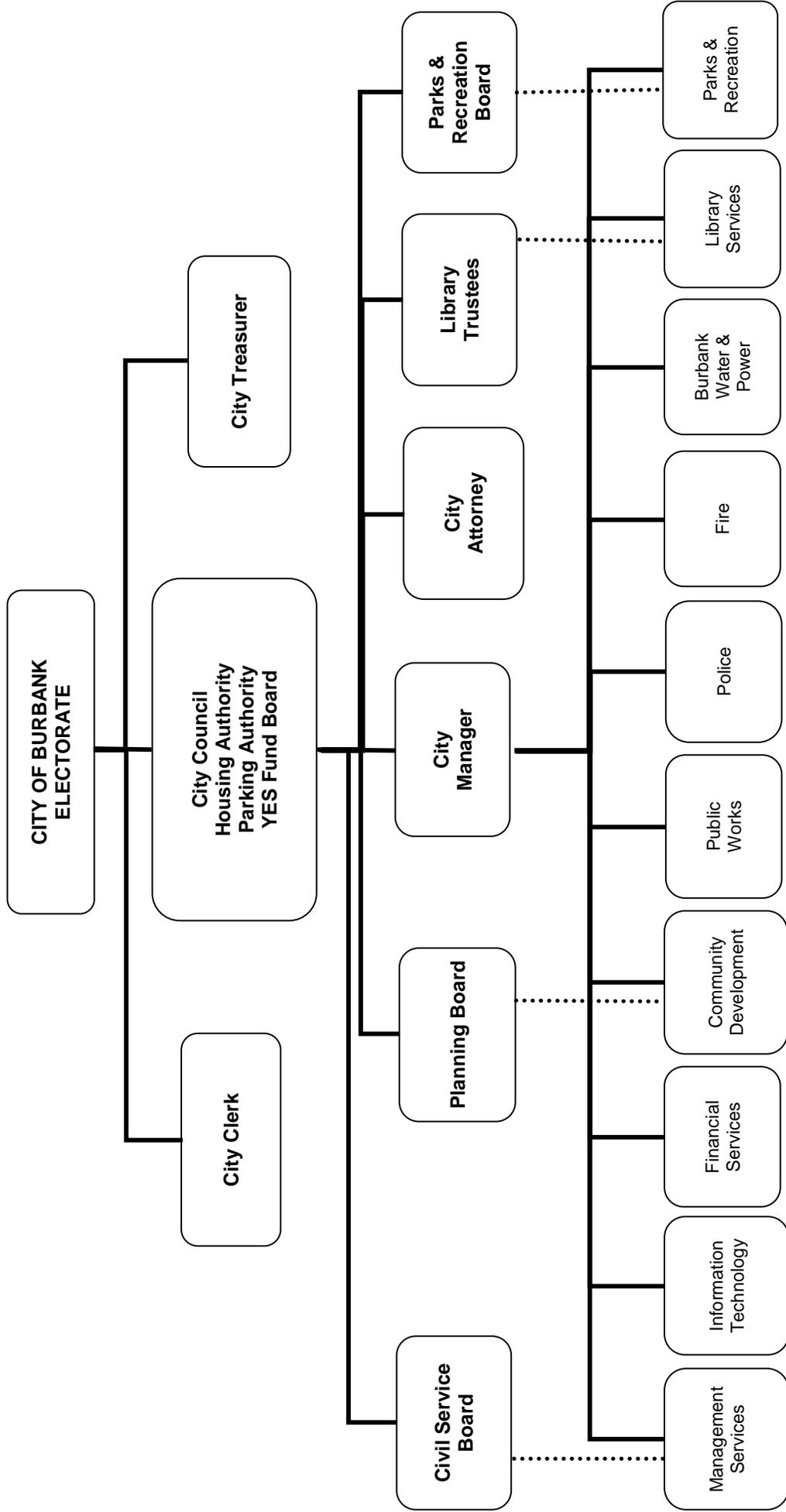
**City of Burbank
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

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
- Civic Pride Committee
- Sustainable Burbank Commission
- Board of Building and Fire Code Appeals
- Heritage Commission
- Traffic and Transportation Commission
- Burbank Housing Corporation
- Landlord-Tenant Commission
- Youth Board
- Burbank Water and Power Board
- Senior Citizen 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, 2017, 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, 2017, 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.

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 plans, 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.

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.

Other Matters (Continued)

Other Information (Continued)

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 December 14, 2017, 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
December 14, 2017

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, 2017. 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 \$1,167,726,000 (net position). Of this amount, \$98,264,000 (Unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$27,466,000 during the current fiscal year. This growth was driven by the Business-type Activities of the City, accounting for \$31,470,000 of the increase, and Governmental Activities decreasing the City's net position by just over \$4 million.
- As of June 30, 2017, the City's governmental funds reported combined fund balances of \$255,689,000, a decrease of \$7,313,000 from the prior year. Of fund balances, \$63,637,000 or approximately 25% of total fund balances are unassigned fund balances.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$63,708,000 or 42% 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, community development, parks and recreation, library, and interest on long-term debt. The

City Of Burbank

Management's Discussion and Analysis

business-type activities of the City include operations of its electric, water, water reclamation and sewer, refuse collection and disposal, 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 90 of this report.

Supplementary information on non-major governmental funds and internal service funds are presented immediately following *the required supplementary information* on pensions. Combining and individual fund statements and schedules can be found on page 98 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 \$1,167,726,000 at the close of the most recent fiscal year.

The largest portion of the City's net position (86%) 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, 2017 and 2016 (000's):

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets :						
Current and other assets	\$ 399,822	\$ 405,750	242,344	227,069	642,166	632,819
Capital assets	682,070	688,518	456,004	452,512	1,138,074	1,141,030
Total assets	1,081,892	1,094,268	698,348	679,581	1,780,240	1,773,849
Deferred Outflows of Resources	58,880	18,793	22,673	6,973	81,553	25,766
Liabilities :						
Current and other liabilities	284,845	243,348	132,238	118,252	417,083	361,600
Long-term liabilities	102,092	104,374	149,496	157,289	251,588	261,663
Total liabilities	386,937	347,722	281,734	275,541	668,671	623,263
Deferred Inflows of Resources	17,519	25,019	7,877	11,073	25,396	36,092
Net Position :						
Net Investment in capital assets	682,070	688,518	323,782	312,885	1,005,852	1,001,403
Restricted	63,610	63,051	-	-	63,610	63,051
Unrestricted	(9,364)	(11,249)	107,628	87,055	98,264	75,806
Total net position	\$ 736,316	\$ 740,320	431,410	399,940	1,167,726	1,140,260

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 \$27,466,000 during the current fiscal year. This increase was driven by the Business-type Activities of the City, which accounted for \$31,470,000 of the increase (while governmental activities decreased position just over \$4 million). Of the \$31,470,000 increase, the Electric Utility accounted for \$19,095,000 of that growth.

City Of Burbank

Management's Discussion and Analysis

TABLE 2-The City's Changes in Net Position (000's) for the years ended June 30, 2017 and 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues :						
Program revenues :						
Charges for services	\$ 21,502	\$ 20,242	270,771	270,238	292,273	290,480
Operating grants and contributions	41,238	19,340	269	886	41,507	20,226
Capital grants and contributions	-	-	1,648	4,040	1,648	4,040
General revenues :						
Property tax	48,924	47,113	-	-	48,924	47,113
Sales tax	35,197	34,228	-	-	35,197	34,228
Utility users tax	19,185	19,384	-	-	19,185	19,384
Investment earnings	5,445	10,052	5,167	3,654	10,612	13,706
Other	30,762	58,100	589	2,621	31,351	60,721
Total revenues	202,253	208,459	278,444	281,439	480,697	489,898
Expenses :						
General government	17,252	13,335	-	-	17,252	13,335
Police	55,824	47,318	-	-	55,824	47,318
Fire	36,504	30,174	-	-	36,504	30,174
Public works	30,064	34,119	-	-	30,064	34,119
Community Development	47,832	43,219	-	-	47,832	43,219
Parks & Recreation	19,613	20,660	-	-	19,613	20,660
Library	6,671	6,919	-	-	6,671	6,919
Interest on long-term debt	2,762	2,943	-	-	2,762	2,943
Water reclamation & sewer	-	-	13,925	13,961	13,925	13,961
Nonmajor funds	-	-	664	703	664	703
Electric utility	-	-	178,993	186,306	178,993	186,306
Water utility	-	-	28,969	28,924	28,969	28,924
Refuse collection & disposal	-	-	14,158	13,871	14,158	13,871
Total expenses	216,522	198,687	236,709	243,765	453,231	442,452
Increase (decrease) in net position before transfers	(14,269)	9,772	41,735	37,674	27,466	47,446
Transfers	10,265	11,077	(10,265)	(11,077)	-	-
Increase (decrease) in net positions	(4,004)	20,849	31,470	26,597	27,466	47,446
Net position, July 1	740,320	719,471	399,940	373,343	1,140,260	1,092,814
Net position, June 30	\$ 736,316	\$ 740,320	431,410	399,940	1,167,726	1,140,260

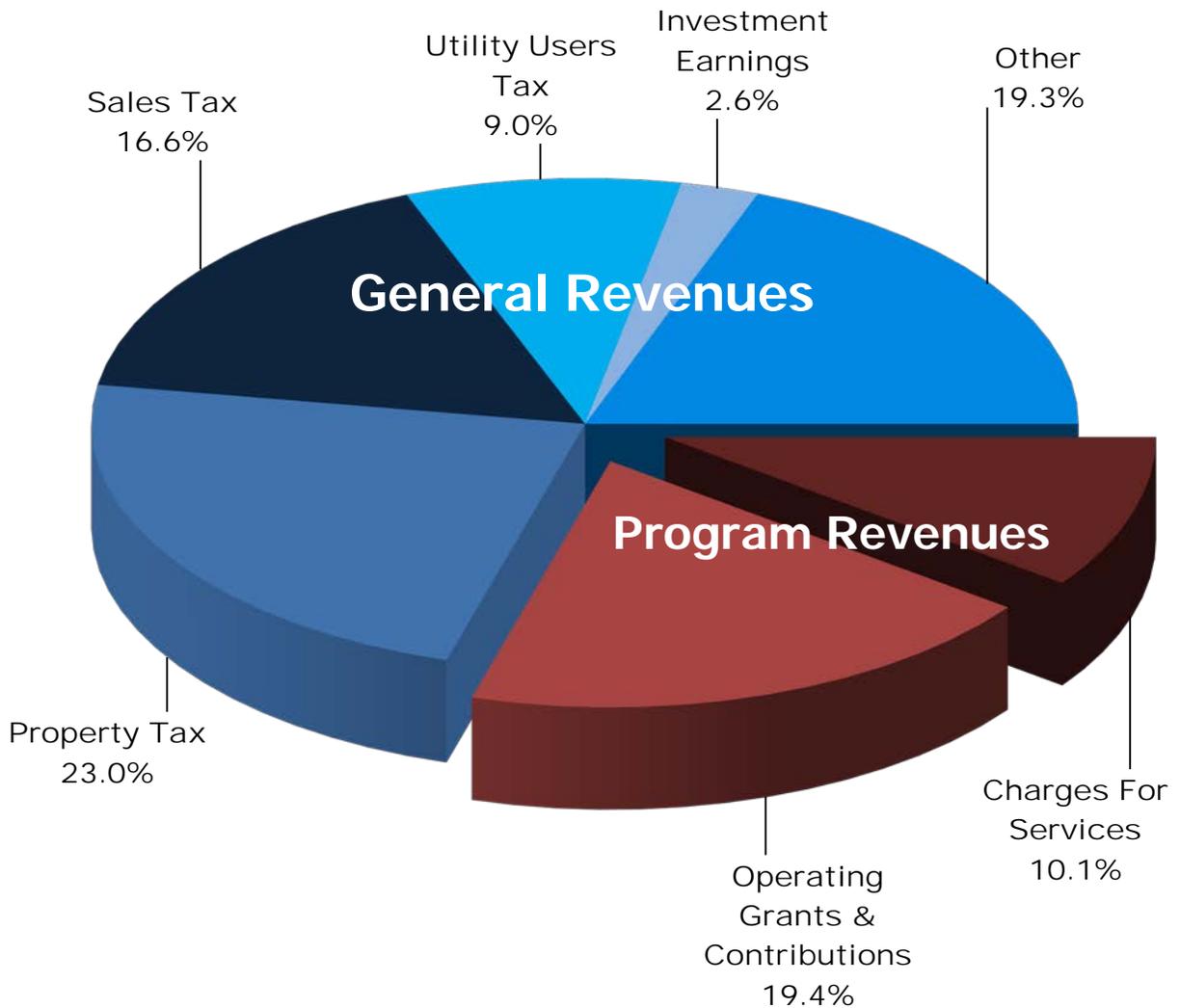
City Of Burbank

Management's Discussion and Analysis

Governmental Activities. Governmental activities decreased the City's net position by \$4,004,000. Total expenses increased by 9%, while general revenues and transfers decreased by 3%.

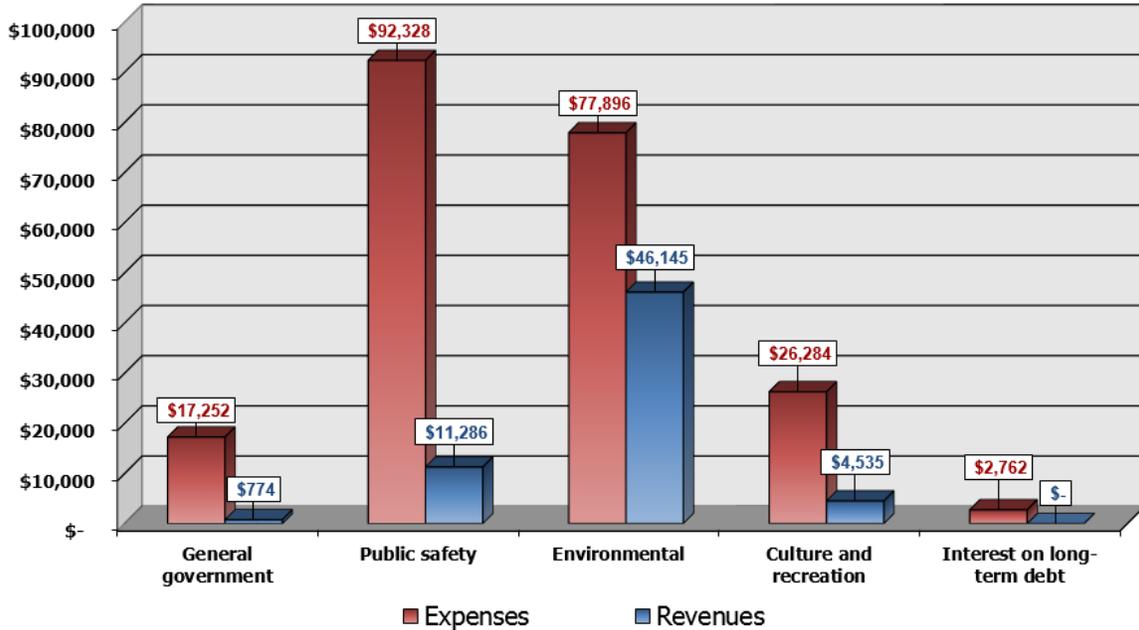
- *General revenues such as property, business, and sales taxes are not shown by program, but are effectively used to support program activities Citywide. For governmental activities overall, property taxes are the largest single source of funds (23.0%), followed by sales tax (16.6%).*

Governmental Activities Revenue Sources



City Of Burbank
Management's Discussion and Analysis

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



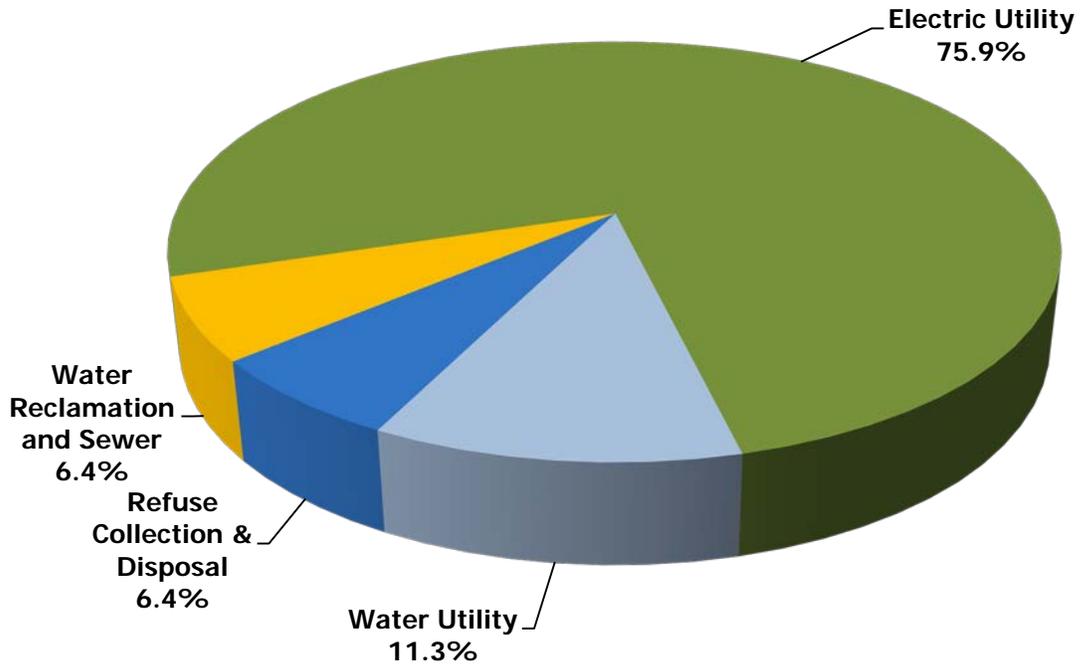
- *The chart above illustrates the City's governmental expenses and revenues by source. Public Safety (Police and Fire departments, 42.6%) is the largest function in expense, followed closely by Environmental (Public Works and Community Development departments, 36.0%), with Culture and Recreation third (Library, and Parks and Recreation departments, 12.1%).*

Business-type Activities. Business-type activities increased the City's net position by \$31,470,000, demonstrating that business-type activities had revenues sufficient to cover operations. The key elements of this increase are as follows:

- *Improved cost management was the primary factor leading to an increased net position of \$31,470,000. The Electric utility fund had an increased net position of \$19,095,000; mainly due to improved expense management.*

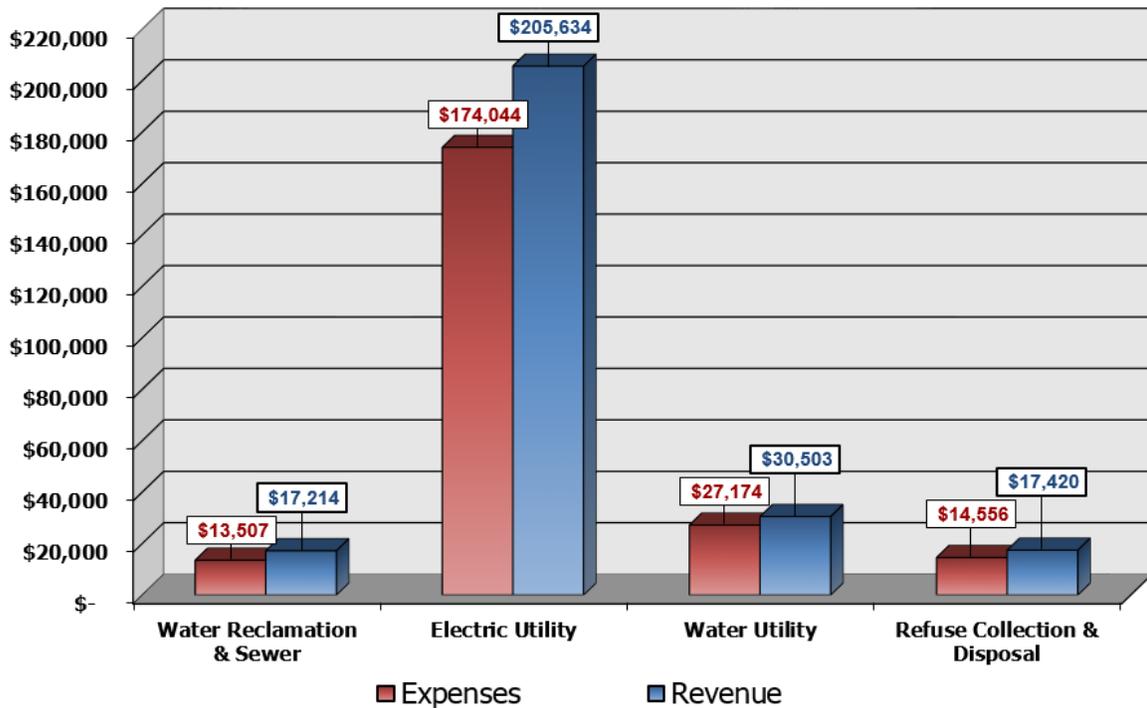
City Of Burbank
 Management's Discussion and Analysis

**Business-Type Activities
 Charges for Services**



**Business-Type Activities
 Expenses and Program Revenues**

(In \$1,000's)



City Of Burbank

Management's Discussion and Analysis

Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$255,689,000. Approximately 25% of fund balances (\$63,637,000) 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 (\$51,132,000)
- 2) To pay debt service (\$41,331,000)
- 3) Reflect amounts due from other funds that are long term in nature and thus do not represent available spendable resources (\$32,839,000)
- 4) To show amounts related to long-term notes (\$50,099,000)
- 5) For a variety of other restricted purposes (\$16,580,000)

The General Fund is the chief operating fund of the City. During the current fiscal year, the total fund balance of the General Fund decreased \$5,485,000, confirming the current fiscal challenges articulated by the City. At the end of FY 2017 the total General Fund balance was \$100,525,000, while the unassigned fund balance was \$63,708,000. 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 42% of total General Fund expenditures of \$152,272,000, while total fund balance represents 66% of that same amount.

The Low and Moderate Income Housing Special Revenue (Low/Mod) fund holds all capital project housing activities. At the end of the current fiscal year, the unassigned fund balance was \$0, while total fund balance of \$50,099,000 is restricted for specific uses. The unassigned fund balance represents 0% of total Low/Mod fund expenditures of \$388,000. The fund balance of the Low/Mod fund decreased by \$96,000 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 \$31,353,000. This unassigned fund balance represents 0% of total General capital projects fund expenditures of \$5,281,000, while total fund balance represents 594% of that same amount. The fund balance of the General capital projects fund increased by \$1,708,000 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 \$41,331,000 was restricted for specific uses. Total fund balance represents 911% of total Public Financing Authority debt service fund expenditures of \$4,539,000. The fund balance decreased by \$2,273,000 during the current fiscal year due to payments on 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, 2017, the unrestricted net position of the enterprise funds totaled \$107,628,000 and the total increase in unrestricted net position was \$31,470,000.

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 \$39,596,000, while total net position was \$98,929,000. The unrestricted net position represents 293% of total Water Reclamation and Sewer fund operating expenses of \$13,507,000, while total net position represents 732% of that same amount. The net position of the Water Reclamation and Sewer fund increased by \$3,433,000 during the current fiscal year.

The Electric Utility fund holds the City's Electric power and distribution system. At the end of the current fiscal year, the unrestricted net position was \$52,480,000, while total net position was \$250,252,000. The unrestricted net position represents 30% of total Electric Utility fund operating expenses of \$174,044,000, while total net position represents 144% of that same amount. The net position of the Electric Utility fund increased by \$19,095,000 during the current fiscal year. The increase was primarily driven by a 4% decrease in operating expenses of \$7,641,000 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 \$2,242,000, while total net position was \$56,300,000. The unrestricted net position represents 8.2% of total Water Utility fund expenses of \$27,174,000, while total net position represents 207% of that same amount. The net position of the Water Utility fund increased by \$2,765,000 during the current fiscal year.

The Refuse Collection and Disposal fund holds the City's refuse collection and disposal enterprise. At the end of the current fiscal year, the unrestricted net position was \$13,032,000, while total net position was \$20,462,000. The unrestricted net position represents 90% of total Refuse Collection and Disposal fund expenses of \$14,556,000, while total net position represents 141% of that same amount. The net position of the Refuse Collection and Disposal fund increased by \$3,535,000 during the current fiscal year.

Internal Service Funds. The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities, including liability insurance, and workers' compensation insurance, vehicle operations and maintenance, office equipment operations and maintenance, building replacement and maintenance, communication equipment operation and maintenance, and computer equipment operation and maintenance. As of June 30, 2017, unrestricted net position of the internal service funds were \$59,948,000 and the total increase in net position for these funds was \$6,718,000.

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 \$1,138,074,000 (net of accumulated depreciation of \$801,828,000) as of June 30, 2017, and \$1,141,031,000 (net of accumulated depreciation of \$759,771,000) as of June 30, 2016. 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 \$412 million over the next five years including FY 2017-18 appropriations of \$64 million and prior year appropriation of \$231 million. Approximately \$117 million in future year appropriations will be required to complete all of the projects included in this year's capital improvement program budget. The City budgets these projects in 11 major categories: housing and economic development, municipal facilities, park and recreation, refuse collection and disposal, traffic transportation and pedestrian access, wastewater, communications, electric utility, SCPPA, street lighting, and water utility. Among these categories, the major projects that are planned for the fiscal year 2017-18 include \$2.5 million for municipal facilities, \$13.7 million for transportation improvements and \$46 million for various projects in the electric, water, wastewater, and refuse funds.

City Of Burbank

Management's Discussion and Analysis

Table 3-The City's capital assets (net of accumulated depreciation) for June 30, 2017 and 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Capital assets not being depreciated :						
Land	\$ 53,025	\$ 52,163	11,824	11,824	64,849	63,987
Land held under easements	345,277	345,277	-	-	345,277	345,277
Construction in progress	11,712	16,669	28,228	39,555	39,940	56,224
Internal service fund assets						
Construction in progress	450	1,206	-	-	450	1,206
Total capital assets not being depreciated :	410,464	415,315	40,052	51,379	450,516	466,694
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	208,189	208,344	747,256	711,929	955,445	920,273
Infrastructure	335,264	325,727	-	-	335,264	325,727
Machinery & other	6,333	4,837	88,945	85,134	95,278	89,971
Internal service fund assets	80,171	74,909	-	-	80,171	74,909
Accumulated depreciation	(367,045)	(349,307)	(434,783)	(410,464)	(801,828)	(759,771)
Total capital assets being depreciated, net	271,606	273,204	415,952	401,133	687,558	674,337
Total net capital assets	\$ 682,070	\$ 688,519	456,004	452,512	1,138,074	1,141,031

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

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$179,753,000, including current portion of \$10,630,000. Of this amount, \$10,440,000 represents pension obligation bonds, issued to pay for police and fire unfunded accrued actuarial liability, \$44,325,000 represents revenue bonds issued for redevelopment projects, and \$124,988,000 represents revenue bonds issued for various business type activities.

Table 4-The City's outstanding bonded debt for June 30, 2017 and 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Pension Obligation bonds	\$ 10,440	\$ 11,895	-	-	10,440	11,895
Revenue bonds	44,325	46,790	124,988	131,992	169,313	178,782
Total long-term debt	\$ 54,765	\$ 58,685	124,988	131,992	179,753	190,677

City Of Burbank

Management's Discussion and Analysis

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

Table 5-The City's Debt Ratings:

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

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

Request for Information

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

City Of Burbank

STATEMENT OF NET POSITION

June 30, 2017

(in thousands)

	Governmental Activities	Business-type Activities	Total
Assets :			
Cash and investments (note 4)	\$ 253,278	149,700	402,978
Receivables, net (note 9)	16,360	22,026	38,386
Internal balances (note 7)	(1,596)	1,596	-
Intergovernmental receivables	392	-	392
Inventories	780	9,549	10,329
Prepaid items and deposits (note 14)	310	28,042	28,352
Regulatory assets - deferred charges	-	615	615
OPEB asset (note 18)	10,770	3,679	14,449
Restricted cash and investments (note 4)	41,326	27,137	68,463
Advances receivable from Burbank Successor Agency (note 7)	40,645	-	40,645
Developer loans receivable (Note 9)	37,557	-	37,557
Capital assets not being depreciated (note 5)	410,464	40,052	450,516
Capital assets, net of accumulated depreciation (note 5)	271,606	415,952	687,558
Total assets	1,081,892	698,348	1,780,240
Deferred Outflows of Resources :			
Deferred amounts from pension	58,880	22,673	81,553
Liabilities :			
Accounts payable	6,573	10,623	17,196
Accrued liabilities (note 12)	8,813	4,554	13,367
Intergovernmental payables	50	-	50
Unearned revenue	-	6,499	6,499
Deposits	4,080	9,700	13,780
Advances payable to Burbank Successor Agency (note 7)	1,327	-	1,327
Bond interest payable	219	572	791
Net pension liability	245,859	92,986	338,845
Current portion of long-term liabilities (note 8)	17,924	7,304	25,228
Long-term liabilities, net of current portion (note 8)	102,092	149,496	251,588
Total liabilities	386,937	281,734	668,671
Deferred Inflows of Resources:			
Deferred amounts from pension	17,519	7,877	25,396
Net Position :			
Net investment in capital assets (Note 2)	682,070	323,782	1,005,852
Restricted for :			
Public safety	620	-	620
Environmental	62,990	-	62,990
Unrestricted	(9,364)	107,628	98,264
Total net position	\$ 736,316	431,410	1,167,726

See accompanying notes to basic financial statements

City Of Burbank
STATEMENT OF ACTIVITIES
For the Year ended June 30, 2017
(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	\$ 17,252	642	132	-	(16,478)	-	(16,478)
Police	55,824	4,065	1,677	-	(50,082)	-	(50,082)
Fire	36,504	4,301	1,243	-	(30,960)	-	(30,960)
Public works	30,064	1,665	1,979	-	(26,420)	-	(26,420)
Community development	47,832	6,632	35,869	-	(5,331)	-	(5,331)
Parks and recreation	19,613	4,004	308	-	(15,301)	-	(15,301)
Library	6,671	193	30	-	(6,448)	-	(6,448)
Interest on long-term debt	2,762	-	-	-	(2,762)	-	(2,762)
Total Governmental Activities	216,522	21,502	41,238	-	(153,782)	-	(153,782)
Business-Type Activities :							
Water Reclamation and Sewer	13,925	17,214	-	-	-	3,289	3,289
Golf Activities	664	-	-	-	-	(664)	(664)
Electric Utility	178,993	205,634	44	1,029	-	27,714	27,714
Water Utility	28,969	30,503	29	619	-	2,182	2,182
Refuse Collection & Disposal	14,158	17,420	196	-	-	3,458	3,458
Total Business-Type Activities	236,709	270,771	269	1,648	-	35,979	35,979
Total	\$ 453,231	292,273	41,507	1,648	(153,782)	35,979	(117,803)
General revenues :							
Taxes:							
Property Tax					48,924	-	48,924
Sales Tax					35,197	-	35,197
Utility Users Tax					19,185	-	19,185
Franchise Tax					5,596	-	5,596
Transient Occupancy Tax					11,204	-	11,204
Transient Parking Tax					3,190	-	3,190
Other taxes					2,309	24	2,333
Unrestricted investment earnings					5,445	565	6,010
Grants/contributions not restricted to specific programs					2,895	-	2,895
Pension expense per GASB 68					-	-	-
Other					5,568	5,167	10,735
Transfers (note 7)					10,265	(10,265)	-
Total general revenues, contributions and transfers					149,778	(4,509)	145,269
Change in net position					(4,004)	31,470	27,466
Net position, July 1, 2016					740,320	399,940	1,140,260
Net position, June 30, 2017					\$ 736,316	431,410	1,167,726

See accompanying notes to basic financial statements

City Of Burbank

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2017

(in thousands)

		Special Revenue	Debt Service	Capital Projects	Nonmajor Govern- mental Funds
		Low/Mod Income Housing	Public Fin. Authority	General Cap. Proj.	
Assets :	General				
Pooled cash and cash investments (note 4)	\$ 72,008	4,400	4	31,601	34,705
Restricted non-pooled cash and cash equivalents (note 4)	-	-	116	-	-
Restricted investments (note 4)	-	-	41,210	-	-
Receivables, net (note 9)	13,338	37,575	1	475	1,607
Interfund receivables (note 7)	105	9	-	-	-
Intergovernmental receivables	392	-	-	-	-
Inventories	63	-	-	-	161
Prepaid items and deposits (note 14)	198	-	-	-	52
Advances receivable-general city (note 7)	323	-	-	-	-
Advances receivable-successor agency (note 7)	32,516	8,129	-	-	-
Total assets	<u>\$ 118,943</u>	<u>50,113</u>	<u>41,331</u>	<u>32,076</u>	<u>36,525</u>
Liabilities :					
Accounts payable	\$ 2,552	14	-	367	2,311
Accrued liabilities (note 12)	8,813	-	-	-	-
Interfund payable (note 7)	375	-	-	-	1,343
Intergovernmental payables	50	-	-	-	-
Deposits	3,836	-	-	-	167
Advances payable-general city (note 7)	-	-	-	-	323
Advances payable-successor agency (note 7)	1,327	-	-	-	-
Total liabilities	<u>16,953</u>	<u>14</u>	<u>-</u>	<u>367</u>	<u>4,144</u>
Deferred inflows of resources :					
Unavailable revenues	1,465	-	-	356	-
Fund balances :					
Nonspendable:					
Advances	32,839	-	-	-	-
Inventories	63	-	-	-	161
Change and imprest	181	-	-	-	-
Prepaid items and deposits	198	-	-	-	52
Restricted :					
Transportation	-	-	-	-	9,571
Federal and state grants	-	-	-	-	2,381
Public education in government	1,318	-	-	-	-
Public safety	140	-	-	-	620
Debt service	-	-	41,331	-	-
Redevelopment	-	50,099	-	-	-
Capital projects	18	-	-	-	1,794
Committed :					
Transportation	-	-	-	-	17,873
Assigned (continuing appropriations)	2,060	-	-	31,353	-
Unassigned	63,708	-	-	-	(71)
Total fund balances	<u>100,525</u>	<u>50,099</u>	<u>41,331</u>	<u>31,353</u>	<u>32,381</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 118,943</u>	<u>50,113</u>	<u>41,331</u>	<u>32,076</u>	<u>36,525</u>

See accompanying notes to basic financial statements

(continued)

City Of Burbank

BALANCE SHEET - GOVERNMENTAL FUNDS, Concluded

June 30, 2017

(in thousands)

	Total Govern- mental Funds
Assets :	
Pooled cash and cash investments (note 4)	\$ 142,718
Restricted non-pooled cash and cash equivalents (note 4)	116
Restricted investments (note 4)	41,210
Receivables, net (note 9)	52,996
Interfund receivables (note 7)	114
Intergovernmental receivables	392
Inventories	224
Prepaid items and deposits (note 14)	250
Advances receivable-general city (note 7)	323
Advances receivable-successor agency (note 7)	40,645
Total assets	\$ 278,988
Liabilities :	
Accounts payable	\$ 5,244
Accrued liabilities (note 12)	8,813
Interfund payable (note 7)	1,718
Intergovernmental payables	50
Deposits	4,003
Advances payable-general city (note 7)	323
Advances payable-successor agency (note 7)	1,327
Total liabilities	21,478
Deferred inflows of resources:	
Unavailabe revenues	1,821
Fund balances :	
Nonspendable:	
Advances	32,839
Inventories	224
Change and imprest	181
Prepaid items	250
Restricted :	
Transportation	9,571
Federal and state grants	2,381
Public education in government	1,318
Public safety	760
Debt service	41,331
Redevelopment	50,099
Capital projects	1,812
Committed:	
Transportation	17,873
Assigned (continuing appropriations)	33,413
Unassigned	63,637
Total fund balances	255,689
Total liabilities and fund balances	\$ 278,988

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, 2017

(in thousands)

Fund balances of governmental funds		\$	255,689
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.			682,070
Long term liabilities are not due and payable in the current period and therefore are not reported in governmental funds.			(69,265)
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.			(219)
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.			10,770
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.			1,821
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.			59,948
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	\$	58,880	
Deferred inflows of resources		(17,519)	
Pension liability		(245,859)	(204,498)
Net position of governmental activities		\$	<u>736,316</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, 2017

(in thousands)

	General	Special	Debt	Capital	Nonmajor
		Revenue	Service	Projects	
		Low/Mod	Public Fin.	General	Govern-
		Income	Authority	Cap. Proj.	mental
		Housing			Funds
Revenues :					
Taxes	\$ 108,792	-	-	-	4,838
Licenses & permits	5,928	-	-	-	-
Fines, forfeitures and penalties	2,406	-	-	-	-
Use of money or property	1,061	22	2,266	56	898
Intergovernmental	11,887	-	-	2,895	14,219
Charges for services	12,439	270	-	-	25,457
Other revenues	-	-	-	24	-
Total revenues	142,513	292	2,266	2,975	45,412
Expenditures :					
General government :					
City council	220	-	-	-	-
City attorney	3,038	-	-	-	-
City clerk	1,060	-	-	-	-
City treasurer	139	-	-	-	-
City manager	1,106	-	-	-	-
Financial services	2,496	-	-	-	-
Management services	1,570	-	-	-	-
Administrative services	-	388	-	-	545
Information technology	3,439	-	-	-	-
Non-departmental	4,775	-	-	-	-
Total general government	17,843	388	-	-	545
Public safety :					
Police	54,032	-	-	-	742
Fire	36,334	-	-	-	-
Total public safety	90,366	-	-	-	742
Environmental :					
Community development	7,028	-	-	-	42,134
Public works	10,685	-	-	-	-
Total environmental	17,713	-	-	-	42,134
Culture and recreation :					
Library	6,126	-	-	-	-
Parks and recreation :					
Parks	7,912	-	-	-	-
Recreation	7,892	-	-	-	-
Special community activities	2,260	-	-	-	-
Total parks and recreation	18,064	-	-	-	-
Total culture and recreation	24,190	-	-	-	-

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, 2017

(in thousands)

	Special Revenue	Debt Service	Capital Projects	Nonmajor Govern- mental Funds
	Low/Mod Income Housing	Public Fin. Authority	General Cap. Proj.	
General	Housing	Authority	Cap. Proj.	Funds
Capital outlay :				
Street improvements	-	-	-	4,525
General capital improvements	-	-	5,281	786
Total capital outlay	-	-	5,281	5,311
Debt service :				
Principal retirement	1,455	-	-	-
Interest and finance charges	705	-	-	-
Total debt service	2,160	-	-	-
Total expenditures	152,272	388	5,281	48,732
Excess (deficiency) of revenues over expenditures	(9,759)	(96)	(2,306)	(3,320)
Other financing sources (uses) :				
Transfers in (note 7)	8,868	-	4,014	3,623
Transfers out (note 7)	(4,594)	-	-	(1,470)
Total other financing sources (uses)	4,274	-	4,014	2,153
Net change in fund balances	(5,485)	(96)	1,708	(1,167)
Fund balances, July 1, 2016	106,010	50,195	29,645	33,548
Fund balances, June 30, 2017	\$ 100,525	50,099	31,353	32,381

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, 2017

(in thousands)

	Total Govern- mental Funds
Revenues :	
Taxes	\$ 113,630
Licenses & permits	5,928
Fines, forfeitures and penalties	2,406
Use of money or property	4,303
Intergovernmental	29,001
Charges for services	38,166
Other revenues	24
Total revenues	<u>193,458</u>
Expenditures :	
General government :	
City council	220
City attorney	3,038
City clerk	1,060
City treasurer	139
City manager	1,106
Financial services	2,496
Management services	1,570
Administrative services	933
Information technology	3,439
Non-departmental	4,775
Total general government	<u>18,776</u>
Public safety :	
Police	54,774
Fire	36,334
Total public safety	<u>91,108</u>
Environmental :	
Community development	49,162
Public works	10,685
Total environmental	<u>59,847</u>
Culture and recreation :	
Library	6,126
Parks and recreation :	
Parks	7,912
Recreation	7,892
Special community activities	2,260
Total parks and recreation	<u>18,064</u>
Total culture and recreation	<u>24,190</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, 2017

(in thousands)

	Total Govern- mental Funds
Capital outlay :	
Street improvements	\$ 4,525
General capital improvements	<u>6,067</u>
Total capital outlay	<u>10,592</u>
Debt service :	
Principal retirement	3,920
Interest and finance charges	<u>2,779</u>
Total debt service	<u>6,699</u>
Total expenditures	<u>211,212</u>
Excess (deficiency) of revenues over expenditures	<u>(17,754)</u>
Other financing sources (uses) :	
Transfers in (note 7)	16,505
Transfers out (note 7)	<u>(6,064)</u>
Total other financing sources (uses)	<u>10,441</u>
Net change in fund balances	(7,313)
Fund balances, July 1, 2016	<u>263,002</u>
Fund balances, June 30, 2017	<u>\$ 255,689</u>

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, 2017

(in thousands)

Net change in fund balances - total governmental funds	\$ (7,313)
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 (\$14,816) was exceeded then capital outlay (\$6,938) in the current period.	(7,878)
The issuance of long-term debt such as bonds provides current financial resources to governmental funds, while the repayment of the principal (\$3,920)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 (\$256) 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.	4,176
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.	17
Other Post Employment Benefits (OPEB) asset 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.	(1,003)
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.	321
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.	6,718
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.	958
Change in net position of governmental activities	<u>\$ (4,004)</u>

City Of Burbank

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

GENERAL FUND

For the Year ended June 30, 2017

(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues :				
Taxes	\$ 107,154	108,879	108,792	(87)
Licenses & permits	4,920	5,820	5,928	108
Fines, forfeitures and penalties	2,370	2,330	2,406	76
Use of money or property	1,648	1,698	1,061	(637)
Intergovernmental	10,869	12,282	11,887	(395)
Charges for services	8,772	9,228	12,439	3,211
Total revenues	<u>135,733</u>	<u>140,237</u>	<u>142,513</u>	<u>2,276</u>
Expenditures :				
General government :				
City council	311	315	220	95
City attorney	3,193	3,262	3,038	224
City clerk	826	1,079	1,060	19
City treasurer	159	180	139	41
City manager	1,094	1,207	1,106	101
Financial services	2,476	2,683	2,496	187
Management services	2,686	2,745	1,570	1,175
Information technology	4,096	4,288	3,439	849
Non-departmental	4,216	1,106	4,775	(3,669)
Total general government	<u>19,057</u>	<u>16,865</u>	<u>17,843</u>	<u>(978)</u>
Public safety :				
Police	55,985	56,655	54,032	2,623
Fire	33,150	35,583	36,334	(751)
Total public safety	<u>89,135</u>	<u>92,238</u>	<u>90,366</u>	<u>1,872</u>
Environmental :				
Community development	8,227	8,966	7,028	1,938
Public works	12,381	12,646	10,685	1,961
Total environmental	<u>20,608</u>	<u>21,612</u>	<u>17,713</u>	<u>3,899</u>
Culture and recreation :				
Library	6,717	6,827	6,126	701
Parks	9,014	9,061	7,912	1,149
Recreation	8,083	8,058	7,892	166
Special community activities	2,274	2,299	2,260	39
Total culture and recreation	<u>26,088</u>	<u>26,245</u>	<u>24,190</u>	<u>2,055</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, 2017**

(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt service :				
Principal retirement	\$ 1,455	1,455	1,455	-
Interest expense	705	705	705	-
Total debt service	<u>2,160</u>	<u>2,160</u>	<u>2,160</u>	<u>-</u>
 Total expenditures	 <u>157,048</u>	 <u>159,120</u>	 <u>152,272</u>	 <u>6,848</u>
 Excess (deficiency) of revenues over expenditures	 <u>(21,315)</u>	 <u>(18,883)</u>	 <u>(9,759)</u>	 <u>9,124</u>
 Other financing sources (uses) :				
Transfers in	10,931	10,931	8,868	(2,063)
Transfers out	<u>(2,625)</u>	<u>(4,969)</u>	<u>(4,594)</u>	<u>375</u>
 Total other financing sources (uses)	 <u>8,306</u>	 <u>5,962</u>	 <u>4,274</u>	 <u>(1,688)</u>
 Net change in fund balances (deficits)	 (13,009)	 (12,921)	 (5,485)	 7,436
 Fund balance, July 1, 2016	 <u>106,010</u>	 <u>106,010</u>	 <u>106,010</u>	 <u>-</u>
 Fund balance, June 30, 2017	 <u>\$ 93,001</u>	 <u>93,089</u>	 <u>100,525</u>	 <u>7,436</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, 2017
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ 29	29	22	(7)
Charges for services	202	202	270	68
Total revenues	231	231	292	61
Expenditures :				
General government:				
Administrative services	355	630	388	242
Capital outlay:				
General capital improvements	1,142	3,901	-	3,901
Total expenditures	1,497	4,531	388	4,143
Excess (deficiency) of revenues over expenditures	(1,266)	(4,300)	(96)	4,204
Fund balance, July 1, 2016	50,195	50,195	50,195	-
Fund balance, June 30, 2017	\$ 48,929	45,895	50,099	4,204

See accompanying notes to basic financial statements.

City Of Burbank
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017
(in thousands)

	Business-type activities - Enterprise funds						Governmental
	Water				Refuse	Nonmajor	Activities-
	Rec & Sewer	Electric Utility	Water Utility	Collection & Disposal	Enterprise Fund	Total	Internal Service Funds
Assets :							
Current assets :							
Pooled cash and investments (note 4)	\$ 41,365	80,101	11,762	16,194	278	149,700	110,560
Accounts receivable (note 9)	1,632	14,212	3,460	2,088	-	21,392	514
Interest receivable (note 9)	156	295	45	138	-	634	407
Interfund receivable (note 7)	-	1,221	375	-	-	1,596	8
Inventories	-	6,540	3,009	-	-	9,549	556
Prepaid expenses (note 14)	43	27,966	32	1	-	28,042	60
Restricted pooled cash and investments (note 4)	-	-	-	21,490	-	21,490	-
Restricted non-pooled investments (note 4)	-	5,467	180	-	-	5,647	-
Total current assets	43,196	135,802	18,863	39,911	278	238,050	112,105
Non-current assets :							
Regulatory assets - deferred charges	-	317	298	-	-	615	-
OPEB Asset (note 18)	-	3,679	-	-	-	3,679	-
Total other non-current assets	-	3,996	298	-	-	4,294	-
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	134,030	448,536	148,030	7,672	8,988	747,256	6,267
Machinery and equipment	2,537	68,428	5,766	11,823	391	88,945	73,904
Construction in progress	131	21,828	5,697	572	-	28,228	450
Less accumulated depreciation	(79,371)	(265,899)	(65,741)	(18,518)	(5,254)	(434,783)	(57,582)
Total capital assets, net of accumulated depreciation	68,739	276,962	94,061	11,053	5,189	456,004	23,039
Total non-current assets	68,739	280,958	94,359	11,053	5,189	460,298	23,039
Total assets	111,935	416,760	113,222	50,964	5,467	698,348	135,144
Deferred outflows of resources:							
Deferred amounts from pensions	594	17,371	2,748	1,960	-	22,673	-

See accompanying notes to basic financial statements

(Continued)

City Of Burbank
STATEMENT OF NET POSITION, Concluded
PROPRIETARY FUNDS
June 30, 2017
(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	\$ 1,420	6,772	2,037	394	-	10,623	1,329
Accrued expenses (note 12)	-	3,947	607	-	-	4,554	-
Compensated absences payable (note 8)	1	412	30	42	-	485	9
Unearned revenue	-	3,490	3,009	-	-	6,499	-
Customer deposits	-	7,988	862	850	-	9,700	77
Bond interest payable	32	377	146	17	-	572	-
Current portion of revenue bonds (note 8)	835	4,100	830	645	-	6,410	-
Current portion of loan payable (note 8)	-	-	409	-	-	409	-
Outstanding claims self insurance (note 15)	-	-	-	-	-	-	12,191
Total current liabilities	2,288	27,086	7,930	1,948	-	39,252	13,606
Long-term liabilities (net of current portion) (note 8) :							
Revenue bonds	8,571	75,090	31,939	2,978	-	118,578	-
Landfill closure & post closure (note 8)	-	-	-	18,166	-	18,166	-
Loan payable (note 8)	-	-	6,825	-	-	6,825	-
Compensated absences (note 8)	108	4,359	830	630	-	5,927	264
Net pension liability	2,427	71,305	11,197	8,057	-	92,986	-
Outstanding claims - self insurance (note 15)	-	-	-	-	-	-	38,287
Advances payable (note 7)	-	-	-	-	-	-	-
Total long-term liabilities (net of current portion)	11,106	150,754	50,791	29,831	-	242,482	38,551
Total liabilities	13,394	177,840	58,721	31,779	-	281,734	52,157
Deferred inflows of resources :							
Deferred amounts from pensions	206	6,039	949	683	-	7,877	-
Net position :							
Net investment in capital assets	59,333	197,772	54,058	7,430	5,189	323,782	23,039
Unrestricted	39,596	52,480	2,242	13,032	278	107,628	59,948
Total net position	\$ 98,929	250,252	56,300	20,462	5,467	431,410	82,987

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, 2017 (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	\$ -	199,492	27,836	-	-	227,328	-
Charges for services	17,214	6,142	2,667	17,420	-	43,443	33,889
Total operating revenues	<u>17,214</u>	<u>205,634</u>	<u>30,503</u>	<u>17,420</u>	<u>-</u>	<u>270,771</u>	<u>33,889</u>
Operating expenses :							
Operations and maintenance	6,735	37,594	66	8,970	158	53,523	27,641
Purchased water and power	-	119,538	23,505	-	-	143,043	-
Inspection and investigation	2,052	-	-	-	-	2,052	-
Design and permits	1,353	-	-	157	-	1,510	-
Refuse disposal	-	-	-	2,647	-	2,647	-
Recycling	-	-	-	1,906	-	1,906	-
Depreciation	3,367	16,912	3,603	876	472	25,230	3,749
Total operating expenses	<u>13,507</u>	<u>174,044</u>	<u>27,174</u>	<u>14,556</u>	<u>630</u>	<u>229,911</u>	<u>31,390</u>
Operating income (loss)	<u>3,707</u>	<u>31,590</u>	<u>3,329</u>	<u>2,864</u>	<u>(630)</u>	<u>40,860</u>	<u>2,499</u>
Nonoperating income (expense) :							
Interest income	33	478	22	31	1	565	97
Intergovernmental	-	44	29	196	-	269	-
Other local taxes	-	-	24	-	-	24	1,696
Gain/(loss) on disposal of capital assets	-	(131)	-	383	-	252	235
Interest expense	(418)	(4,684)	(1,795)	(119)	(34)	(7,050)	-
Other income/(expense) - net	111	1,101	537	113	3,305	5,167	193
Total nonoperating income (expense)	<u>(274)</u>	<u>(3,192)</u>	<u>(1,183)</u>	<u>604</u>	<u>3,272</u>	<u>(773)</u>	<u>2,221</u>
Income (loss) before capital contributions and transfers	3,433	28,398	2,146	3,468	2,642	40,087	4,720
Transfers in (note 7)	-	1,065	-	67	-	1,132	-
Capital contributions	-	1,029	619	-	-	1,648	2,174
Transfers out (note 7)	-	(11,397)	-	-	-	(11,397)	(176)
Change in net position	<u>3,433</u>	<u>19,095</u>	<u>2,765</u>	<u>3,535</u>	<u>2,642</u>	<u>31,470</u>	<u>6,718</u>
Net position, July 1, 2016	<u>95,496</u>	<u>231,157</u>	<u>53,535</u>	<u>16,927</u>	<u>2,825</u>	<u>399,940</u>	<u>76,269</u>
Net position, June 30, 2017	<u>\$ 98,929</u>	<u>250,252</u>	<u>56,300</u>	<u>20,462</u>	<u>5,467</u>	<u>431,410</u>	<u>82,987</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, 2017
(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	\$ 17,176	206,596	30,731	16,985	27	271,515	33,972
Cash paid to suppliers	(9,524)	(140,331)	(19,539)	(8,858)	(85)	(178,337)	(22,142)
Cash paid to employees	(1,330)	(21,241)	(5,208)	(4,859)	-	(32,638)	(2,222)
Net cash provided by (used in) operating activities	<u>6,322</u>	<u>45,024</u>	<u>5,984</u>	<u>3,268</u>	<u>(58)</u>	<u>60,540</u>	<u>9,608</u>
Cash flows from noncapital financing activities :							
Payments received from other funds	-	-	29	196	-	225	-
Payments made to other funds	-	(427)	-	-	-	(427)	-
Proceeds from other funds	-	-	-	-	-	-	1,889
Other income (expense)	111	1,101	561	113	74	1,960	-
Transfers from other funds	-	1,065	-	67	-	1,132	-
Transfers to other funds	-	(11,397)	-	-	-	(11,397)	(176)
Net cash provided by (used in) noncapital financing activities	<u>111</u>	<u>(9,658)</u>	<u>590</u>	<u>376</u>	<u>74</u>	<u>(8,507)</u>	<u>1,713</u>
Cash flows from capital and related financing activities :							
Contributed capital	-	1,029	619	-	-	1,648	-
Proceeds from sales of capital assets	-	-	-	383	-	383	237
Acquisition and construction of assets	(6,969)	(16,394)	(3,997)	(983)	-	(28,343)	(3,796)
Principal payments - bonds	(937)	(3,920)	(795)	(713)	-	(6,365)	-
Principal payments - loan payable	-	-	(399)	-	-	(399)	-
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-
Interest paid	(421)	(4,699)	(1,798)	(122)	-	(7,040)	-
Net cash used in capital and related financing activities	<u>(8,327)</u>	<u>(23,984)</u>	<u>(6,370)</u>	<u>(1,435)</u>	<u>-</u>	<u>(40,116)</u>	<u>(3,559)</u>
Cash flows from investing activities :							
Interest received	5	380	11	(6)	1	391	(23)
Purchases of restricted investments	-	-	(1)	-	-	(1)	-
Net cash provided by investing activities	<u>5</u>	<u>380</u>	<u>10</u>	<u>(6)</u>	<u>1</u>	<u>390</u>	<u>(23)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,889)</u>	<u>11,762</u>	<u>214</u>	<u>2,203</u>	<u>17</u>	<u>12,307</u>	<u>7,739</u>
Cash and cash equivalents, July 1, 2016	43,254	73,806	11,728	35,481	261	164,530	102,821
Cash and cash equivalents, June 30, 2017	<u>\$ 41,365</u>	<u>85,568</u>	<u>11,942</u>	<u>37,684</u>	<u>278</u>	<u>176,837</u>	<u>110,560</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, 2017
(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)	\$ 3,707	31,590	3,329	2,864	(630)	40,860	2,499
Adjustments to reconcile operating income (loss) to net cash provided by operating activities :							
Depreciation	3,367	16,912	3,603	424	472	24,778	3,749
Gain/(loss) on sale of fixed assets	-	(131)	-	-	73	(58)	-
(Increase) decrease in accounts receivable	(38)	962	228	(435)	27	744	83
(Increase) decrease in due to/from City of Burbank	-	(450)	375	-	-	(75)	-
(Increase) decrease in inventories	-	297	(134)	-	-	163	11
(Increase) decrease in prepaid items	(27)	(76)	(15)	(1)	-	(119)	-
(Increase) decrease in deferred outflows from pension	(20)	(447)	(107)	(43)	-	(617)	-
(Increase) decrease in deferred bond issuance cost	-	(417)	(60)	-	-	(477)	-
Increase in outstanding claims payable	-	-	-	-	-	-	2,565
Increase (decrease) in accounts payable	(539)	(4,224)	(297)	202	-	(4,858)	719
Increase (decrease) in net pension liability	428	12,863	2,020	1,454	-	16,765	-
Increase (decrease) in deferred inflows from pension	-	(14,024)	(2,202)	(1,585)	-	(17,811)	-
Increase (decrease) in compensated absences	(78)	(452)	(25)	(17)	-	(572)	(28)
Increase (decrease) in customer deposits	-	(53)	(613)	(99)	-	(765)	(9)
Increase (decrease) in bond premium	(478)	-	-	-	-	(478)	-
Increase (decrease) in deferred revenue	-	2,674	(118)	-	-	2,556	19
Increase in landfill closure and postclosure liabilities	-	-	-	504	-	504	-
Total adjustments	2,615	13,434	2,655	404	572	19,680	7,128
Net cash provided by (used in) operating activities	\$ 6,322	45,024	5,984	3,268	(58)	60,540	9,627
Noncash investing, capital, and financing activities :							
Increase (decrease) in fair value of investments	\$ (231)	(443)	(68)	(210)	(2)	(954)	(1,355)

See accompanying notes to basic financial statements

City Of Burbank
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2017
(in thousands)

	Private - Purpose Trust Fund
	Successor Agency
Assets :	
Pooled cash and investments (note 4)	\$ 12,126
Restricted non-pooled cash and cash equivalents (note 4)	6,936
Accounts receivable (note 9)	15
Receivables from the City of Burbank (note 7)	1,327
Capital assets	2,350
Total assets	22,754
Liabilities :	
Interest payable	311
Current portion of long term liabilities (note 8)	6,655
Long term liabilities, net of current portion (note 8)	71,608
Payable to the City of Burbank (note 7)	40,645
Total liabilities	119,219
Net position	
Unrestricted	(96,465)
Total net position	\$ (96,465)

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, 2017
(in thousands)

	Private - Purpose Trust Fund
	Successor Agency
ADDITIONS :	
Receipts from County	\$ 13,239
Use of money or property	190
Gain on sale of capital assets	857
Other	31
Total additions	14,317
DEDUCTIONS :	
Administrative expenses	76
Interest expense	3,833
Payment to County	109
Total deductions	4,018
Change in net position	10,299
Net position, July 1, 2016	(106,764)
Net position, June 30, 2017	\$ (96,465)

See accompanying notes to basic financial statements

City of Burbank
For the Year Ended June 30, 2017

(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 and these entities are so intertwined with the City they they are, in substance, part of the City operations. Accordingly, the financial activities of these component units are blended in the accompanying basic financial statements. A description of the entities follows.

City of Burbank

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

Burbank Parking Authority

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

Public Facilities Financing Authority

The Public Facilities Financing Authority (PFFA) was established in May 1987 by the City Council. The formation of the PFFA creates a financing entity through which Certificates of Participation can be issued for the proposed remodeling of various City buildings, the construction of a parking facility in the City Centre area, and various other additions or improvements to the City's infrastructure. Separate financial statements for the PFFA are not available. At June 30, 2017, 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, 2017

(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. 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, 2017

(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 funds received for the affordable housing program.

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

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

The City reports the following major proprietary funds :

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

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

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

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

Additionally the City reports the following fund types:

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

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

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

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

C - Measurement Focus and Basis of Accounting

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available, susceptible to accrual. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period (e.g., charges for services, intergovernmental revenue, sales tax, property taxes, franchise taxes, motor vehicle fees, utility users taxes, etc). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension, OPEB, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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, 2017

(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 record these future economic benefits and obligations as regulatory assets or regulatory liabilities, respectively.

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

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

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

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

D - Inventories and prepaid items

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

E - 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.

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 acquisition 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, 2017

(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:

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

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 70% and respecting of the total value.

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

City of Burbank

Year Ended June 30, 2017

(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, 2017

(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 90 days and over receivables balances.

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

The Low and Moderate Income Housing fund has outstanding developer notes receivable with the Burbank Housing Corporation (BHC). The terms of the notes are fifty-five years with a stated annual interest rate of 3%. At the end of each notes' term, the City will receive either; A) the outstanding principal and interest on the loans or, b) as first lien holder on the underlying land and buildings, will receive the properties back. If the City receives the properties, after their respective fifty-five year term is over, in lieu of full payment of unpaid principal and interest from the BHC, those properties can then be used for any purpose the City chooses. The City records notes receivable at the lesser of a) the aggregate outstanding principal and interest balances on the notes receivable, or b) the estimated aggregate values of the underlying properties at the end of their respective note receivable term. (i.e.; estimated value fifty-five years after the start of each loan, not present valued back to June 30, 2017). The City reports the notes receivable balance in restricted fund balance in the governmental funds statements and in restricted net position in governmental activities in the entity-wide statements.

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

K - Interfund Advances

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

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, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

M - Current Year Standards

- GASB 74 - "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*", effective for periods beginning after June 15, 2016 and did not impact the City.

- GASB 77 - "*Tax Abatement Disclosure*", effective for periods beginning after December 15, 2015 and did not impact the City.

- GASB 79 - "*Certain External Investment Pools and Pool Participants*", was required to be implemented in the current fiscal year, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing, which are effective for periods beginning after December 15, 2015, and did not impact the City.

- GASB 80 - "*Blending Requirements for Certain Component Units*", effective for periods beginning after June 15, 2016 and 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 75 - "*Accounting and Financial Reporting for Postemployment Benefit Other Than Pension Plans*", effective for periods beginning after June 15, 2017.

- GASB 82 - "*Pension Issues*", effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

- GASB 84 - "*Fiduciary Activities*", effective for periods beginning after December 15, 2018.

- GASB 85 - "*Omnibus 2017*", effective for periods beginning after June 15, 2017.

- GASB 86 - "*Certain Debt Extinguishment Issues*", effective for periods beginning after June 15, 2017.

- GASB 87 - "*Leases*", effective for periods beginning after December 15, 2019.

City of Burbank
Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

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 the following items that qualify for reporting in this category:

- Deferred outflow related to pensions equal to employer contributions made after the measurement date of the net pension liability.

- Deferred outflows related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. These amounts are amortized over five years.

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

- Deferred inflows from unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from taxes and grants. These amounts are reported as unavailable and recognized as an inflow of resources in the period that the amounts become available.

- Deferred inflows related to pensions for differences between expected and actual experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans.

- Deferred inflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expecting remaining service lives of all employees that are provided with pensions through the Plans.

City of Burbank

Year Ended June 30, 2017

NOTES TO BASIC FINANCIAL STATEMENTS

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

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, 2017

(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 activities :

Capital assets of internal service funds, net of accumulated depreciation	\$ 23,039
Governmental assets, net of accumulated depreciation	659,031
Net investment in capital assets	<u>\$ 682,070</u>

Business-type activities :

Capital assets, net of accumulated depreciation	\$ 456,004
All revenue bonds, current and long term portions	(124,988)
Loan payable	(7,234)
Net investment in capital assets	<u>\$ 323,782</u>

(3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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, 2017

(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, 2017, the following funds reflected expenditures in excess of budgeted amounts : Housing Authority Special Revenue fund, an excess of \$373, YES Capital Projects Fund, an excess of \$2. Also, the general fund had expenditures in excess of budgeted amounts in the following departments: Fire Department an excess of \$751 and non-departmental an excess of \$3,669.

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(4) CASH AND INVESTMENTS

Cash and investments as of June 30, 2017 are classified in the accompanying financial statements as follows :

	Govern- mental	Business Type	Fiduciary Fund	Total
Pooled cash and investments	\$ 253,278	149,700	12,126	\$ 415,104
Restricted pooled cash and investments	-	21,490	-	21,490
Restricted non-pooled cash and cash equivalents	116	5,647	6,936	12,699
Restricted cash and investments	41,210	-	-	41,210
Total	\$ 294,604	176,837	19,062	\$ 490,503
Cash overdraft				\$ (756)
Demand deposits				93
Investments				491,166
Total				\$ 490,503

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

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

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

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

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, 2017

(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	None	None
LAIF-Local Agency Investmt Fund	N/A	None	None
Money Market	N/A	None	None
Pledge Bonds	N/A	None	None
U.S. Treasury Obligations	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

	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	\$ 162,209	22,849	14,424	124,936	-
U.S. Treasury obligations	10,055	-	2,980	7,075	-
Commercial Paper	9,991	9,991	-	-	-
Corporate-Medium Term Notes	65,568	17,981	15,104	32,483	-
Municipal Bonds	35,749	1,228	8,035	26,486	-
Negotiable Certificates of Deposit	86,332	9,479	21,375	55,478	-
LAIF-Local Agency Invst Fund	67,353	67,353	-	-	-
Held by bond trustee:					
Investment Agreements	5,949	-	-	-	5,949
Money Market	6,750	6,750	-	-	-
Local obligation bonds	41,210	2,370	2,500	7,380	28,960
	<u>\$ 491,166</u>	<u>138,001</u>	<u>64,418</u>	<u>253,838</u>	<u>34,909</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, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(4) CASH AND INVESTMENTS, (continued)

	Total	Minimum Legal Rating	Not Rated
Agency-U.S. Federal Agency	\$ 162,209	N/A	-
U.S. Treasury obligations	10,055	N/A	-
Commercial Paper	9,991	Aaa	-
Corporate-Medium Term Notes	65,568	A	-
Municipal Bonds	35,749	A	-
Negotiable Certificates of Deposit	86,332	N/A	86,332
LAIF-Local Agency Invstmt Fund	67,353	N/A	67,353
Held by bond trustee:			
Investment Agreements	5,949	A	-
Money Market	6,750	Aaa	-
Local obligation bonds	41,210	N/A	41,210
Totals	\$ 491,166		194,895

	Rating as of year end			Not required to be rated
	Aaa	Aa	A	
Agency-U.S. Federal Agency	\$ 162,209	-	-	-
U.S. Treasury obligations	-	-	-	10,055
Commercial Paper	9,991	-	-	-
Corporate-Medium Term Notes	10,925	11,055	43,588	-
Municipal Bonds	5,438	30,311	-	-
Held by bond trustee:				
Investment Agreements	-	-	5,949	-
Money Market	6,750	-	-	-
Totals	\$ 195,313	41,366	49,537	10,055

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 - \$49,367
 FHLMC Debentures - U.S. Federal Agency - \$24,959
 FNMA - U.S. Federal Agency - \$65,971

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The amount of deposits are covered by FDIC insurance or collateralized under California law.

The Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits : The Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment in State Investment Pool

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

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(4) CASH AND INVESTMENTS, (continued)

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").

Fair Value Measurements

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

The City has the following recurring fair value measurements as of June 30, 2017:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Investments Not Subject to Hierarchy	Total
Agency-U.S. Federal Agency	-	162,209	-	-	162,209
Commercial Paper	-	9,991	-	-	9,991
Corporate-medium term notes	-	65,568	-	-	65,568
LAIF-Local Agency Invest. Fund	-	-	-	67,353	67,353
U.S. Treasury obligations	-	10,055	-	-	10,055
Negotiable Certificates of Deposit	-	86,332	-	-	86,332
Municipal Bonds	-	35,749	-	-	35,749
Held by Bond Trustee:					
Investment Agreements	-	-	5,949	-	5,949
Money Market	-	-	-	6,750	6,750
Local obligation bonds	-	-	41,210	-	41,210
	<u>\$ -</u>	<u>\$ 369,904</u>	<u>\$ 47,159</u>	<u>\$ 74,103</u>	<u>\$ 491,166</u>

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 is as follows.

Governmental activities	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated :				
Land	\$ 52,163	862	-	53,025
Land held under easements	345,277	-	-	345,277
Construction in progress	16,669	9,919	(14,876)	11,712
Internal service fund assets :				
Construction in progress	1,206	267	(1,023)	450
Total capital assets not being depreciated	<u>415,315</u>	<u>11,048</u>	<u>(15,899)</u>	<u>410,464</u>
Capital assets being depreciated :				
Land Improvements	\$ 8,694	-	-	8,694
Accumulated depreciation	(5,913)	(286)	-	(6,199)
Buildings & Improvements	208,344	-	(155)	208,189
Accumulated depreciation	(137,771)	(5,516)	155	(143,132)
Infrastructure	325,727	9,537	-	335,264
Accumulated depreciation	(147,075)	(8,336)	-	(155,411)
Machinery & other	4,837	1,496	-	6,333
Accumulated depreciation	(4,043)	(678)	-	(4,721)
Internal service fund assets :				
Buildings and improvements	6,165	102	-	6,267
Accumulated depreciation	(1,959)	(263)	-	(2,222)
Machinery & other	68,741	7,782	(2,619)	73,904
Accumulated depreciation	(52,545)	(3,486)	671	(55,360)
Total capital assets being depreciated, net	<u>273,202</u>	<u>352</u>	<u>(1,948)</u>	<u>271,606</u>
Total net capital assets - governmental activities	<u>\$ 688,517</u>	<u>11,400</u>	<u>(17,847)</u>	<u>682,070</u>

Depreciation charged to governmental functions on the statement of activities during the year is as follows; \$4,544 General Government, \$312 to Police, \$11 to Fire, \$8,595 to Public Works, \$2,228 to Community Development, \$2,140 to Parks and Recreation and \$735 to Library.

Total Enterprise fund type capital assets are as follows :

All Business-type activities	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated :				
Land	\$ 11,824	-	-	11,824
Construction in progress	39,555	28,712	(40,039)	28,228
Total capital assets not being depreciated	<u>51,379</u>	<u>28,712</u>	<u>(40,039)</u>	<u>40,052</u>
Capital assets being depreciated :				
Land improvements	13,199	-	-	13,199
Accumulated depreciation	(10,338)	(419)	-	(10,757)
Rights to purchased power	1,335	-	-	1,335
Accumulated depreciation	(713)	(43)	-	(756)
Buildings & Improvements	711,931	36,394	(1,069)	747,256
Accumulated depreciation	(343,275)	(19,517)	379	(362,413)
Machinery & other	85,135	5,942	(2,132)	88,945
Accumulated depreciation	(56,145)	(5,248)	536	(60,857)
Total capital assets being depreciated, net	<u>401,129</u>	<u>17,109</u>	<u>(2,286)</u>	<u>415,952</u>
Total net capital assets - business-type activities	<u>\$ 452,508</u>	<u>45,821</u>	<u>(42,325)</u>	<u>456,004</u>

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(5) CAPITAL ASSETS

Water Reclamation & Sewer fund capital assets are as follows :

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated :				
Land	\$ 5,316	-	-	5,316
Construction in progress	7,787	7,077	(14,733)	131
Total capital assets not being depreciated	13,103	7,077	(14,733)	5,447
Capital assets being depreciated :				
Land improvements	6,096	-	-	6,096
Accumulated depreciation	(4,324)	(316)	-	(4,640)
Buildings & Improvements	119,451	14,579	-	134,030
Accumulated depreciation	(69,549)	(2,927)	-	(72,476)
Machinery & other	2,490	47	-	2,537
Accumulated depreciation	(2,131)	(124)	-	(2,255)
Total capital assets being depreciated, net	52,033	11,259	-	63,292
Total net capital assets - Water reclamation and sewer	\$ 65,136	18,336	(14,733)	68,739

Electric Utility fund capital assets are as follows :

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated :				
Land	\$ 2,734	-	-	2,734
Construction in progress	24,584	17,136	(19,892)	21,828
Total capital assets not being depreciated	27,318	17,136	(19,892)	24,562
Capital assets being depreciated :				
Land improvements	-	-	-	-
Accumulated depreciation	-	-	-	-
Rights to purchased power	1,335	-	-	1,335
Accumulated depreciation	(713)	(43)	-	(756)
Buildings & Improvements	432,637	16,952	(1,053)	448,536
Accumulated depreciation	(205,922)	(12,645)	362	(218,205)
Machinery & other	65,592	4,407	(1,571)	68,428
Accumulated depreciation	(42,767)	(4,224)	53	(46,938)
Total capital assets being depreciated, net	250,162	4,447	(2,209)	252,400

Water Utility fund capital assets are as follows :

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated :				
Land	\$ 309	-	-	309
Construction in progress	6,746	4,291	(5,340)	5,697
Total capital assets not being depreciated	143,183	4,863	(16)	148,030
Buildings & Improvements	(57,851)	(3,402)	17	(61,236)
Machinery & other	5,614	259	(107)	5,766
Accumulated depreciation	(4,334)	(201)	30	(4,505)
Total capital assets being depreciated, net	86,612	1,519	(76)	88,055
Total net capital assets - Water utility	\$ 93,667	5,810	(5,416)	94,061

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(5) CAPITAL ASSETS, (continued)

Refuse Collection & Disposal fund capital assets are as follows :

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated :				
Land	\$ 3,454	-	-	3,454
Construction in progress	365	207	-	572
Total capital assets not being depreciated	<u>3,819</u>	<u>207</u>	<u>-</u>	<u>4,026</u>
Capital assets being depreciated :				
Land improvements	6,050	-	-	6,050
Accumulated depreciation	(5,307)	(76)	-	(5,383)
Buildings & Improvements	7,672	-	-	7,672
Accumulated depreciation	(6,208)	(124)	-	(6,332)
Machinery & other	11,048	1,229	(454)	11,823
Accumulated depreciation	(6,580)	(676)	453	(6,803)
Total capital assets being depreciated, net	<u>6,675</u>	<u>353</u>	<u>(1)</u>	<u>7,027</u>
Total net capital assets - Refuse collection & disposal	<u>\$ 10,494</u>	<u>560</u>	<u>(1)</u>	<u>11,053</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, 2017, there were 145 active participants and 91 retired participants. VEBA members are required to contribute their final vested sick pay at retirement. The City is required to contribute \$34.77 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 \$1,037 for the fiscal year ended June 30, 2017. At June 30, 2017, the fair value of assets was \$7,529.

City of Burbank
Year Ended June 30, 2017

(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, 2017 there were 114 active and 45 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 \$674 to the PEHP during the year ended June 30, 2017.

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2017 is as follows :

<u>Fund</u>	<u>Interfund</u>		<u>Transfers</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General fund	\$ 105	375	8,868	4,594
capital projects	-	-	-	-
Low / Mod housing	9	-	-	-
General capital projects	-	-	4,014	-
Water recl & sewer	-	-	-	-
Electric utility	1,221	-	1,065	11,397
Water utility	375	-	-	-
Refuse coll. & disp.	-	-	67	-
Nonmajor				
governmental funds	-	1,343	3,623	1,470
Internal service funds	8	-	-	176
Total interfund				
receivable / payable /				
transfers	<u>\$ 1,718</u>	<u>1,718</u>	<u>17,637</u>	<u>17,637</u>

Composition and purpose of interfund transfers is as follows :

Nonmajor governmental funds transfers in of \$3,623 includes \$2,529 from the Street Lighting fund transferred from Electric Utility fund for in-lieu of taxes payments.

General fund transfers in of \$8,868 includes \$8,797 from the Electric Utility fund for in-lieu of taxes payments.

General Capital Projects fund transfers in of \$4,014 includes \$3,478 from the General fund for additional street improvements per resolution 16-28844.

City of Burbank
Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

The composition of interfund advances as of June 30, 2017 is as follows :

Advances from City :

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

\$ 323

\$ 323

Advances to Successor Agency :

The City and the Agency entered into a cooperation agreement through which the City agreed to advance funds to the City Centre project necessary for land acquisition and related expenses. Transferred to Successor Agency February 1, 2012. AB 1484 specifies the actions to be taken and the method of repayment for advances by the Successor Agency to the various funds of the City. Upon application and approval by the successor agency and approval by the oversight board, loan agreements (advances) entered into by former redevelopment agency and the city shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the advances were for legitimate redevelopment purposes. The accumulated interest on the remaining amount of advances will be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund. The advances are to be repaid with a defined schedule over a reasonable term of years at an interest rate not to exceed the 3%. The annual advances repayments are subject to certain limitations. Advance repayments 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).

\$ 40,359

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

\$ 155

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.

\$ 131

\$ 40,645

Advances to City from Successor Agency :

Advances from 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, 2017.

\$ 1,327

\$ 1,327

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

<u>Fund</u>	Internal Balances		Transfers	
	Govern- mental	Business- Type	Govern- mental	Business- Type
Governmental funds				
interfund receivable	\$ 437	-	\$ -	-
transfers in	-	-	16,505	-
interfund payable	(2,041)	-	-	-
transfers out	-	-	(6,064)	-
Internal service funds				
interfund receivable	8	-	-	-
transfers in	-	-	-	-
interfund payable	-	-	-	-
transfers out	-	-	(176)	-
Proprietary funds				
interfund receivable	-	1,596	-	-
transfers out	-	-	-	(11,397)
interfund payable	-	-	-	-
transfers in	-	-	-	1,132
Totals	<u>\$ (1,596)</u>	<u>1,596</u>	<u>\$ 10,265</u>	<u>(10,265)</u>

City of Burbank
Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG TERM LIABILITIES

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within one year
Fiduciary activities:					
Tax allocation bonds	\$ 84,862	\$ -	\$ (6,599)	\$ 78,263	\$ 6,655
Total fiduciary activities	<u>\$ 84,862</u>	<u>-</u>	<u>\$ (6,599)</u>	<u>\$ 78,263</u>	<u>\$ 6,655</u>
Governmental activities :					
Revenue bonds	\$ 46,790	\$ -	\$ (2,465)	\$ 44,325	\$ 2,585
Pension obligation bonds	11,895	-	(1,455)	10,440	1,635
*Compensated absences	14,756	3,250	(3,506)	14,500	1,504
Total non-internal service debt	73,441	3,250	(7,426)	69,265	5,724
Claims payable from self-insurance funds (note 15)	47,913	14,614	(12,049)	50,478	12,191
Compensated absences - payable from internal service funds	301	35	(63)	273	9
Total governmental activities	<u>\$ 121,655</u>	<u>\$ 17,899</u>	<u>\$ (19,538)</u>	<u>\$ 120,016</u>	<u>\$ 17,924</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, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG TERM LIABILITIES, (continued)

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within one year
Business-type activities :					
Water Reclamation & Sewer :					
Revenue bonds	\$ 10,343	-	(937)	9,406	835
Compensated absences - payable from enterprise funds	187	20	(98)	109	1
Subtotal	10,530	20	(1,035)	9,515	836
Refuse Collection & Disposal :					
Revenue bonds	4,336	-	(713)	3,623	645
Other long-term liabilities	17,662	504	-	18,166	-
Compensated absences - payable from enterprise funds	689	38	(55)	672	42
Subtotal	22,687	542	(768)	22,461	687
Electric Utility :					
Revenue bonds	83,660	-	(4,470)	79,190	4,100
Compensated absences - payable from enterprise funds	5,223	200	(652)	4,771	412
Subtotal	88,883	200	(5,122)	83,961	4,512
Water Utility :					
Revenue bonds	33,654	-	(885)	32,769	830
Other long-term liabilities	7,634	-	(400)	7,234	409
Compensated absences - payable from enterprise funds	885	25	(50)	860	30
Subtotal	42,173	25	(1,335)	40,863	1,269
Total business-type activities :					
Revenue bonds	131,993	-	(7,005)	124,988	6,410
Other long-term liabilities	25,296	504	(400)	25,400	409
Compensated absences - payable from enterprise funds	6,984	283	(855)	6,412	485
Total business-type activities	<u>\$ 164,273</u>	<u>787</u>	<u>(8,260)</u>	<u>156,800</u>	<u>7,304</u>

City of Burbank

Year Ended June 30, 2017

(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, 2017 the entire balance of the bonds are owned by Burbank Public Financing Authority.

\$ 6,460

\$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, 2017 the entire balance of the bonds are owned by Burbank Public Financing Authority.

\$ 9,750

1993 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, 2017 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 19 years for a total savings of \$23.358.

\$ 32,175

Plus original issue premium

\$ 4,878

Total Tax Allocation Bonds

\$ 78,263

Total fiduciary activities

\$ 78,263

City of Burbank

Year Ended June 30, 2017

(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. 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.

\$ 44,325

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.

\$ 10,440

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, 2017, the noncurrent portions of the accrual consist of vacation leave of \$9,989, sick leave of \$3,186, and in-lieu time of \$1,325.

\$ 14,500

Outstanding Claims Payable - Self-Insurance

The Risk Management fund total outstanding claims are \$8,522. The current portion of the outstanding claims are reported in the current liability section of the statement of net position and the remainder is included in long-term liabilities.

\$ 8,522

The Workers' Compensation fund total outstanding claims are \$41,956. The current portion of the outstanding claims are reported in the current liability section of the statement of net position and the remainder is included in long-term liabilities.

\$ 41,956

Total long-term liabilities for self-insurance

\$ 50,478

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, 2017, the accrual consists of vacation leave of \$145, sick leave of \$69 and in-lieu time of \$59 and the current portion of \$9.

\$ 273

Total governmental activities

\$ 120,016

City of Burbank
Year Ended June 30, 2017

(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 was to refund, on a current basis, the City's Wastewater Treatment Refunding Revenue Bonds, 2004 Series A and to pay all costs of issuance. The 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.

	\$ 8,230
Plus original issue premium	\$ 1,176
Total Wastewater Revenue bonds	\$ 9,406

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.

	\$ 3,430
Plus original issue premium	\$ 193
Total Waste Disposal revenue bonds	\$ 3,623

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.

\$ 19,940

\$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, 2017

(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.

\$ 4,650

\$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.

\$ 5,250

Plus original issue premium	1,877
Less original issue discount	<u>(368)</u>
Total Burbank Water and Power revenue bonds	<u>\$ 111,959</u>
Total Enterprise revenue bonds	<u><u>\$ 124,988</u></u>

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, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

The landfill closure and postclosure care liability at June 30, 2017 represents the cumulative amount reported to date based on the use of 48 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of \$23,178 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2017. Using the 2017 inflation factor of 1.013 percent, the total estimated adjusted closure and postclosure costs as of 2017 are \$37,735. 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, 2017, \$17,306 was reported as restricted cash. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws and regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

\$ 18,166

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.

\$ 405

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

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

\$ 2,840

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.

\$ 2,518

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.

\$ 1,471

Total other long-term liabilities

\$ 25,400

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, 2017, the total of the accrual consist of vacation leave of \$4,416, sick leave of \$1,260 and in-lieu time of \$736.

\$ 6,412

Total business-type activities

\$ 156,800

City of Burbank
Year Ended June 30, 2017

(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, 2017 are as follows :

Fiduciary activities

Year ending June 30	Fiduciary Tax Allocation	
	<u>Principal</u>	<u>Interest</u>
2018	6,655	3,583
2019	6,965	3,279
2020	7,280	2,938
2021	7,835	2,551
2022	5,300	2,209
2023-2027	16,160	7,346
2028-2032	5,595	5,298
2033-2037	6,390	3,693
2038-2042	7,595	1,945
2043-2045	3,610	188
Premium	4,878	-
Totals	<u>\$ 78,263</u>	<u>\$ 33,030</u>

Governmental activities

Year ending June 30	Governmental Revenue Bonds		POB Bond	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	2,995	1,523	2,260	294
2022	1,960	1,409	2,510	160
2023-2027	8,370	5,718	175	10
2028-2032	5,080	4,522	-	-
2033-2037	6,295	3,277	-	-
2038-2042	7,820	1,726	-	-
2043-2045	3,640	166	-	-
Totals	<u>\$ 44,325</u>	<u>\$ 23,761</u>	<u>\$ 10,440</u>	<u>\$ 2,020</u>

City of Burbank
Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

Business-type activities

Year ending June 30	Revenue Bonds		Other Liabilities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	6,410	5,204	409	150
2019	6,690	4,924	420	141
2020	6,985	4,622	432	132
2021	6,905	4,299	442	123
2022	7,220	3,976	454	113
2023-2027	20,935	23,537	2,455	416
2028-2032	21,450	17,816	2,511	145
2033-2037	26,835	10,742	111	-
2038-2040	18,680	2,324	-	-
Discount	(368)	-	-	-
Premium	3,246	-	-	-
Totals	<u>\$ 124,988</u>	<u>77,444</u>	<u>\$ 7,234</u>	<u>1,220</u>

City of Burbank

Year Ended June 30, 2017

(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	6,932	2,592	37.39%
Electric Revenues	48,502	7,466	15.39%
Water Rec. & Sewer	7,074	1,222	17.27%
Refuse Collection & Disposal	3,740	750	20.05%

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(9) RECEIVABLES

Receivables at June 30, 2017 consist of the following :

	General Fund	Low/Mod Housing	General Cap. Proj.
Governmental activities :			
Accounts receivable, net	\$ 11,610	2	357
Interest receivable	272	16	118
Taxes receivable, net	1,456	-	-
Developer notes receivable	-	37,557	-
Total	\$ 13,338	37,575	475

	Public Fin. Authority	Nonmajor Govt'l Funds	Internal Service Funds	Total Govern- mental
Governmental activities :				
Accounts receivable, net	-	1,473	514	13,956
Interest receivable	1	134	407	948
Taxes receivable, net	-	-	-	1,456
Developer notes receivable	-	-	-	37,557
Total	1	1,607	921	53,917

	Water Reclam. & Sewer	Electric	Water	Refuse Collect. & Disposal	Nonmajor Prop. Funds	Total Business Type
Business-type activities :						
Accounts receivable, net	\$ 1,632	14,212	3,460	2,088	-	21,392
Interest receivable	156	295	45	138	-	634
Total	\$ 1,788	14,507	3,505	2,226	-	22,026

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, 2017). 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, 2017, the notes receivable balance was \$37,557, net of an allowance for doubtful accounts of \$20,981. For the fiscal year ended June 30, 2017, the allowance for doubtful accounts increased \$1,318.

City of Burbank

Year Ended June 30, 2017

(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, 2017 was \$0, net of an allowance for doubtful accounts of \$2,537, in both the governmental activities and the governmental funds. The notes receivable balance for HOME as of June 30, 2017 is \$0, net of an allowance for doubtful accounts of \$9,759, in both the governmental activities and the governmental funds.

(10) COMMITMENTS AND CONTINGENCIES

Litigation

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

Construction commitments

Outstanding construction commitments include \$1,321 Sidewalk Rep Zones; \$990 Verdugo Avenue Improvement and \$917 for Pland Op improvements.

City of Burbank
Year Ended June 30, 2017

(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, 2017 and 2016, the Electric Fund made payments totaling \$69,399 and \$73,323 for "take or pay" contracts, respectively, and \$2,220 and \$1,703 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, 2017

(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, 2017

(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, 2017

(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, 2017 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%	\$ 38,420	40,382
SCPPA: ⁽¹⁾			
Southern Transmission System	4.498%	24,322	29,885
Magnolia Power Project (Project A)	32.350%	94,709	133,681
Prepaid Natural Gas Project #1	33.000%	99,417	158,968
Milford I Wind Project	5.000%	9,360	12,979
Mead-Adelanto	11.534%	8,432	9,216
Palo Verde	4.400%	546	553
Tieton Hydropower Project	50.000%	23,980	42,028
Mead-Phoenix	15.400%	3,416	3,689
Natural Gas Project - Barnett	100.000%	15,644	22,066
Hoover Upgrading Project	15.957%	341	350
Natural Gas Project - Pinedale	100.000%	5,051	7,124
SCPPA Total		<u>285,218</u>	<u>420,537</u>
Total		<u>\$ 323,638</u>	<u>\$ 460,920</u>

City of Burbank
Year Ended June 30, 2017

(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).

	2017/18		2018/19		2019-20	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	\$ 6,585	964	7,321	935	7,606	421
SCPPA:						
Southern Transmission System	2,443	1,061	2,523	970	2,204	855
Magnolia Power Project (Project A)	2,239	3,138	2,342	3,032	2,455	2,919
Prepaid Natural Gas Project #1	1,520	5,025	1,777	4,943	2,127	4,843
Milford I Wind Project	481	451	504	427	529	402
Mead-Adelanto	2,128	358	2,213	250	2,306	137
Palo Verde	546	7	-	-	-	-
Tieton Hydropower Project	455	1,215	475	1,193	500	1,168
Mead-Phoenix	872	122	905	85	929	50
Natural Gas Project - Barnett	1,485	854	1,342	776	1,240	705
Hoover Upgrading Project	341	9	-	-	-	-
Natural Gas Project - Pinedale	480	276	433	251	400	228
Total	\$ 19,574	13,479	19,836	12,860	20,295	11,727

	2020/21		2021/22		2022/27	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	\$ 7,372	(67)	5,336	(191)	4,200	(99)
SCPPA:						
Southern Transmission System	2,758	750	3,567	614	9,418	1,282
Magnolia Power Project (Project A)	2,573	2,798	2,701	2,672	17,403	11,652
Prepaid Natural Gas Project #1	2,549	4,720	2,950	4,576	21,207	19,975
Milford I Wind Project	555	375	582	348	3,364	1,270
Mead-Adelanto	1,785	39	-	-	-	-
Palo Verde	-	-	-	-	-	-
Tieton Hydropower Project	525	1,142	553	1,113	4,115	4,979
Mead-Phoenix	711	16	-	-	-	-
Natural Gas Project - Barnett	1,160	639	1,096	577	4,691	2,053
Hoover Upgrading Project	-	-	-	-	-	-
Natural Gas Project - Pinedale	375	206	354	186	1,514	663
Total	\$ 20,363	10,619	17,139	9,894	65,913	41,776

City of Burbank
Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES (continued)

	2027/32		2032/37		2037/42	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	\$ -	-	-	-	-	-
SCPPA:						
Southern Transmission System	1,407	33	-	-	-	-
Magnolia Power Project (Project A)	22,598	8,451	42,397	4,309	-	-
Prepaid Natural Gas Project #1	36,043	12,685	31,244	2,785	-	-
Milford I Wind Project	3,346	345	-	-	-	-
Mead-Adelanto	-	-	-	-	-	-
Palo Verde	-	-	-	-	-	-
Tieton Hydropower Project	4,420	3,808	5,640	2,557	7,298	873
Mead-Phoenix	-	-	-	-	-	-
Natural Gas Project - Barnett	3,904	795	726	22	-	-
Hoover Uprating Project	-	-	-	-	-	-
Natural Gas Project - Pinedale	1,261	257	234	7	-	-
Total	\$ 72,979	26,373	80,241	9,680	7,298	873

	Total	
	Principal	Interest
Intermountain Power Project	38,420	1,962
SCPPA:		
Southern Transmission System	24,322	5,563
Magnolia Power Project (Project A)	94,709	38,972
Prepaid Natural Gas Project #1	99,417	59,551
Milford I Wind Project	9,360	3,619
Mead-Adelanto	8,432	784
Palo Verde	546	7
Tieton Hydropower Project	23,980	18,048
Mead-Phoenix	3,416	273
Natural Gas Project - Barnett	15,644	6,421
Hoover Uprating Project	341	9
Natural Gas Project - Pinedale	5,051	2,073
Total	323,638	137,282

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(12) ACCRUED LIABILITIES

Accrued liabilities for Governmental and Business Type Activities June 30, 2017, consist of the following:

	Governmental Activities	Business Type Activities
Accrued expenditures	\$ 11	\$ 4,554
Accrued payroll	3,416	-
Other liabilities	5,386	-
Total	<u>\$ 8,813</u>	<u>\$ 4,554</u>

City of Burbank

Year Ended June 30, 2017

(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, 2017, the City's deferred compensation plan had accumulated assets of \$158,630 under the 457 plan, and \$624 under the 457p plan.

(14) PREPAID ITEMS AND DEPOSITS

The City shows a total of \$28,352 in prepaid items and deposits. \$27,966 of the prepaid items are in the Electric Utility, \$43 are in Water Rec and Sewer, \$32 are in Water Utility, \$1 are in Refuse Collection and Disposal and \$310 in the Governmental activities (\$250 in the general fund), with incidental amounts in internal service funds.

City of Burbank

Year Ended June 30, 2017

(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, 2017, \$8,522 was accrued for general liability claims, and \$41,956 accrued for workers compensation claims. These amounts were determined by an actuarial study, performed annually. These accruals represent estimates of amounts to be paid for incurred and reported claims as well as incurred but unreported claims based upon past experience and modified for current trends and information. See the end of this note for a table showing changes in the aggregate liabilities for the past two years.

While the ultimate amounts of losses incurred through June 30, 2017, 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 :

	<u>Fiscal year</u>	
	<u>2015/16</u>	<u>2016/17</u>
Beginning liability, July 1	39,947	47,913
Claims and changes in estimates	17,502	14,614
Claims payments during the year	<u>(9,536)</u>	<u>(12,049)</u>
Ending liability, June 30	<u>47,913</u>	<u>50,478</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, 2017

(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, 2017, the electric fund amortized \$75 on this prepaid lease, leaving a balance of \$338.

(17) PENSION PLANS:

A. General Information about the Pension Plans:

Plan Descriptions

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least 5 years of services. PEPRAs miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	2.5%@55	2%@62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	6.75%
Required employer contribution rates	19.95%	19.95%
	Police	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	3%@50	2.7%@57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9%	12.75%
Required employer contribution rates	37.58%	37.58%
	Fire	
	Prior to January 1, 2013	On or After 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	24.14%	24.14%

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(17) PENSION PLANS (continued):

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

Employees Covered

At June 30, 2017, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Police	Fire
Inactive employees or beneficiaries currently receiving benefits	1,227	236	186
Inactive employees entitled to but not yet receiving benefits	829	37	26
Active employees	1,056	142	121
Total	3,112	415	333

Contributions

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

B. Net Pension Liability:

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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, 2015 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Police	Fire
Valuation Date	June 30, 2015	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:			
Discount Rate	7.65%	7.65%	7.65%
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)
Mortality	(2)	(2)	(2)

(1) Varies by entry age and service.

(2) The probabilities of mortality are derived using CalPERS membership data for all funds. The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2013 experience study report.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2007, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

Change of Assumptions

There were no changes of assumptions during the measurement period June 30, 2016. Deferred inflows of resources for changes of assumptions presented in the financial statements represent the unamortized portion of the changes of assumptions related to prior measurement periods.

Discount Rate

The discount rate used to measure the total pension liability was 7.65% 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 of the Plans, the tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

City of Burbank
Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(17) PENSION PLANS (continued)

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-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

Subsequent Events

In December 2016, CalPERS' Board of Directors voted to lower the discount rate used in its actuarial valuations from 7.5% to 7.0% over three fiscal years, beginning in fiscal year 2018. The change in the discount rate will affect the contribution rates for employers beginning in fiscal year 2019, and result in increases to employers' normal costs and unfunded actuarial liabilities. For the GASB Statement 68 accounting valuations, the discount rate will move straight to 7% starting with the June 30, 2017 measurement date reports and will result in an increase to employer's total pension liabilities.

C. Changes in the Net Pension Liability:

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2015	\$ 788,864,141	\$ 621,695,873	\$ 167,168,268
Changes in the Year:			
Service cost	12,369,977	-	12,369,977
Interest on the total pension liability	58,555,881	-	58,555,881
Differences between actual and expected experience	(9,763,032)	-	(9,763,032)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	15,318,184	(15,318,184)
Contribution - employee (paid by employer)	-	6,148,285	(6,148,285)
Contribution - employee	-	-	-
Net investment income	-	3,281,930	(3,281,930)
Plan to Plan Resource Movement	-	(334)	334
Administrative expenses	-	(378,891)	378,891
Benefit payments, including refunds of employee contributions	(39,699,491)	(39,699,491)	-
Net Changes	21,463,335	(15,330,317)	36,793,652
Balance at June 30, 2016	\$ 810,327,476	\$ 606,365,556	\$ 203,961,920

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(17) PENSION PLANS (continued):

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2015	\$ 270,338,587	\$ 202,038,534	\$ 68,300,053
Changes in the Year:			
Service cost	5,345,666	-	5,345,666
Interest on the total pension liability	20,170,664	-	20,170,664
Differences between actual and expected experience	(1,822,421)	-	(1,822,421)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	6,464,462	(6,464,462)
Contribution - employee (paid by employer)	-	-	-
Contribution - employee	-	1,583,214	(1,583,214)
Net investment income	-	1,022,785	(1,022,785)
Plan to Plan Resource Movement	-	334	(334)
Administrative expenses	-	(123,132)	123,132
Benefit payments, including refunds of employee contributions	(15,040,385)	(15,040,385)	-
Net Changes	<u>8,653,524</u>	<u>(6,092,722)</u>	<u>14,746,246</u>
Balance at June 30, 2016	<u>\$ 278,992,111</u>	<u>\$ 195,945,812</u>	<u>\$ 83,046,299</u>

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2015	\$ 212,700,065	\$ 172,726,547	\$ 39,973,518
Changes in the Year:			
Service cost	3,381,401	-	3,381,401
Interest on the total pension liability	15,826,963	-	15,826,963
Differences between actual and expected experience	(1,841,027)	-	(1,841,027)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	3,407,476	(3,407,476)
Contribution - employee (paid by employer)	-	1,347,568	(1,347,568)
Contribution - employee	-	-	-
Net investment income	-	854,376	(854,376)
Administrative expenses	-	(105,268)	105,268
Benefit payments, including refunds of employee contributions	(11,322,634)	(11,322,634)	-
Net Changes	<u>6,044,703</u>	<u>(5,818,482)</u>	<u>11,863,185</u>
Balance at June 30, 2016	<u>\$ 218,744,768</u>	<u>\$ 166,908,065</u>	<u>\$ 51,836,703</u>

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

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

	Miscellaneous	Police	Fire
1% Decrease	6.65%	6.65%	6.65%
Net Pension Liability	\$ 310,215,768	\$ 119,398,402	\$ 79,858,103
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability	\$ 203,961,920	\$ 83,046,299	\$ 51,836,703
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability	\$ 116,205,204	\$ 53,139,621	\$ 28,637,469

City of Burbank

Year Ended June 30, 2017

(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, 2017, the City recognized pension expense of \$11,999 for Miscellaneous, \$7,989 for Police and \$4,828 for Fire.. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the three City

Miscellaneous Plan:	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 16,797	\$ -
Differences between actual and expected experience	-	(11,822)
Change in assumptions	-	(5,453)
Net differences between projected and actual earnings on plan investments	33,103	-
Total	<u>\$ 49,900</u>	<u>\$ (17,275)</u>

\$16,797 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, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2018	(6,462)
2019	(825)
2020	14,432
2021	8,683
2022	-
Thereafter	-

Police plan:	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 7,697	\$ -
Differences between actual and expected experience	-	(2,311)
Change in assumptions	-	(2,161)
Net differences between projected and actual earnings on plan investments	10,801	-
Total	<u>\$ 18,498</u>	<u>\$ (4,472)</u>

\$7,697 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, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Ending June 30,	Amount
2018	(889)
2019	(332)
2020	4,719
2021	2,831
2022	-
Thereafter	-

Fire plan:	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,978	\$ -
Differences between actual and expected experience	-	(1,743)
Change in assumptions	-	(1,906)
Net differences between projected and actual earnings on plan investments	9,177	-
Total	<u>\$ 13,155</u>	<u>\$ (3,649)</u>

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(17) PENSION PLANS (continued):

\$3,978 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2018	(179)
2019	(179)
2020	3,671
2021	2,215
Thereafter	-

E. Payable to the Pension Plan:

At June 30, 2017, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The City contributes to three retiree healthcare benefit plans:

The first 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 \$125 per month. In addition, the City pays retiree health contribution amounts of \$75.00 per month for 20 management retirees, and \$188 per month for 9 IBEW retirees. For these management/IBEW retirees, the PEMHCA minimum required contribution of \$125 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 second 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 \$1,200/month for individuals age 50 to age 64 and \$750/month for those age 65 and above, with the exception that for qualifying employees who retire after December 16, 2015 and who have not contributed to Medicare while employed at Burbank and who are also not otherwise eligible for premium-free Medicare Part A at age 65 and older, the maximum amount at age 65 and older shall be \$975/month for fiscal year 2016-17, including payments from BERMT, PEMHCA minimum and Utility Retiree Medical Trust. For the fiscal year 2016-17, the City contributed \$155. The City's ARC was \$155 (in thousands) for the fiscal year 2016-17.

The third plan 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 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 2016-17, the City contributed \$1,295 to BERMT. BERMT is not subject to GASB 45 reporting.

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 2016-17, the City contributed \$2,666 in form of deposits to CERBT. The City's ARC was \$4,088 for the fiscal year 2016-17.

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

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

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

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

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, 2015, 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 (asset):

	PEMHCA	URMT
Annual required contribution	4,088	155
Interest on net OPEB obligation/(asset)	(865)	(266)
Adjustment to annual required contribution	744	252
Annual OPEB cost	3,967	141
Contributions made	(2,666)	(155)
(Increase) Decrease in net OPEB asset	1,301	(14)
Net OPEB obligation/(asset) - beginning of year	(12,071)	(3,665)
Net OPEB obligation/(asset) - end of year	(10,770)	(3,679)

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 (asset) for each of the plans were as follows :

	Year Ended	Annual OPEB Cost	Pct of OPEB cost Contributed	Net OPEB (Asset) Obligation
PEMHCA	6/30/2015	1,086	157.2%	(10,648)
URMT	6/30/2015	(7)	-271.4%	(3,645)
PEMHCA	6/30/2016	1,128	226.2%	(12,071)
URMT	6/30/2016	-	0.0%	(3,665)
PEMHCA	6/30/2017	3,967	67.2%	(10,770)
URMT	6/30/2017	141	109.9%	(3,679)

Funded status and funding progress

The funded status of the plans as of June 30, 2015 actuarial valuation was:

	PEMHCA	URMT
Actuarial accrued liability (a)	59,838	8,294
Actuarial value of plan assets (b)	21,269	8,054
Unfunded actuarial accrued liability (funding excess) (a)-(b)	38,569	240
Funded ratio (b) / (a)	35.5%	97.1%
Covered payroll (c)	107,071	16,598
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll $(((a)-(b))/(c))$	36.0%	1.4%

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 :

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

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

	PEMHCA	URMT
Actuarial valuation date	6/30/2015	6/30/2015
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level % of pay for 27 years	Level % of pay for 24 years
Amortization period	Closed	Closed
Actuarial asset method	5 year smoothed >=80% and =< 120% of market value	5 year smoothed >=80% and =< 120% of market value
Actuarial assumptions :		
Discount rate	7.25%	7.25%
General inflation	3.00%	3.00%
Aggregate payroll increases	3.25%	3.25%
COLA	N/A	4.50%
Healthcare trend (HMO)	10.1% initial, 4.5% ultimate	N/A
Healthcare trend (PPO)	10.8% initial, 4.5% ultimate	N/A
PEMHCA minimum increases	4.50% Increase Per Year Post-retirement mortality projected fully generational with Scale MP-2014, modified to converge to ultimate	4.50% Increase Per Year Post-retirement mortality projected fully generational with Scale MP- 2014, modified to converge to ultimate
Mortality, withdrawal, disability	improvement rates to 2022	improvement rates to 2022
Retirement	CalPERS 1997-2011	CalPERS 1997-2011

(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 unavailable revenue of \$1,465 for sales tax true up and \$356 for the General Capital Projects fund as of June 30, 2017. 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 \$96,465, which is expected to be offset by future tax increment revenues to the extent that they are received.

City of Burbank

Year Ended June 30, 2017

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(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.

On September 22, 2015, as part of the fiscal year 2015-16 state budget package, the Legislature passed and the Governor signed SB 107, 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.

In current and future fiscal years, the Successor Agency will only be allocated revenue from the County of Los Angeles in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the disclosed RDA until all enforceable obligations of the dissolved RDA have been paid in full and all assets have been liquidated.

(21) SUBSEQUENT EVENTS

On November 1, 2017, the Successor Agency to the Redevelopment Agency of the City of Burbank issued \$33,020,000 Tax Allocation Refunding Bonds, Series 2017 for the purpose for refunding the outstanding balance of the Successor Agency's obligations. The bonds consist of \$25,290,000 serial bonds with annual maturity dates from December 1, 2018 through December 1, 2037, with interest rates ranging from 2.00% to 5.00% and term bonds of \$7,730,000 with an interest rate of 3.375% maturing December 1, 2043. Interest payable semi-annually beginning June 1, 2018.

In September 2017, the City received a court ruling that invalidated the transfers from the Electric Fund from the General Fund and Street Lighting Fund. For fiscal year 2016-17, the transfers totaled \$11,300,000. The City has placed the funds in reserve until such time an appeal decision takes place or the Burbank voters reaffirm the legality of the transfers.

Other events occurring after June 30, 2017 have been evaluated for possible adjustments to the financial statements or disclosure as of 12-5-17, 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 REQUIRED SUPPLEMENTARY INFORMATION Last Ten Fiscal Years*

Fiscal Year Ended	2017	2016	2015
Measurement Period:	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability:			
Service cost	\$ 12,369,977	\$ 12,555,200	\$ 13,181,727
Interest on total pension liability	58,555,881	56,944,154	55,430,897
Changes in assumptions	-	(13,841,120)	-
Differences between expected and actual experience	(9,763,032)	(12,736,964)	-
Benefit payments, including refunds of employee contributions	<u>(39,699,491)</u>	<u>(37,451,291)</u>	<u>(35,412,463)</u>
Net Change in Total Pension Liability	21,463,335	5,469,979	33,200,161
Total Pension Liability - Beginning of Year	<u>788,864,141</u>	<u>783,394,162</u>	<u>750,194,001</u>
Total Pension Liability - End of Year (a)	<u>\$ 810,327,476</u>	<u>\$ 788,864,141</u>	<u>\$ 783,394,162</u>
Plan Fiduciary Net Position:			
Contributions - employer	\$ 15,318,184	\$ 13,696,952	\$ 12,179,748
Contributions - employee	6,148,285	6,443,320	6,416,442
Net investment income	3,281,930	13,820,471	94,169,766
Benefit payments	(39,699,491)	(37,451,291)	(35,412,463)
Plan to plan resource movement	(334)	(2)	-
Administrative expense	<u>(378,891)</u>	<u>(700,061)</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	(15,330,317)	(4,190,611)	77,353,493
Plan Fiduciary Net Position - Beginning of Year	<u>621,695,873</u>	<u>625,886,484</u>	<u>548,532,991</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 606,365,556</u>	<u>\$ 621,695,873</u>	<u>\$ 625,886,484</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 203,961,920</u>	<u>\$ 167,168,268</u>	<u>\$ 157,507,678</u>
Plan fiduciary net position as a percentage of the total pension liability	74.83%	78.81%	79.89%
Covered - employee payroll	\$ 84,117,261	\$ 79,288,586	\$ 76,428,082
Net pension liability as percentage of covered- employee payroll	242.47%	210.84%	206.09%

Notes to Schedule:

Benefit Changes:

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

Changes in Assumptions:

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

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

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

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

CITY OF BURBANK

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

Fiscal Year Ended	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 16,797,644	\$ 15,348,888	\$ 13,793,807
Contributions in relation to the actuarially determined contributions	(16,797,644)	(15,348,888)	(13,793,807)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered - employee payroll	\$ 78,910,291	\$ 84,117,261	\$ 79,288,586
Contributions as a percentage of covered - employee payroll	21.29%	18.25%	17.40%

Notes to Schedule:

Valuation Date	June 30, 2014	June 30, 2013	June 30, 2012
----------------	---------------	---------------	---------------

Methods and Assumptions Used to Determine Contribution Rates:

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

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

** - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) included the same actuarial assumptions

*** - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method.

CITY OF BURBANK

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - POLICE REQUIRED SUPPLEMENTARY INFORMATION Last Ten Fiscal Years*

Fiscal Year Ended	2017	2016	2015
Measurement Period:	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability:			
Service cost	\$ 5,345,666	\$ 5,321,905	\$ 5,537,702
Interest on total pension liability	20,170,664	19,538,993	18,902,036
Differences between expected and actual experience	(1,822,421)	(2,163,782)	-
Changes in assumptions	-	(4,702,484)	-
Changes in benefits	-	-	-
Benefit payments, including refunds of employee contributions	<u>(15,040,385)</u>	<u>(14,546,053)</u>	<u>(13,616,037)</u>
Net Change in Total Pension Liability	8,653,524	3,448,579	10,823,701
Total Pension Liability - Beginning of Year	<u>270,338,587</u>	<u>266,890,008</u>	<u>256,066,307</u>
Total Pension Liability - End of Year (a)	<u>\$ 278,992,111</u>	<u>\$ 270,338,587</u>	<u>\$ 266,890,008</u>
Plan Fiduciary Net Position:			
Contributions - employer	\$ 6,464,462	\$ 5,800,229	\$ 5,711,333
Contributions - employee	1,583,214	1,549,949	1,591,859
Net investment income	1,022,785	4,432,031	31,026,505
Benefit payments	(15,040,385)	(14,546,053)	(13,616,037)
Plan to plan resource movement	334	2	-
Administrative expense	<u>(123,132)</u>	<u>(227,394)</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	(6,092,722)	(2,991,236)	24,713,660
Plan Fiduciary Net Position - Beginning of Year	<u>202,038,534</u>	<u>205,029,770</u>	<u>180,316,110</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 195,945,812</u>	<u>\$ 202,038,534</u>	<u>\$ 205,029,770</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 83,046,299</u>	<u>\$ 68,300,053</u>	<u>\$ 61,860,238</u>
Plan fiduciary net position as a percentage of the total pension liability	70.23%	74.74%	76.82%
Covered - employee payroll	\$ 18,590,430	\$ 17,523,263	\$ 16,789,814
Net pension liability as percentage of covered- employee payroll	446.72%	389.77%	368.44%

Notes to Schedule:

Benefit Changes:

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

Changes in Assumptions:

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

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

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

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

CITY OF BURBANK

SCHEDULE OF CONTRIBUTIONS - POLICE REQUIRED SUPPLEMENTARY INFORMATION Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 7,696,894	\$ 6,975,117	\$ 5,800,229
Contributions in relation to the actuarially determined contributions	(7,696,894)	(6,975,117)	(5,800,229)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered - employee payroll	\$ 17,302,688	\$ 18,590,430	\$ 17,523,263
Contributions as a percentage of covered - employee payroll	44.48%	37.52%	33.10%

Notes to Schedule:

Valuation Date	June 30, 2014	June 30, 2013	June 30, 2012
----------------	---------------	---------------	---------------

Methods and Assumptions Used to Determine Contribution Rates:

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

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

***-The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method.

CITY OF BURBANK

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

Last Ten Fiscal Years*

Fiscal Year Ended	2017	2016	2015
Measurement Period:	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability:			
Service cost	\$ 3,381,401	\$ 3,238,929	\$ 3,365,967
Interest on total pension liability	15,826,963	15,385,179	14,831,589
Differences between expected and actual experience	(1,841,027)	(593,799)	-
Changes in assumptions	-	(3,637,875)	-
Changes in benefits	-	-	-
Benefit payments, including refunds of employee contributions	<u>(11,322,634)</u>	<u>(10,836,052)</u>	<u>(10,250,818)</u>
Net Change in Total Pension Liability	6,044,703	3,556,382	7,946,738
Total Pension Liability - Beginning of Year	<u>212,700,065</u>	<u>209,143,683</u>	<u>201,196,945</u>
Total Pension Liability - End of Year (a)	<u>\$ 218,744,768</u>	<u>\$ 212,700,065</u>	<u>\$ 209,143,683</u>
Plan Fiduciary Net Position:			
Contributions - employer	\$ 3,407,476	\$ 2,878,901	\$ 2,633,397
Contributions - employee	1,347,568	1,238,238	1,245,700
Net investment income	854,376	3,875,526	26,645,747
Benefit payments	(11,322,634)	(10,836,052)	(10,250,818)
Administrative expense	<u>(105,268)</u>	<u>(194,366)</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	(5,818,482)	(3,037,753)	20,274,026
Plan Fiduciary Net Position - Beginning of Year	<u>172,726,547</u>	<u>175,764,300</u>	<u>155,490,274</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 166,908,065</u>	<u>\$ 172,726,547</u>	<u>\$ 175,764,300</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 51,836,703</u>	<u>\$ 39,973,518</u>	<u>\$ 33,379,383</u>
Plan fiduciary net position as a percentage of the total pension liability	76.30%	81.21%	84.04%
Covered - employee payroll	\$ 14,624,870	\$ 13,785,343	\$ 13,400,056
Net pension liability as percentage of covered- employee payroll	354.44%	289.97%	249.10%

Notes to Schedule:

Benefit Changes:

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

Changes in Assumptions:

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

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

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

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

CITY OF BURBANK

SCHEDULE OF CONTRIBUTIONS - FIRE REQUIRED SUPPLEMENTARY INFORMATION Last Ten Fiscal Years*

Fiscal Year Ended

	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 3,978,022	\$ 3,442,631	\$ 2,878,901
Contributions in relation to the actuarially determined contributions	(3,978,022)	(3,442,631)	(2,878,901)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered - employee payroll	\$ 14,392,004	\$ 14,624,870	\$ 13,785,343
Contributions as a percentage of covered - employee payroll	27.64%	23.54%	20.88%

Notes to Schedule:

Valuation Date	June 30, 2014	June 30, 2013	June 30, 2012
----------------	---------------	---------------	---------------

Methods and Assumptions Used to Determine Contribution Rates:

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

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

** - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) included the same actuarial assumptions

*** - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method.

CITY OF BURBANK

SCHEDULES OF FUNDING PROGRESS OPEB PLANS (Unaudited)

	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
CalPERS Healthcare (PEHMHCA)						
6/30/2015	18,103	56,180	38,077	35.5%	107,071	36.0%
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%
Utility Retiree Medical Trust (URMT)						
6/30/2015	7,545	7,600	55	97.1%	16,598	1.4%
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%



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, 2017
(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 and or property	\$ -	-	2,266	2,266
Total revenues	<u>-</u>	<u>-</u>	<u>2,266</u>	<u>2,266</u>
Expenditures :				
Debt service:				
Principal retirement	4,725	4,725	2,465	2,260
Interest and finance charges	2,068	2,068	2,074	(6)
Total expenditures	<u>6,793</u>	<u>6,793</u>	<u>4,539</u>	<u>2,254</u>
Excess (deficiency) of revenues over expenditures	(6,793)	(6,793)	(2,273)	4,520
Fund balance, July 1, 2016	<u>43,604</u>	<u>43,604</u>	<u>43,604</u>	<u>-</u>
Fund balance, June 30, 2017	<u>\$ 36,811</u>	<u>36,811</u>	<u>41,331</u>	<u>4,520</u>

See accompanying notes to basic financial statements.



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, 2017
(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	\$ 2,179	2,925	295	173	1,108	812
Accounts receivable	-	25	34	14	72	14
Interest receivable	8	11	1	-	4	-
Inventories	-	-	-	-	-	-
Prepaid items and deposits	-	-	-	-	2	-
Total assets	\$ 2,187	2,961	330	187	1,186	826
Liabilities :						
Accounts payable	\$ 39	106	1	17	19	7
Interfund payable	-	-	-	-	-	122
Due to Successor Agency	-	-	-	-	-	-
Deposits	-	-	8	-	-	-
Advances payable	-	-	-	-	-	-
Total liabilities	39	106	9	17	19	129
Fund balances :						
Nonspendable (deficits):						
Inventories	-	-	-	-	-	-
Prepaid items and deposits	-	-	-	-	2	-
Restricted :						
Transportation	2,148	2,855	-	-	-	-
Federal and state grants	-	-	321	170	1,165	697
Public safety	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Committed :						
Transportation	-	-	-	-	-	-
Total fund balances (deficits)	2,148	2,855	321	170	1,167	697
Total liabilities and fund balances	\$ 2,187	2,961	330	187	1,186	826

(Continued)

City Of Burbank
COMBINING BALANCE SHEET, CONTINUED
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2017
(in thousands)

	Special Revenue Funds					Measure R
	State Gas Tax	Street Lighting	Sup Law Enforce Service	Comm. Services	Drug Asset Forfeiture	
Assets :						
Pooled cash and investments	\$ 1,056	728	242	28	388	3,538
Accounts receivable	-	151	34	-	4	-
Interest receivable	4	4	2	-	2	13
Inventories	-	161	-	-	-	-
Prepaid items and deposits	-	-	-	-	-	-
Total assets	\$ 1,060	1,044	278	28	394	3,551
Liabilities :						
Accounts payable	\$ 7	-	15	-	34	22
Interfund payable	-	750	-	-	-	-
Deposits	-	154	1	-	2	-
Advances payable	-	-	-	-	-	-
Total liabilities	7	904	16	-	36	22
Fund balances :						
Nonspendable (deficits):						
Inventories	-	161	-	-	-	-
Prepaid items and deposits	-	-	-	-	-	-
Restricted						
Transportation	1,039	-	-	-	-	3,529
Federal and state grants	-	-	-	28	-	-
Public safety	-	-	262	-	358	-
Capital projects	-	-	-	-	-	-
Committed :						
Transportation	14	-	-	-	-	-
Unassigned						
Total fund balances (deficits)	-	(21)	-	-	-	-
Total fund balances (deficits)	1,053	140	262	28	358	3,529
Total liabilities and fund balances	\$ 1,060	1,044	278	28	394	3,551

(Continued)

City Of Burbank
COMBINING BALANCE SHEET, CONCLUDED
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2017
(in thousands)

	Special Revenue Funds		Capital Projects Funds			Total Nonmajor Govern- mental Funds
	Magnolia Power Plant	Tieton Hydro	Public Improve.	Parking Authority	Youth Endowment	
Assets :						
Pooled cash and investments	\$ 1,180	-	18,262	1,783	8	\$ 34,705
Accounts receivable	410	595	51	69	-	1,473
Interest receivable	7	-	72	6	-	134
Inventories	-	-	-	-	-	161
Prepaid items and deposits	50	-	-	-	-	52
Total assets	\$ 1,647	595	18,385	1,858	8	\$ 36,525
Liabilities :						
Accounts payable	\$ 1,647	124	201	72	-	2,311
Interfund payable	-	471	-	-	-	1,343
Deposits	-	-	2	-	-	167
Advances payable	-	-	323	-	-	323
Total liabilities	1,647	595	526	72	-	4,144
Fund balances :						
Nonspendable (deficits)						
Inventories	-	-	-	-	-	161
Prepaid items and deposits	50	-	-	-	-	52
Restricted						
Transportation	-	-	-	-	-	9,571
Federal and state grants	-	-	-	-	-	2,381
Public safety	-	-	-	-	-	620
Capital projects	-	-	-	1,786	8	1,794
Committed						
Transportation	-	-	17,859	-	-	17,873
Unassigned						
	(50)	-	-	-	-	(71)
Total fund balances (deficits)	-	-	17,859	1,786	8	32,381
Total liabilities and fund balances	1,647	595	18,385	1,858	8	\$ 36,525

City Of Burbank

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended June 30, 2017
(in thousands)**

	Special Revenue Funds					
	Transp. Prop. A	Transp. Prop. C	AQMD	Home Program	Commun. Dev Block Grants	Housing Authority
Revenues :						
Taxes	\$ 2,027	1,606	-	-	-	-
Use of money or property	1	13	-	2	-	3
Intergovernmental	90	-	134	40	867	9,477
Charges for services	86	135	-	-	71	-
Total revenues	<u>2,204</u>	<u>1,754</u>	<u>134</u>	<u>42</u>	<u>938</u>	<u>9,480</u>
Expenditures :						
General government :						
Administrative services	-	-	-	-	-	-
Public safety :						
Police	-	-	-	-	-	-
Environmental :						
Community development	1,956	1,603	85	55	778	9,291
Capital outlay :						
Street improvements	-	-	-	-	-	-
General capital improvements	-	-	-	-	-	-
Total capital outlay	-	-	-	-	-	-
Total expenditures	<u>1,956</u>	<u>1,603</u>	<u>85</u>	<u>55</u>	<u>778</u>	<u>9,291</u>
Excess (deficiency) of revenues over expenditures	<u>248</u>	<u>151</u>	<u>49</u>	<u>(13)</u>	<u>160</u>	<u>189</u>
Other financing sources (uses) :						
Transfers in	-	273	-	-	-	-
Transfers out	(273)	-	-	-	-	-
Total other financing sources (uses)	<u>(273)</u>	<u>273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(25)	424	49	(13)	160	189
Fund balances (deficits), July 1, 2016	<u>2,173</u>	<u>2,431</u>	<u>272</u>	<u>183</u>	<u>1,007</u>	<u>508</u>
Fund balances (deficits), June 30, 2017	<u>\$ 2,148</u>	<u>2,855</u>	<u>321</u>	<u>170</u>	<u>1,167</u>	<u>697</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, 2017

(in thousands)

	Special Revenue Funds					Measure R
	State Gas Tax	Street Lighting	Sup Law Enforce Service	Comm. Services	Drug Asset Forfeiture	
Revenues :						
Taxes	\$ -	-	-	-	-	1,205
Use of money or property	-	48	1	1	-	-
Intergovernmental	1,980	-	315	-	44	-
Charges for services	-	238	-	-	-	115
Total revenues	<u>1,980</u>	<u>286</u>	<u>316</u>	<u>1</u>	<u>44</u>	<u>1,320</u>
Expenditures :						
General government :						
Administrative services	-	-	-	-	-	-
Public safety :						-
Police	-	-	315	-	427	
Environmental :						-
Community development	-	-	-	-	-	
Capital outlay :						
Street improvements	1,852	2,623	-	-	-	50
General capital improvements	-	-	-	-	-	556
Total capital outlay	<u>1,852</u>	<u>2,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>606</u>
Total expenditures	<u>1,852</u>	<u>2,623</u>	<u>315</u>	<u>-</u>	<u>427</u>	<u>606</u>
Excess (deficiency) of revenues over expenditures	<u>128</u>	<u>(2,337)</u>	<u>1</u>	<u>1</u>	<u>(383)</u>	<u>714</u>
Other financing sources (uses) :						
Transfers in	-	2,529	-	-	-	-
Transfers out	-	(1,065)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	128	(873)	1	1	(383)	714
Fund balances (deficits), July 1, 2016	925	1,013	261	27	741	2,815
Fund balances (deficits), June 30, 2017	<u>\$ 1,053</u>	<u>140</u>	<u>262</u>	<u>28</u>	<u>358</u>	<u>3,529</u>

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, CONCLUDED

NONMAJOR GOVERNMENTAL FUNDS

For the Year ended June 30, 2017

(in thousands)

	Special Revenue Funds		Capital Projects Funds			Total Nonmajor Govern- mental Funds
	Magnolia		Public Improve.	Parking Authority	Youth Endowment	
	Power Plant	Tieton Hydro				
Revenues :						
Taxes	\$	-	-	-	-	4,838
Use of money or property	7	-	28	794	-	898
Intergovernmental	-	-	1,272	-	-	14,219
Charges for services	22,282	2,016	514	-	-	25,457
Total revenues	22,289	2,016	1,814	794	-	45,412
Expenditures :						
General government :						
Administrative services	-	-	-	543	2	545
Public safety :						
Police	-	-	-	-	-	742
Environmental :						
Community development	22,289	1,832	4,245	-	-	42,134
Capital outlay :						
Street improvements	-	-	-	-	-	4,525
General capital improvements	-	184	-	46	-	786
Total capital outlay	-	184	-	46	-	5,311
Total expenditures	22,289	2,016	4,245	589	2	48,732
Excess (deficiency) of revenues over expenditures	-	-	(2,431)	205	(2)	(3,320)
Other financing sources (uses) :						
Transfers in	-	-	741	80	-	3,623
Transfers out	-	-	-	-	(132)	(1,470)
Total other financing sources (uses)	-	-	741	80	(132)	2,153
Net change in fund balance	-	-	(1,690)	285	(134)	(1,167)
Fund balances (deficits), July 1, 2016	-	-	19,549	1,501	142	33,548
Fund balances (deficits), June 30, 2017	-	-	17,859	1,786	8	\$ 32,381

City Of Burbank

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

For the Year ended June 30, 2017
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Taxes	\$ 2,058	2,058	2,027	(31)
Use of money or property	23	23	1	(22)
Intergovernmental	90	90	90	-
Charges for services	86	86	86	-
Total revenues	2,257	2,257	2,204	(53)
Expenditures :				
Environmental:				
Community development	2,055	2,069	1,956	113
Total expenditures	2,055	2,069	1,956	113
Excess (deficiency) of revenues over expenditures	202	188	248	60
Other financing uses :				
Transfers out	-	-	(273)	(273)
Total other financing uses	-	-	(273)	(273)
Net change in fund balance	202	188	(25)	(213)
Fund balance, July 1, 2016	2,173	2,173	2,173	-
Fund balance, June 30, 2017	\$ 2,375	\$ 2,361	\$ 2,148	\$ (213)

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL TRANSPORTATION PROP C

For the Year ended June 30, 2017
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Taxes	\$ 1,634	1,634	1,606	(28)
Use of money or property	130	130	13	(117)
Charges for services	150	150	135	(15)
Total revenues	<u>1,914</u>	<u>1,914</u>	<u>1,754</u>	<u>(160)</u>
Expenditures :				
Environmental:				
Community development	<u>2,789</u>	<u>2,790</u>	<u>1,603</u>	<u>1,187</u>
Total expenditures	<u>2,789</u>	<u>2,790</u>	<u>1,603</u>	<u>1,187</u>
Excess (deficiency) of revenues over expenditures	<u>(875)</u>	<u>(876)</u>	<u>151</u>	<u>1,027</u>
Other financing sources :				
Transfers in	<u>-</u>	<u>-</u>	<u>273</u>	<u>273</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>273</u>	<u>273</u>
Excess (deficiency) of revenues over expenditures	<u>(875)</u>	<u>(876)</u>	<u>424</u>	<u>1,300</u>
Fund balance, July 1, 2016	<u>2,431</u>	<u>2,431</u>	<u>2,431</u>	<u>-</u>
Fund balance June 30, 2017	<u>\$ 1,556</u>	<u>\$ 1,555</u>	<u>\$ 2,855</u>	<u>\$ 1,300</u>

City Of Burbank

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

For the Year ended June 30, 2017
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Use of money or property	\$ 2	2	-	(2)
Intergovernmental	125	125	134	9
Total revenues	127	127	134	7
Expenditures :				
Environmental:				
Community development	154	154	85	69
Excess (deficiency) of revenues over expenditures	(27)	(27)	49	76
Fund balance, July 1, 2016	272	272	272	-
Fund balance, June 30, 2017	<u>\$ 245</u>	<u>245</u>	<u>321</u>	<u>76</u>

City Of Burbank

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

For the Year ended June 30, 2017
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Use of money or property	\$ 2	2	2	-
Intergovernmental	<u>1,122</u>	<u>1,122</u>	<u>40</u>	<u>(1,082)</u>
Total revenues	1,124	1,124	42	(1,082)
Expenditures :				
Environmental:				
Community development	<u>707</u>	<u>1,161</u>	<u>55</u>	<u>1,106</u>
Excess (deficiency) of revenues over expenditures	417	(37)	(13)	24
Fund balance, July 1, 2016	<u>183</u>	<u>183</u>	<u>183</u>	<u>-</u>
Fund balance, June 30, 2017	<u>\$ 600</u>	<u>146</u>	<u>170</u>	<u>24</u>

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL COMMUNITY DEVELOPMENT BLOCK GRANTS

For the Year ended June 30, 2017
(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	\$ 4	4	-	(4)
Intergovernmental	1,568	1,568	867	(701)
Charges for services	<u>3</u>	<u>3</u>	<u>71</u>	<u>68</u>
Total revenues	1,575	1,575	938	(637)
Expenditures :				
Environmental:				
Community development	<u>2,531</u>	<u>2,499</u>	<u>778</u>	<u>1,721</u>
Excess (deficiency) of revenues over expenditures	(956)	(924)	160	1,084
Fund balance, July 1, 2016	<u>1,007</u>	<u>1,007</u>	<u>1,007</u>	-
Fund balance, June 30, 2017	<u><u>\$ 51</u></u>	<u><u>83</u></u>	<u><u>1,167</u></u>	<u><u>1,084</u></u>

City Of Burbank

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

For the Year ended June 30, 2017
(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	\$ 1	1	3	2
Intergovernmental	<u>8,729</u>	<u>8,729</u>	<u>9,477</u>	<u>748</u>
Total revenues	<u>8,730</u>	<u>8,730</u>	<u>9,480</u>	<u>750</u>
Expenditures :				
Environmental:				
Community development	<u>8,918</u>	<u>8,918</u>	<u>9,291</u>	<u>(373)</u>
Total expenditures	<u>8,918</u>	<u>8,918</u>	<u>9,291</u>	<u>(373)</u>
Excess (deficiency) of revenues over expenditures	(188)	(188)	189	377
Fund balance, July 1, 2016	<u>508</u>	<u>508</u>	<u>508</u>	<u>-</u>
Fund balance, June 30, 2017	<u>\$ 320</u>	<u>320</u>	<u>697</u>	<u>377</u>

City Of Burbank

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

For the Year ended June 30, 2017
(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	\$ 16	16	-	(16)
Intergovernmental	<u>2,171</u>	<u>2,171</u>	<u>1,980</u>	<u>(191)</u>
Total revenues	<u>2,187</u>	<u>2,187</u>	<u>1,980</u>	<u>(207)</u>
Expenditures :				
Capital outlay :				
Street improvements	<u>2,866</u>	<u>2,862</u>	<u>1,852</u>	<u>1,010</u>
Total expenditures	<u>2,866</u>	<u>2,862</u>	<u>1,852</u>	<u>1,010</u>
Excess (deficiency) of revenues over expenditures	<u>(679)</u>	<u>(675)</u>	<u>128</u>	<u>803</u>
Net change in fund balance	(679)	(675)	128	803
Fund balance, July 1, 2016	<u>925</u>	<u>925</u>	<u>925</u>	<u>-</u>
Fund balance, June 30, 2017	<u>\$ 246</u>	<u>250</u>	<u>1,053</u>	<u>803</u>

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

For the Year ended June 30, 2017
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Use of money or property	\$ 30	30	48	18
Charges for services	200	200	238	38
Total revenues	230	230	286	56
Expenditures :				
Capital outlay :				
Street improvements	3,334	3,334	2,623	711
Deficiency of revenues over expenditures	(3,104)	(3,104)	(2,337)	767
Other financing sources (uses):				
Transfers in	2,529	2,529	2,529	-
Transfers out	(1,065)	(1,065)	(1,065)	-
Total other financing sources (uses)	1,464	1,464	1,464	-
Net change in fund balance	(1,640)	(1,640)	(873)	767
Fund balance, July 1, 2016	1,013	1,013	1,013	-
Fund balance, June 30, 2017	<u>\$ (627)</u>	<u>(627)</u>	<u>140</u>	<u>767</u>

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL SUPPLEMENTAL LAW ENFORCEMENT SERVICES

For the Year ended June 30, 2017
(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	\$ 4	4	1	(3)
Intergovernmental	<u>399</u>	<u>399</u>	<u>315</u>	<u>(84)</u>
Total revenues	403	403	316	(87)
Expenditures :				
Public Safety:				
Police	<u>218</u>	<u>495</u>	<u>315</u>	<u>180</u>
Excess (deficiency) of revenue over expenditures	185	(92)	1	93
Fund balance, July 1, 2016	<u>261</u>	<u>261</u>	<u>261</u>	<u>-</u>
Fund balance, June 30, 2017	<u>\$ 446</u>	<u>169</u>	<u>262</u>	<u>93</u>

City Of Burbank

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

For the Year ended June 30, 2017
(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	<u>\$ -</u>	<u>-</u>	<u>1</u>	<u>1</u>
Expenditures :				
Environmental:				
Community development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Fund balance, July 1, 2016	<u>27</u>	<u>27</u>	<u>27</u>	<u>-</u>
Fund balance, June 30, 2017	<u>\$ 27</u>	<u>27</u>	<u>28</u>	<u>1</u>

City Of Burbank

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

For the Year ended June 30, 2017
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Taxes	\$ 1,229	1,229	1,205	(24)
Use of money or property	22	22	-	(22)
Charges for services	340	340	115	(225)
Total revenues	<u>1,591</u>	<u>1,591</u>	<u>1,320</u>	<u>(271)</u>
Expenditures :				
Capital outlay:				
Street improvements	944	944	50	894
General capital improvements	1,255	1,255	556	699
Total expenditures	<u>2,199</u>	<u>2,199</u>	<u>606</u>	<u>1,593</u>
Excess (deficiency) of revenues over expenditures	(608)	(608)	714	1,322
Fund balance, July 1, 2016	<u>2,815</u>	<u>2,815</u>	<u>2,815</u>	<u>-</u>
Fund balance, June 30, 2017	<u><u>\$ 2,207</u></u>	<u><u>2,207</u></u>	<u><u>3,529</u></u>	<u><u>1,322</u></u>

City Of Burbank

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

For the Year ended June 30, 2017
(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	\$ -	-	7	7
Charges for services	21,445	21,445	22,282	837
Total revenues	<u>21,445</u>	<u>21,445</u>	<u>22,289</u>	<u>844</u>
Expenditures :				
Environmental:				
Community development	22,952	22,952	22,289	663
Total expenditures	<u>22,952</u>	<u>22,952</u>	<u>22,289</u>	<u>663</u>
Excess (deficiency) of revenues over expenditures	(1,507)	(1,507)	-	1,507
Fund balance, July 1, 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2017	<u>\$ (1,507)</u>	<u>(1,507)</u>	<u>-</u>	<u>1,507</u>

City Of Burbank

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

For the Year ended June 30, 2017
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Charges for services	\$ 2,447	\$ 2,447	2,016	(431)
Total revenues	2,447	2,447	2,016	(431)
Expenditures :				
Environmental:				
Community development	2,172	2,172	1,832	340
Capital Outlay:				
General Capital improvements	275	275	184	91
Total expenditures	2,447	2,447	2,016	431
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance, July 1, 2016	-	-	-	-
Fund balance, June 30, 2017	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL PARKING AUTHORITY CAPITAL PROJECTS

For the Year ended June 30, 2017
(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	<u>\$ 723</u>	<u>723</u>	<u>794</u>	<u>71</u>
Total revenues	<u>723</u>	<u>723</u>	<u>794</u>	<u>71</u>
Expenditures :				
General government:				
Administrative services	1,057	835	543	292
Capital outlay:				
General capital improvements	<u>568</u>	<u>680</u>	<u>46</u>	<u>634</u>
Total expenditures	<u>1,625</u>	<u>1,515</u>	<u>589</u>	<u>926</u>
Excess (deficiency) of revenues over expenditures	(902)	(792)	205	997
Other financing sources :				
Transfers in	<u>80</u>	<u>80</u>	<u>80</u>	<u>-</u>
Total other financing sources	80	80	80	-
Net change in fund balance	(822)	(712)	285	997
Fund balance, July 1, 2016	<u>1,501</u>	<u>1,501</u>	<u>1,501</u>	<u>-</u>
Fund balance, June 30, 2017	<u>\$ 679</u>	<u>789</u>	<u>1,786</u>	<u>997</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, 2017
(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	\$ -	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures :				
General government:				
Administrative services	-	-	2	(2)
Total expenditures	<u>-</u>	<u>-</u>	<u>2</u>	<u>(2)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
Other financing uses:				
Transfers out	(132)	(132)	(132)	-
Total other financing uses	<u>(132)</u>	<u>(132)</u>	<u>(132)</u>	<u>-</u>
Net change in fund balance	(132)	(132)	(134)	(2)
Fund balance, July 1, 2016	<u>142</u>	<u>142</u>	<u>142</u>	<u>-</u>
Fund balance, June 30, 2017	<u>\$ 10</u>	<u>10</u>	<u>8</u>	<u>(2)</u>





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, 2017
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Assets :		
Current assets :		
Pooled cash and investments	\$ 278	278
Total current assets	278	278
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	-	-
Less accumulated depreciation	(5,254)	(5,254)
Total capital assets, net of accumulated depreciation	5,189	5,189
Total assets	5,467	5,467
Liabilities :		
Accounts payable	-	-
Total current liabilities	-	-
Long-term liabilities:		
Advances payable	-	-
Total long-term liabilities	-	-
Total liabilities	-	-
Net position :		
Net investment in capital assets	5,189	5,189
Unrestricted (deficit)	278	278
Total net position	\$ 5,467	5,467

City Of Burbank

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2017
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Operating revenues :		
Charges for services	\$ -	-
Total operating revenues	<u>-</u>	<u>-</u>
Operating expenses :		
Operations and maintenance	158	158
Depreciation	<u>472</u>	<u>472</u>
Total operating expenses	<u>630</u>	<u>630</u>
Operating (loss)	<u>(630)</u>	<u>(630)</u>
Nonoperating income (expense) :		
Interest income	1	1
Interest expense	(34)	(34)
Other income - net	<u>3,305</u>	<u>3,305</u>
Total nonoperating income (expense)	<u>3,272</u>	<u>3,272</u>
Income (loss) before capital contributions and transfers	<u>2,642</u>	<u>2,642</u>
Change in net position	2,642	2,642
Net position, July 1, 2016	<u>2,825</u>	<u>2,825</u>
Net position, June 30, 2017	<u>\$ 5,467</u>	<u>5,467</u>

City Of Burbank
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2017
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Cash flows from operating activities :		
Cash received from customers	\$ 27	27
Cash paid to suppliers	(85)	(85)
	<u>(58)</u>	<u>(58)</u>
Net cash used in operating activities		
Cash flows from noncapital financing activities :		
Other income/expense	74	74
Net cash provided by noncapital financing activities	<u>74</u>	<u>74</u>
Cash flows from investing activities :		
Interest received	<u>1</u>	<u>1</u>
Net cash provided by investing activities	<u>1</u>	<u>1</u>
Net increase in cash and cash equivalents	17	17
Cash and cash equivalents, July 1, 2016	<u>261</u>	<u>261</u>
Cash and cash equivalents, June 30, 2017	<u>\$ 278</u>	<u>278</u>

(Continued)

City Of Burbank
STATEMENT OF CASH FLOWS, (concluded)
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2017
(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	\$ (630)	(630)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	472	472
Other income	73	73
Decrease in accounts receivable	27	27
Total adjustments	<u>572</u>	<u>572</u>
Net cash used in operating activities	<u>\$ (58)</u>	<u>(58)</u>
Noncash investing, capital, and financing activities:		
Increase (Decrease) in fair value of investments	<u>\$ (2)</u>	<u>(2)</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, 2017
(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	\$ 24,241	46,270	22,001	3,666	2,051
Accounts receivable	-	-	163	-	344
Interest receivable	90	169	83	14	7
Interfund receivable	-	1	-	-	-
Inventories	-	-	412	-	-
Prepaid expenses	2	18	10	-	-
Total current assets	<u>24,333</u>	<u>46,458</u>	<u>22,669</u>	<u>3,680</u>	<u>2,402</u>
Capital assets :					
Buildings and improvements	-	-	2,777	-	-
Accumulated depreciation	-	-	(1,221)	-	-
Machinery and equipment	-	-	40,661	3,605	-
Accumulated depreciation	-	-	(24,995)	(3,296)	-
Construction in progress	-	-	-	-	-
Total capital assets	<u>-</u>	<u>-</u>	<u>17,222</u>	<u>309</u>	<u>-</u>
Total assets	<u>24,333</u>	<u>46,458</u>	<u>39,891</u>	<u>3,989</u>	<u>2,402</u>
Liabilities :					
Current liabilities:					
Accounts payable	31	160	649	31	239
Compensated absences	-	-	5	-	-
Deposits	-	-	-	-	77
Outstanding claims - self insurance	4,172	8,019	-	-	-
Total current liabilities	<u>4,203</u>	<u>8,179</u>	<u>654</u>	<u>31</u>	<u>316</u>
Long-term liabilities (net of current portion):					
Compensated absences	-	-	157	-	6
Outstanding claims - self insurance	4,350	33,937	-	-	-
Total long-term liabilities	<u>4,350</u>	<u>33,937</u>	<u>157</u>	<u>-</u>	<u>6</u>
Total liabilities	<u>8,553</u>	<u>42,116</u>	<u>811</u>	<u>31</u>	<u>322</u>
Net Position :					
Net investment in capital assets	-	-	17,222	309	-
Unrestricted	15,780	4,342	21,858	3,649	2,080
Total net position	<u>\$ 15,780</u>	<u>4,342</u>	<u>39,080</u>	<u>3,958</u>	<u>2,080</u>

(Continued)

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

June 30, 2017
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Assets:			
Current assets :			
Pooled cash and investments	\$ 6,706	5,625	110,560
Accounts receivable	7	-	514
Interest receivable	24	20	407
Interfund receivable	1	6	8
Inventories	144	-	556
Prepaid expenses	4	26	60
Total current assets	<u>6,886</u>	<u>5,677</u>	<u>112,105</u>
Capital assets :			
Buildings and improvements	3,490	-	6,267
Accumulated depreciation	(1,001)	-	(2,222)
Machinery and equipment	12,978	16,660	73,904
Accumulated depreciation	(11,830)	(15,239)	(55,360)
Construction in progress	28	422	450
Total capital assets	<u>3,665</u>	<u>1,843</u>	<u>23,039</u>
 Total assets	 <u>10,551</u>	 <u>7,520</u>	 <u>135,144</u>
 Liabilities :			
Current liabilities:			
Accounts payable	109	110	1,329
Compensated absences	4	-	9
Deposits	-	-	77
Outstanding claims - self insurance	-	-	12,191
Total current liabilities	<u>113</u>	<u>110</u>	<u>13,606</u>
 Long-term liabilities (net of current portion):			
Compensated absences	98	3	264
Outstanding claims - self insurance	-	-	38,287
Total long-term liabilities	<u>98</u>	<u>3</u>	<u>38,551</u>
Total liabilities	<u>211</u>	<u>113</u>	<u>52,157</u>
 Net Position :			
Net investment in capital assets	3,665	1,843	23,039
Unrestricted	6,675	5,564	59,948
 Total net position	 <u>\$ 10,340</u>	 <u>7,407</u>	 <u>82,987</u>

City Of Burbank

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

For the Year ended June 30, 2017
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Operating revenues :					
Charges for services	\$ 5,880	12,687	8,241	251	1,300
Total operating revenues	<u>5,880</u>	<u>12,687</u>	<u>8,241</u>	<u>251</u>	<u>1,300</u>
Operating expenses :					
Operations and maintenance	7,747	9,079	4,365	87	3,040
Depreciation	-	-	2,461	105	-
Total operating expenses	<u>7,747</u>	<u>9,079</u>	<u>6,826</u>	<u>192</u>	<u>3,040</u>
Operating income (loss)	<u>(1,867)</u>	<u>3,608</u>	<u>1,415</u>	<u>59</u>	<u>(1,740)</u>
Nonoperating income (expense) :					
Interest income	15	42	25	3	2
Other local taxes	-	-	-	-	1,696
Gain (loss) on disposal of capital assets	-	-	237	-	-
Other income (expense)	18	33	102	3	1
Total nonoperating income (expense)	<u>33</u>	<u>75</u>	<u>364</u>	<u>6</u>	<u>1,699</u>
Income (loss) before transfers and capital contributions	<u>(1,834)</u>	<u>3,683</u>	<u>1,779</u>	<u>65</u>	<u>(41)</u>
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(176)
Capital Contributions	-	-	2,174	-	-
Change in net position	<u>(1,834)</u>	<u>3,683</u>	<u>3,953</u>	<u>65</u>	<u>(217)</u>
Net position, July 1, 2016	<u>17,614</u>	<u>659</u>	<u>35,127</u>	<u>3,893</u>	<u>2,297</u>
Net position, June 30, 2017	<u>\$ 15,780</u>	<u>4,342</u>	<u>39,080</u>	<u>3,958</u>	<u>2,080</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, 2017
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Operating revenues :			
Charges for services	\$ 2,820	2,710	33,889
Total operating revenues	2,820	2,710	33,889
Operating expenses :			
Operations and maintenance	1,756	1,567	27,641
Depreciation	444	739	3,749
Total operating expenses	2,200	2,306	31,390
Operating income (loss)	620	404	2,499
Nonoperating income (expense) :			
Interest income	6	4	97
Other local taxes	-	-	1,696
Gain (loss) on disposal of capital assets	-	(2)	235
Other income (expense)	32	4	193
Total nonoperating income (expense)	38	6	2,221
Income (loss) before transfers and capital contributions	658	410	4,720
Transfer in	-	-	-
Transfer out	-	-	(176)
Capital Contributions	-	-	2,174
Change in net position	658	410	6,718
Net position, July 1, 2016	9,682	6,997	76,269
Net position, June 30, 2017	\$ 10,340	7,407	82,987

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year ended June 30, 2017
(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	\$ 5,880	12,708	8,125	251	1,432
Cash paid to suppliers	(5,872)	(8,245)	(3,157)	(122)	(2,250)
Cash paid to employees	(8)	(23)	(1,117)	-	(76)
Net cash provided by (used in) operating activities	<u>-</u>	<u>4,440</u>	<u>3,851</u>	<u>129</u>	<u>(894)</u>
Cash flows from noncapital financing activities :					
Proceeds from other funds	18	33	102	3	1,697
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	(176)
Net cash provided by noncapital financing activities	<u>18</u>	<u>33</u>	<u>102</u>	<u>3</u>	<u>1,521</u>
Cash flows from capital and related financing activities :					
Proceeds from sales of capital assets	-	-	237	-	-
Acquisition and construction of assets	-	-	(3,344)	(11)	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(3,107)</u>	<u>(11)</u>	<u>-</u>
Cash flows from investing activities :					
Interest received/(paid)	<u>(9)</u>	<u>(10)</u>	<u>1</u>	<u>(1)</u>	<u>(1)</u>
Net cash provided by investing activities	<u>(9)</u>	<u>(10)</u>	<u>1</u>	<u>(1)</u>	<u>(1)</u>
Net increase (decrease) in cash and cash equivalents	9	4,463	847	120	626
Cash and cash equivalents, July 1, 2016	24,232	41,807	21,154	3,546	1,425
Cash and cash equivalents, June 30, 2017	<u>\$ 24,241</u>	<u>46,270</u>	<u>22,001</u>	<u>3,666</u>	<u>2,051</u>

(Continued)

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS, CONTINUED
INTERNAL SERVICE FUNDS
For the Year ended June 30, 2017
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Cash flows from operating activities :			
Cash received from customers	\$ 2,858	2,718	33,972
Cash paid to suppliers	(918)	(1,578)	(22,142)
Cash paid to employees	(863)	(135)	(2,222)
Net cash provided by (used in) operating activities	1,077	1,005	9,608
Cash flows from noncapital financing activities :			
Proceeds from other funds	32	4	1,889
Transfers from other funds	-	-	-
Transfers to other funds	-	-	(176)
Net cash provided by noncapital financing activities	32	4	1,713
Cash flows from capital and related financing activities :			
Proceeds from sales of capital assets	-	-	237
Acquisition and construction of assets	(82)	(359)	(3,796)
Net cash provided by (used in) capital and related financing activities	(82)	(359)	(3,559)
Cash flows from investing activities :			
Interest received	(2)	(1)	(23)
Net cash provided by investing activities	(2)	(1)	(23)
Net increase (decrease) in cash and cash equivalents	1,025	649	7,739
Cash and cash equivalents, July 1, 2016	5,681	4,976	102,821
Cash and cash equivalents, June 30, 2017	\$ 6,706	5,625	110,560

(Continued)

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year ended June 30, 2017
(in thousands)

	<u>Risk Mgmt. Self-Ins.</u>	<u>Workers Comp. Self-Ins.</u>	<u>Vehicle Equip. Rental</u>	<u>Office Equip. Rental</u>	<u>Muni. Bldg. Replace.</u>
Reconciliation of operating income (loss) to net cash provided by operating activities :					
Operating income (loss)	\$ (1,867)	3,608	1,415	59	(1,740)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities :					
Depreciation	-	-	2,461	105	-
(Increase) decrease in accounts receivable	-	21	(116)	-	132
(Increase) decrease in inventories	-	-	7	-	-
(Increase) decrease in prepaid items	1	(1)	12	-	-
Increase (decrease) in outstanding claims payable	1,902	663	-	-	-
Increase (decrease) in accounts payable	(27)	149	76	(35)	694
Increase (decrease) in compensated absences	-	-	(4)	-	1
Increase (decrease) in deferred revenue	-	-	-	-	19
Increase (decrease) in customer deposits	(9)	-	-	-	-
Total adjustments	<u>1,867</u>	<u>832</u>	<u>2,436</u>	<u>70</u>	<u>846</u>
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>4,440</u>	<u>3,851</u>	<u>129</u>	<u>(894)</u>
Noncash investing, capital, and financing activities :					
Increase (decrease) in fair value of investments	<u>\$ (310)</u>	<u>(557)</u>	<u>(275)</u>	<u>(46)</u>	<u>(22)</u>

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

For the Year ended June 30, 2017
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Reconciliation of operating income (loss) to net cash provided by operating activities :			
Operating income (loss)	\$ 620	404	2,499
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities :			
Depreciation	444	739	3,749
(Increase) decrease in accounts receivable	38	8	83
(Increase) decrease in inventories	4	-	11
(Increase) decrease in prepaid items	(4)	(8)	-
Increase (decrease) in outstanding claims payable	-	-	2,565
Increase (decrease) in accounts payable	-	(138)	719
Increase (decrease) in compensated absences	(25)	-	(28)
Increase (decrease) in deferred revenue	-	-	19
Increase (decrease) in customer deposits	-	-	(9)
Total adjustments	457	601	7,109
Net cash provided by (used in) operating activities	\$ 1,077	1,005	9,608
Noncash investing, capital, and financing activities :			
Increase (decrease) in fair value of investments	\$ (78)	(67)	(1,355)

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

Business-type Activities :

Fiscal Year	Investment in capital assets	Restricted	Unrestricted	Total
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
2015-16	312,885	-	87,055	399,940
2016-17	323,782	-	107,628	431,410

Primary Government :

Fiscal Year	Investment in capital assets	Restricted	Unrestricted	Total
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
2015-16	1,001,403	63,051	75,806	1,140,260
2016-17	1,005,852	63,610	98,264	1,167,726

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,				
	2013	2014	2015	2016	2017
Expenses					
Governmental activities :					
General government	15,976	12,022	14,600	13,335	17,252
Police	50,557	48,288	48,613	47,318	55,824
Fire	32,743	31,754	29,771	30,174	36,504
Public works	51,496	27,481	39,550	34,119	30,064
Community development	46,976	47,011	44,946	43,219	47,832
Parks & recreation	18,526	19,613	19,241	20,660	19,613
Library	6,736	6,593	6,735	6,919	6,671
Extraordinary Gain (Loss)	-	-	-	-	-
Interest on long-term debt	2,955	7,254	3,743	2,943	2,762
Total governmental activities expenses	225,965	200,016	207,199	198,687	216,522
Business-type activities :					
Water reclamation & sewer	13,596	13,556	13,146	13,961	13,925
Golf course	2,460	1,719	753	703	664
Electric utility	199,755	211,426	198,286	186,306	178,993
Water utility	25,957	29,529	28,350	28,924	28,969
Refuse collection & disposal	16,172	14,056	14,076	13,871	14,158
Total business-type activities expenses	257,940	270,286	254,611	243,765	236,709
Total primary government expenses	483,905	470,302	461,810	442,452	453,231
Program Revenues					
Governmental activities :					
Charges for services					
General government	160	160	189	220	642
Police	3,729	3,612	3,856	3,784	4,065
Fire	3,691	3,684	3,474	4,383	4,301
Public works	1,354	1,147	2,126	1,896	1,665
Community development	21,399	9,630	10,350	5,862	6,632
Parks and recreation	3,467	3,759	3,817	3,903	4,004
Library	179	179	188	194	193
Operating grants and contributions	19,040	19,214	18,637	19,340	41,238
Total governmental activities program revenues	53,019	41,385	42,637	39,582	62,740

SOURCE : City Financial Services Department

(continued)

City Of Burbank

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Business-type activities :					
Charges for services :					
Water reclamation & sewer	16,606	17,056	17,654	17,321	17,214
Golf course	1,932	887	19	-	-
Electric utility	218,712	224,958	212,282	207,850	205,634
Water utility	27,724	31,286	29,068	28,367	30,503
Refuse collection & disposal	16,365	16,302	16,841	16,700	17,420
Operating grants and contributions	1,898	2,639	5,044	886	269
Capital grants and contributions	732	891	1,007	4,040	1,648
Total business-type activities program revenues	<u>283,969</u>	<u>294,019</u>	<u>281,915</u>	<u>275,164</u>	<u>272,688</u>
Total primary government program revenues	<u><u>336,988</u></u>	<u><u>335,404</u></u>	<u><u>324,552</u></u>	<u><u>314,746</u></u>	<u><u>335,428</u></u>
Net (expense) / revenue					
Governmental activities	(172,946)	(158,631)	(164,562)	(159,105)	(153,782)
Business-type activities	<u>26,029</u>	<u>23,733</u>	<u>27,304</u>	<u>31,399</u>	<u>35,979</u>
Total primary government net expense	<u><u>(146,917)</u></u>	<u><u>(134,898)</u></u>	<u><u>(137,258)</u></u>	<u><u>(127,706)</u></u>	<u><u>(117,803)</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)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Revenues and Other					
Changes in Net Position					
Governmental activities :					
Property tax	46,499	32,936	37,351	47,113	48,924
Sales tax	32,967	31,657	30,441	34,228	35,197
Utility users tax	20,237	19,905	19,312	19,384	19,185
Motor-vehicle in-lieu tax	5,021	4,919	5,309	9,352	5,596
Franchise tax	8,574	8,819	9,147	-	-
Transient occupancy tax	6,548	7,145	7,902	10,595	11,204
Transient parking tax	2,805	2,818	2,846	2,955	3,190
Unrestricted investment earnings	7,802	18,156	13,883	10,052	5,445
Other	17,142	27,025	31,157	35,198	10,772
Extraordinary gain on dissolution of redevelopment agency	-	-	-	-	-
Transfers	12,183	12,058	11,084	11,077	10,265
Total governmental activities	<u>159,778</u>	<u>165,438</u>	<u>168,432</u>	<u>179,954</u>	<u>149,778</u>
Business-type activities :					
Unrestricted investment earnings	43	2,939	2,176	3,654	565
Other	2,469	2,606	3,790	2,621	5,191
Transfers	(12,183)	(12,058)	(11,084)	(11,077)	(10,265)
Total business-type activities	<u>(9,671)</u>	<u>(6,513)</u>	<u>(5,118)</u>	<u>(4,802)</u>	<u>(4,509)</u>
Total primary government	<u>150,107</u>	<u>158,925</u>	<u>163,314</u>	<u>175,152</u>	<u>145,269</u>
Change in Net Position					
Governmental activities	(13,168)	6,807	3,870	20,849	(4,004)
Business-type activities	16,358	17,220	22,186	26,597	31,470
Total primary government	<u>3,190</u>	<u>24,027</u>	<u>26,056</u>	<u>47,446</u>	<u>27,466</u>

SOURCE : City Financial Services Department

(continued)

City Of Burbank

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenses					
Governmental activities :					
General government	6,535	7,731	-	2,649	7,437
Police	43,759	46,718	45,118	43,161	48,453
Fire	33,262	34,426	32,169	31,648	31,543
Public works	25,977	27,365	47,947	55,699	39,573
Community development	37,322	25,917	46,785	70,264	68,778
Parks & recreation	20,945	21,983	30,113	20,363	19,803
Library	6,764	6,968	7,370	7,014	6,961
Extraordinary Gain (Loss)	-	-	-	-	37,354
Interest on long-term debt	19,673	28,087	21,781	21,970	13,936
Total governmental activities expenses	<u>194,237</u>	<u>199,195</u>	<u>231,283</u>	<u>252,768</u>	<u>273,838</u>
Business-type activities :					
Water reclamation & sewer	13,680	13,639	12,714	13,577	13,408
Golf course	19,762	21,208	20,290	2,669	2,576
Electric utility	370,144	270,341	218,051	214,840	186,279
Water utility	20,657	19,831	19,777	22,453	24,126
Refuse collection & disposal	12,461	12,768	13,796	14,117	14,810
Total business-type activities expenses	<u>436,704</u>	<u>337,787</u>	<u>284,628</u>	<u>267,656</u>	<u>241,199</u>
Total primary government expenses	<u><u>630,941</u></u>	<u><u>536,982</u></u>	<u><u>515,911</u></u>	<u><u>520,424</u></u>	<u><u>515,037</u></u>
Program Revenues					
Governmental activities :					
Charges for services					
General government	917	1,369	850	101	393
Police	4,364	4,483	4,207	3,956	3,763
Fire	3,111	3,208	3,170	3,522	3,174
Public works	2,427	2,142	1,728	1,426	1,361
Community development	10,990	9,152	7,833	16,828	11,467
Parks and recreation	3,606	3,774	3,725	3,918	4,188
Library	189	193	183	184	184
Operating grants and contributions	19,859	19,046	18,404	19,238	17,869
Total governmental activities program revenues	45,463	43,367	40,100	49,173	42,399

SOURCE : City Financial Services Department

(continued)

City Of Burbank

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Business-type activities :					
Charges for services :					
Water reclamation & sewer	13,819	14,171	14,459	14,941	15,915
Golf course	19,316	20,307	19,303	1,769	2,005
Electric utility	382,167	287,589	235,020	225,901	202,216
Water utility	23,224	21,372	22,118	23,281	26,682
Refuse collection & disposal	11,827	13,142	14,332	15,016	15,474
Operating grants and contributions	191	475	530	-	4,502
Capital grants and contributions	2,635	2,749	2,659	4,120	1,705
Total business-type activities program revenues	<u>453,179</u>	<u>359,805</u>	<u>308,421</u>	<u>285,028</u>	<u>268,499</u>
Total primary government program revenues	<u><u>498,642</u></u>	<u><u>403,172</u></u>	<u><u>348,521</u></u>	<u><u>334,201</u></u>	<u><u>310,898</u></u>
Net (expense) / revenue					
Governmental activities	(148,774)	(155,828)	(191,183)	(203,595)	(231,439)
Business-type activities	<u>16,475</u>	<u>22,018</u>	<u>23,793</u>	<u>17,372</u>	<u>27,300</u>
Total primary government net expense	<u><u>(132,299)</u></u>	<u><u>(133,810)</u></u>	<u><u>(167,390)</u></u>	<u><u>(186,223)</u></u>	<u><u>(204,139)</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)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Revenues and Other					
Changes in Net Position					
Governmental activities :					
Property tax	69,483	80,079	79,803	66,240	46,328
Sales tax	33,419	30,249	24,948	29,907	31,352
Utility users tax	20,310	20,236	19,908	18,524	19,784
Motor-vehicle in-lieu tax	8,419	8,596	4,212	4,559	4,631
Franchise tax	5,130	5,283	8,760	8,938	8,436
Transient occupancy tax	5,981	5,941	5,273	5,686	5,943
Transient parking tax	3,651	2,978	2,759	2,886	2,821
Unrestricted investment earnings	19,627	10,995	17,631	14,315	9,565
Other	3,522	7,654	7,412	22,389	29,789
Extraordinary gain on dissolution of redevelopment agency	-	-	-	-	116,599
Transfers	10,728	11,103	11,667	11,354	11,651
Total governmental activities	<u>180,270</u>	<u>183,114</u>	<u>182,373</u>	<u>184,798</u>	<u>286,899</u>
Business-type activities :					
Unrestricted investment earnings	8,210	3,119	3,771	3,327	2,358
Other	924	201	255	1,706	(2,228)
Transfers	(10,728)	(11,103)	(11,667)	(11,354)	(11,651)
Total business-type activities	<u>(1,594)</u>	<u>(7,783)</u>	<u>(7,641)</u>	<u>(6,321)</u>	<u>(11,521)</u>
Total primary government	<u><u>178,676</u></u>	<u><u>175,331</u></u>	<u><u>174,732</u></u>	<u><u>178,477</u></u>	<u><u>275,378</u></u>
Change in Net Position					
Governmental activities	180,270	27,286	(8,810)	(18,797)	89,872
Business-type activities	(133,893)	14,235	16,152	11,071	15,779
Total primary government	<u><u>46,377</u></u>	<u><u>41,521</u></u>	<u><u>7,342</u></u>	<u><u>(7,726)</u></u>	<u><u>105,651</u></u>

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
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
2010-11	63,113	42,968	106,081	270,658	-	-	270,658

GASB 54 Fund Balance

	General Fund Nonspendable	General Fund Restricted	General Fund Committed	General Fund Assigned	General Fund Unassigned	Total General Fund
2012-13	46,384	119	-	5,202	43,189	94,894
2013-14	46,451	741	-	2,986	43,312	93,490
2014-15	46,171	1,023	-	2,356	48,320	97,870
2015-16	44,081	1,281	-	3,551	57,097	106,010
2016-17	33,281	1,476	-	2,060	63,708	100,525

	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
2012-13	12,124	135,103	17,053	29,461	(564)	193,177
2013-14	184	166,474	16,723	30,194	(807)	212,768
2014-15	208	110,217	19,576	29,195	(816)	158,380
2015-16	174	106,781	20,392	29,645	-	156,992
2016-17	213	105,796	17,873	31,353	(71)	155,164

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)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues					
Sales tax	32,967	31,657	30,441	34,228	35,197
Property tax	46,499	32,936	37,351	47,113	48,924
Utility Users tax	20,237	19,905	19,312	19,384	19,185
Other	13,529	25,692	27,370	14,013	10,324
Total Taxes	<u>113,232</u>	<u>110,190</u>	<u>114,474</u>	<u>114,738</u>	<u>113,630</u>
Special Assessments	-	-	-	-	-
Licenses & Permits	4,373	4,298	5,852	4,929	5,928
Fines, forfeitures, and penalties	2,308	2,110	2,570	2,380	2,406
Use of money or property	5,625	11,447	14,575	7,188	4,303
Intergovernmental	27,617	28,282	31,763	29,639	29,001
Charges for services	<u>38,368</u>	<u>32,049</u>	<u>34,375</u>	<u>31,940</u>	<u>38,166</u>
 Total revenues	 <u>191,523</u>	 <u>188,376</u>	 <u>203,609</u>	 <u>190,814</u>	 <u>193,434</u>
Expenditures					
General government	23,113	12,391	15,640	12,900	18,776
Public Safety	80,070	79,432	80,519	84,953	91,108
Environmental	60,377	53,791	52,005	52,196	59,847
Culture and recreation	23,066	23,358	23,517	24,567	24,190
Capital outlay	38,223	11,840	14,337	14,899	10,592
Debt service :					
Principal	4,500	6,700	53,185	3,670	3,920
Other	-	-	-	-	-
Interest	<u>2,959</u>	<u>6,786</u>	<u>4,041</u>	<u>2,959</u>	<u>2,779</u>
Total expenditures	<u>232,308</u>	<u>194,298</u>	<u>243,244</u>	<u>196,144</u>	<u>211,212</u>
 Excess of revenues over (under) expenditures	 <u>(40,785)</u>	 <u>(5,922)</u>	 <u>(39,635)</u>	 <u>(5,330)</u>	 <u>(17,778)</u>
Other financing sources (uses)					
Transfers in	20,084	17,885	14,867	15,896	16,505
Transfers out	(5,451)	(4,307)	(4,294)	(4,793)	(6,064)
Other revenues	<u>15,620</u>	<u>28</u>	<u>92</u>	<u>152</u>	<u>24</u>
 Total other financing sources (uses)	 <u>30,253</u>	 <u>13,606</u>	 <u>10,665</u>	 <u>11,255</u>	 <u>10,465</u>
 Extraordinary gain/(loss) on dissolution of Redevelopment agency	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Net change in fund balances	 <u>(10,532)</u>	 <u>7,684</u>	 <u>(28,970)</u>	 <u>5,925</u>	 <u>(7,313)</u>
 Debt service as a percentage of noncapital expenditures	 3.8%	 7.4%	 25.0%	 3.7%	 3.3%

SOURCE : City Financial Services Department

City Of Burbank

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues					
Sales tax	\$ 33,419	\$ 30,249	24,948	29,789	31,352
Property tax	69,483	80,079	79,803	76,308	46,328
Utility Users tax	20,310	20,236	19,908	18,524	19,784
Other	14,124	14,102	13,279	12,230	24,786
Total Taxes	<u>137,336</u>	<u>144,666</u>	<u>137,938</u>	<u>136,851</u>	<u>122,250</u>
Special Assessments	-	-	-	-	-
Licenses & Permits	4,646	4,115	3,680	3,798	4,228
Fines, forfeitures, and penalties	2,617	2,974	2,597	2,340	2,590
Use of money or property	18,220	12,476	16,281	11,232	11,449
Intergovernmental	29,418	28,298	29,056	29,604	26,056
Charges for services	<u>28,356</u>	<u>34,555</u>	<u>29,032</u>	<u>46,766</u>	<u>45,439</u>
 Total revenues	 <u>220,593</u>	 <u>227,084</u>	 <u>218,584</u>	 <u>230,591</u>	 <u>212,012</u>
Expenditures					
General government	33,797	28,172	48,736	40,537	32,607
Public Safety	73,740	76,616	75,205	72,832	77,111
Environmental	35,999	37,573	37,856	60,374	59,325
Culture and recreation	27,349	29,391	30,527	25,213	25,032
Capital outlay	43,602	19,702	18,330	22,552	23,895
Debt service :					
Principal	8,440	8,330	9,115	9,590	15,280
Other	-	-	-	-	-
Interest	<u>19,625</u>	<u>23,035</u>	<u>21,841</u>	<u>22,007</u>	<u>13,939</u>
Total expenditures	<u>242,552</u>	<u>222,819</u>	<u>241,610</u>	<u>253,105</u>	<u>247,189</u>
 Excess of revenues over (under) expenditures	 <u>(21,959)</u>	 <u>4,265</u>	 <u>(23,026)</u>	 <u>(22,514)</u>	 <u>(35,177)</u>
Other financing sources (uses)					
Transfers in	69,514	48,877	53,290	69,253	24,462
Transfers out	(60,369)	(35,729)	(41,276)	(57,399)	(13,070)
Other revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total other financing sources (uses)	 <u>9,145</u>	 <u>13,148</u>	 <u>12,014</u>	 <u>11,854</u>	 <u>11,392</u>
 Extraordinary gain/(loss) on dissolution of Redevelopment agency	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>(37,354)</u>
 Net change in fund balances	 <u>(12,814)</u>	 <u>17,413</u>	 <u>(11,012)</u>	 <u>(10,660)</u>	 <u>(61,139)</u>
 Debt service as a percentage of noncapital expenditures	 14.1%	 15.4%	 13.9%	 13.7%	 13.1%

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
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
2015-16	45,021	49,301	71,761	-	-	27,150	8,931
2016-17	44,978	49,961	72,470	-	-	23,512	8,554

Source : Burbank Water and Power

City Of Burbank

Table 6 - Electricity Rates

Last ten fiscal years

(Unaudited)

Fiscal Year	Residential	Commercial	Large Commercial
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
2015-16	0.16160	0.16080	0.14310
2016-17	0.16510	0.16490	0.14550

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 18.8% of total electricity supplied and were billed 17.9% 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 Activities
	Fiduciary Activities				
	Community Facilities District Bonds	Tax Allocation Bonds	Pension Obligation Bonds	Revenue Bonds	
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
2015-16	-	84,862	11,895	46,790	58,685
2016-17	-	78,263	10,440	44,325	54,765

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			
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	4.24%	1.97
2015-16	131,993	7,634	139,627	198,312	3.82%	1.89
2016-17	124,988	7,234	132,222	186,987	3.60%	1.78

(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)
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	0.29%	0.59
2015-16	46,790	11,895	58,685	0.28%	0.56
2016-17	44,325	10,440	54,765	0.26%	0.52

(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, 2017

(in thousands)

(Unaudited)

City Assessed Valuation	\$	21,455,378
Redevelopment Agency Incremental Valuation		6,207,734
Total Assessed Valuation	\$	27,663,112

	<u>Percentage Applicable (1)</u>	<u>Outstanding Debt 16/17</u>	<u>Estimated Share of Overlapping Debt</u>
Los Angeles County	1.480%	36,281	537
Burbank Unified School District	100.000%	141,907	141,907
Los Angeles Community College District	2.873%	3,847,880	110,550
Total overlapping debt		4,026,068	252,994
City direct debt :			
Burbank Redevelopment Tax Allocation (2)		122,588	
Pension obligation bonds		10,440	
Total City direct debt		133,028	
Total direct and overlapping debt			\$ 386,022

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)
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%
2015-16	3,111,620	72,949	3,038,671	2.34%
2016-17	3,218,528	66,525	3,152,003	2.07%

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

Net assessed value		\$ 21,456,854
Debt limit - 15% of assessed value		3,218,528
Amount of debt applicable to debt limit :		
Community facilities district bonds (1)	-	
Redevelopment debt - tax allocation bonds (1)	73,385	
Total	73,385	
Less :		
Reserves in Debt Service funds available for payment of principal :		
Redevelopment debt	6,860	
Total	6,860	
Total amount of debt applicable to debt limit		66,525
Legal debt margin		\$ 3,152,003

(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					
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
2015-16	211,450	168,081	43,369	7,469	5.81
2016-17	207,257	161,947	45,310	7,465	6.07
WATER UTILITY FUND					
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
2015-16	27,542	22,918	4,624	2,593	1.78
2016-17	31,115	28,969	2,146	2,593	0.83
WATER RECLAMATION AND SEWER FUND					
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
2015-16	18,352	10,466	7,886	1,222	6.45
2016-17	17,358	13,925	3,433	1,222	2.81

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					
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
2015-16	17,870	13,782	4,088	759	5.39
2016-17	18,143	14,675	3,468	752	4.61

Fiscal Year	Tax Increment	Debt Service		Times coverage
		Principal	Interest	
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
2015-16	19,500	6,805	4,081	1.79
2016-17	13,239	6,425	3,853	1.29

- 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)
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%
2015-16	105,110	5,192,434	49,400	4.3%
2016-17	105,033	5,621,471	53,521	3.8%

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

City Of Burbank
Table 14 - Principal Employers
Current Year and Ten Years Ago

(Unaudited)

	2017		2008	
	Number of Employees	%	Number of Employees	%
1. Warner Bros. Entertainment	4,900	7.5%	7,885	13.4%
2. The Walt Disney Company	3,945	6.0%	7,910	13.4%
3. Providence St. Joseph's Hospital	2,850	4.3%	3,500	5.9%
4. Bob Hope Airport	2,200	3.3%	2,415	4.1%
5. Burbank Unified School District	1,800	2.7%	1,800	3.1%
6. City of Burbank	1,600	2.4%	1,432	2.4%
7. ABC Inc	1,170	1.8%	-	0.0%
8. Deluxe Shared Services	1,500	2.3%	-	0.0%
9. Entertainment Partners	875	1.3%	-	0.0%
10. Nickelodeon Animation	602	0.9%	-	0.0%
Other employers	44,321	67.4%	33,933	57.6%
(1)	65,763	100.0%	58,875	100.0%

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,				
	2017	2016	2015	2014	2013
General government	220	165	145	161	163
Police	271	271	266	265	265
Fire	136	136	135	135	137
Public works	111	111	108	128	129
Community development	51	51	49	75	81
Parks and recreation	165	231	222	160	157
Library	65	65	63	63	63
Water Reclamation and Sewer	11	11	11	11	11
Electric Utility	286	286	286	286	286
Water Utility	51	53	51	51	51
Refuse Collection & Disposal	55	56	55	55	55
	<u>1,422</u>	<u>1,436</u>	<u>1,391</u>	<u>1,390</u>	<u>1,398</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General government	161	166	166	169	165
Police	265	268	271	279	273
Fire	139	139	139	143	141
Public works	131	136	144	146	144
Community development	97	93	82	86	84
Parks and recreation	154	158	178	179	174
Library	62	64	67	69	69
Water Reclamation and Sewer	11	12	12	12	11
Electric Utility	288	288	278	275	275
Water Utility	51	51	50	50	50
Refuse Collection & Disposal	54	49	48	46	46
	<u>1,413</u>	<u>1,424</u>	<u>1,435</u>	<u>1,454</u>	<u>1,432</u>

(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,				
	2017	2016	2015	2014	2013
Police :					
Arrests	4,964	5,155	5,601	5,802	5,628
Reports taken	14,976	13,016	11,848	12,221	12,387
Service calls	48,923	47,432	44,663	44,355	44,889
Animals entering shelter (1)	1,944	2,013	2,220	2,630	2,504
Moving violations issued	12,672	12,019	15,377	13,703	14,445
Fire :					
Safety employees	120	135	125	120	123
Fire incidents	1,348	1,331	1,221	1,221	1,218
Medical incidents	9,004	8,759	7,818	7,818	7,818
Community Development :					
Building permits	4,097	4,372	4,060	4,428	5,749
Business licenses/business permits (3)	960	965	938	1,026	1,005
Business tax registrations	12,639	12,903	13,043	12,791	12,620
Parks and Recreation :					
Number of street trees	28,375	28,532	28,505	28,631	28,788
Sports participants	15,599	15,709	15,230	17,290	15,507
Afterschool and daycamp participants	1,488	4,935	13,924	13,716	15,140
Special interest participants	11,421	11,000	11,004	11,416	13,258
Burbank bus ridership (2)	300,118	330,103	317,178	332,232	351,724
RSVP volunteer hours served	128,881	138,407	119,955	178,000	178,000
Library :					
Number of books	423,707	438,872	480,374	548,494	531,253
Number of audiovisual recordings	75,301	88,869	85,482	87,254	82,415
Water Reclamation & Sewer :					
Customer accounts (4)	47,506	47,529	47,371	47,242	55,883
Electric Utility :					
Number of meters	55,885	53,153	54,086	53,130	52,788
Generating capacity (KW)	225,000	225,000	225,000	225,000	211,000
Peak demand (KW)	279,467	309,000	316,000	266,000	294,000
Water Utility :					
Number of meters	27,670	26,820	27,003	26,880	26,853
Average daily gallons used	13,023	12,095	14,694	17,796	17,117
Refuse collection & Disposal :					
Customer accounts	51,475	50,728	49,853	48,996	48,331
Golf Course :					
Rounds of full golf	54,000	51,200	56,000	55,000	56,782
Rounds of 3 par golf	6,000	7,852	13,000	14,000	15,100

(continued)

City Of Burbank

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

	Fiscal year ended June 30,				
	2012	2011	2010	2009	2008
Police :					
Arrests	5,443	5,492	7,417	8,674	9,076
Reports taken	12,359	11,953	12,209	13,559	13,667
Service calls	44,889	42,566	39,966	44,621	46,809
Animals entering shelter (1)	2,839	2,879	3,068	3,081	2,605
Moving violations issued	13,337	13,127	17,450	14,800	13,856
Fire :					
Safety employees	115	125	125	123	125
Fire incidents	1,260	1,243	1,293	1,348	1,554
Medical incidents	7,457	7,568	7,418	7,136	7,146
Community Development :					
Building permits (3)	4,388	3,978	3,601	3,958	4,713
Business licenses	1,020	799	2,000	2,000	700
Business tax registrations	12,333	11,757	14,000	15,000	16,534
Parks and Recreation :					
Number of street trees	28,758	28,656	28,643	28,670	29,000
Sports participants	17,540	17,619	16,489	16,326	15,837
Afterschool and daycamp participants	14,825	11,640	11,892	11,008	17,005
Special interest participants	11,585	7,871	8,718	10,362	10,545
Burbank bus ridership (2)	359,092	392,637	520,372	611,184	529,813
RSVP volunteer hours served	178,000	189,000	187,875	221,926	136,674
Library :					
Number of books	512,118	482,490	433,975	432,817	456,553
Number of audiovisual recordings	76,981	71,148	69,802	64,288	56,555
Water Reclamation & Sewer :					
Customer accounts (4)	48,044	47,690	47,413	57,526	56,499
Electric Utility :					
Number of meters	52,766	52,627	51,796	51,384	51,338
Generating capacity (KW)	211,000	225,000	225,000	225,000	225,000
Peak demand (KW)	305,000	322,000	286,000	289,000	308,000
Water Utility :					
Number of meters	26,815	26,792	26,506	26,486	26,455
Average daily gallons used	16,856	21,980	18,854	23,367	22,410
Refuse collection & Disposal :					
Customer accounts	53,536	51,650	50,132	47,212	29,000
Golf Course :					
Rounds of full golf	58,357	52,185	60,933	59,605	65,472
Rounds of 3 par golf	16,624	17,108	21,775	22,311	24,296

(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,				
	2017	2016	2015	2014	2013
Police :					
Stations	1	1	1	1	1
Fire :					
Stations	6	6	6	6	6
Public works :					
Miles of streets	228	228	228	228	228
Miles of alleys	49	49	49	49	49
Miles of sidewalks	368	368	368	368	368
Street lights	9,551	9,335	9,180	9,148	9,133
Miles of storm drains	63	63	63	63	61
Signalized intersections	196	196	196	196	196
Parks and Recreation :					
Number of parks	32	28	28	28	28
Swimming pools	2	2	2	2	2
Tennis courts	21	21	21	21	21
Ballfields	15	13	13	15	15
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	225	225	223
Electric Utility :					
Transmission & distribution lines (miles)	407	421	419	420	405
Water Utility :					
Miles of water mains	280	280	280	280	280

(continued)

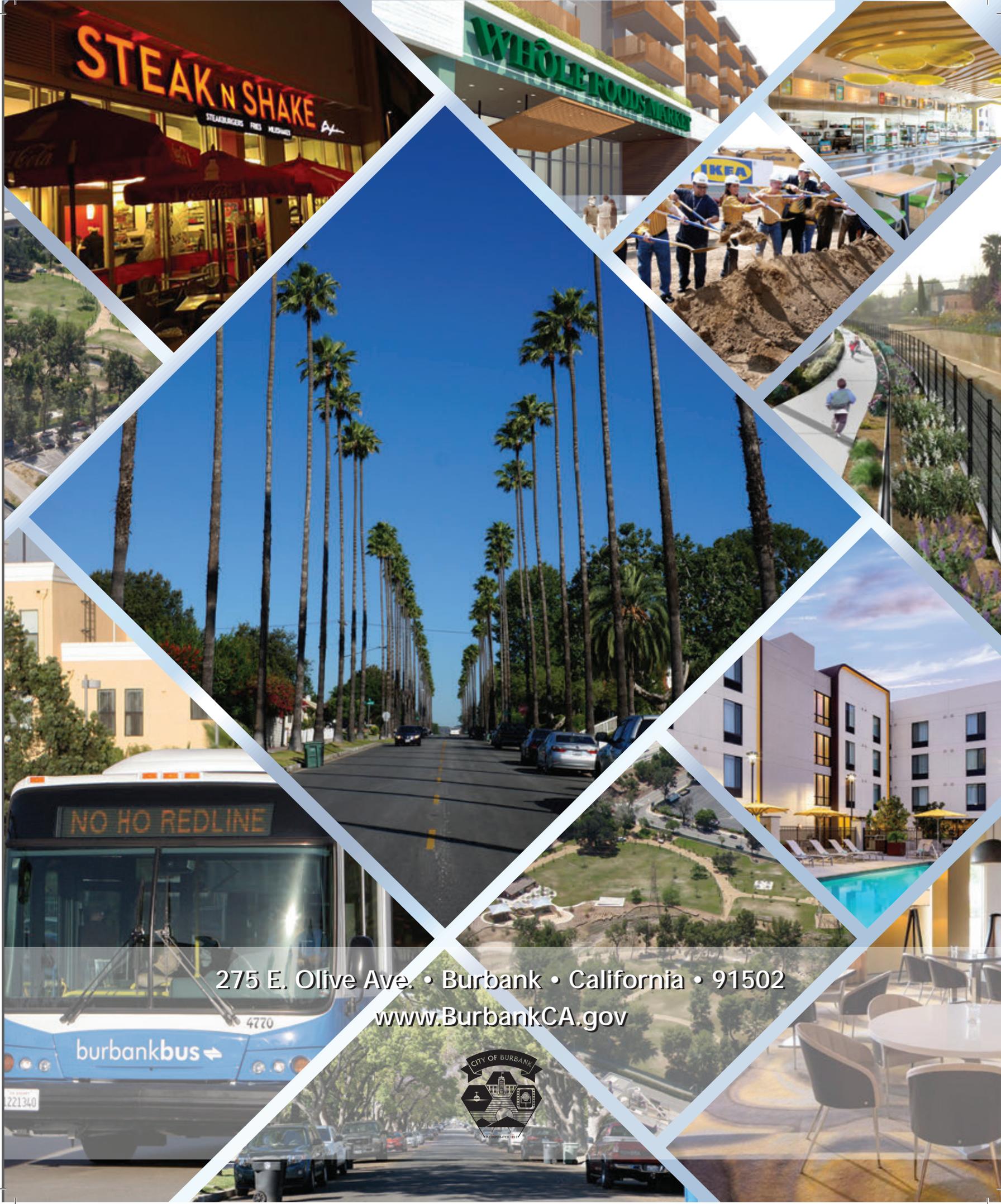
City Of Burbank

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

	Fiscal year ended June 30,				
	2012	2011	2010	2009	2008
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	367	367	367	367
Street lights	9,008	9,419	9,383	9,238	9,184
Miles of storm drains	61	61	61	61	61
Signalized intersections	196	194	190	183	183
Parks and Recreation :					
Number of parks	28	27	26	25	25
Swimming pools	2	2	2	2	2
Tennis courts	21	24	24	24	24
Ballfields	15	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)	419	356	356	410	410
Water Utility :					
Miles of water mains	280	280	278	278	278

City Of Burbank
Table 18 - Schedule of Credits
June 30, 2017
(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 General City Capital Projects Fund Notes to Financial Statements
Angela O'Connor, Senior Accountant	Successor Agency - Private Purpose Trust Fund Redevelopment Capital Projects & Debt Service Funds Public Financing Authority Internal Service Funds Special Revenue Funds Notes to Financial Statements
Eva Felipe Accountant	Projects Enterprise Funds
Monina Marin Accountant	Special Revenue Funds Bank Reconciliations Inventory Notes to Financial Statements
Craig Wood, Financial Systems Manager	Systems Programming Grant Activity Report (Single Audit)
Cathy Jaramillo Account Clerk	Bond Cash Reconciliations Nutrition Accounting
Jonathan Mendoza Accountant	Projects Fixed Assets Accounting Statistical Section Letter of Transmittal
Mike McDaniel, Reprographics Supervisor	Reprographic Services
Cassidy Allen, Graphic Illustrator	Cover photos and design



275 E. Olive Ave. • Burbank • California • 91502

www.BurbankCA.gov

