

CITY OF **PICO RIVERA**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING
JUNE 30, 2008



**CITY OF PICO RIVERA,
CALIFORNIA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Prepared By

Department of Finance

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Charles P. Fuentes
City Manager

John Herrera
Director

City of Pico Rivera FINANCE DEPARTMENT

6615 Passons Boulevard · Pico Rivera, California 90660
(562) 801-4392

Web: www.pico-rivera.org · e-mail: jherrera@pico-rivera.org

City Council

Gracie Gallegos
Mayor

Bob J. Archuleta
Mayor Pro Tem

David W. Armenta
Councilmember

Ronald M. Beilke
Councilmember

Gregory Salcido
Councilmember

March 6, 2009

Honorable Mayor and City Council
City of Pico Rivera, California

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Pico Rivera for the fiscal year ended June 30, 2008.

The CAFR is intended to provide the City Council, the City's residents, customers, public, and interested parties with a broad financial outlook of the City. The guidelines set forth by the Government Accounting Standards Board (GASB) were followed in the preparation of this report, which is designed to assess the City's financial condition and inform the public of the City's services. This transmittal letter is designed to complement the Management Discussion and Analysis section (MD&A), and therefore, should be read with it. The City's MD&A can be found immediately following the independent auditors' report.

Diehl, Evans & Company, LLP, Certified Public Accountants & Consultants has issued an unqualified opinion on the City of Pico Rivera's financial statements for the fiscal year ended June 30, 2008. The independent auditor's report is located at the beginning of the financial section of this report.

Reporting Entity

The Comprehensive Annual Financial Report presents the financial status of the City and its component units. Although each component unit is a separate legal entity from the City, their respective financial operations are closely related thereto. This combined presentation better represents the financial activities of the City of Pico Rivera.

The following component units are reported on a blended basis as part of the primary government because their boards are comprised of all City Council members or they are, in substance, part of the City's operations:

City of Pico Rivera Redevelopment Agency (RDA)
Pico Rivera Housing Assistance Agency (PRHA)
Pico Rivera Public Financing Authority (PFA)
Pico Rivera Water Authority

Pico Rivera is a general law city and operates under a Council-Manager form of government. The City provides a full range of municipal services including public works, water, storm drainage, construction and maintenance of roads and highways, planning and zoning, recreation and cultural activities, and general administrative support. Police, fire, sewer and library services are provided by Los Angeles County. The services provided by PRHA include low-moderate income housing assistance.

Local ordinances and state law require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed information is complete and reliable in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the City and its component units.

Economic Condition and Outlook

The City of Pico Rivera has recognized the financial challenges facing it as both an organization and a community. As a government organization, the City has the responsibility to prudently manage the City's resources to preserve public safety, public works, community services, and many other public services. The management and legislative leadership of the City recognize this responsibility and have proactively taken the initiative to right-size the organization to cut costs in anticipation of a declining revenue base in the coming fiscal year. The other major initiative taken is to begin the process for bringing a 1% sales tax increase measure which could effectively double the \$7.8 million annual sales tax revenue received this fiscal year ending June 30, 2008.

Pessimistic sentiment among consumers and the falling housing market will be a concern to the City throughout the next several years. However, with regard to sales tax revenues, the City is not expected to be impacted at the level that Cities with auto dealers or higher-priced retailers. Also, property taxes will decline next year, however, this will occur at a modest level as the City is a No Low property tax City without the rapid housing development rates experienced in Riverside and San

Bernardino Counties' Cities as well as other regions which constructed a lot of new housing tracts in the past few years.

As 2008 begins, the City continues to evaluate "alternative service delivery" utilizing contractual agreements for various services. The City has been active in applying for federal and state grants as well as renewing existing grants. Knowing some grants funding from the State and the Federal may face the cut, the City will still continue its efforts to boost revenue resources and recover costs more efficiently wherever possible.

The City continues with its promotional program "Shop Pico Rivera". Shop Pico Rivera is designed to educate residents about the importance of sales tax revenues and to help promote local businesses. This effort will become increasingly meaningful for the City especially with the proposal to double the City's share of the sales tax by 1%.

Under the current economic uncertainty, the importance and urgency of establishing a minimum 25% reserve in the General Fund is a goal of the City Manager's Office. This conservative action will assure the extra cushion for the City to weather difficult economic conditions, maintain high service levels, and achieve the long-term fiscal sustainability.

City Accomplishments and Initiatives

Many of the achievements were highlighted in video programs featured on CTV3, the City's cable television channel, which broadcasts live City Council meetings.

Once again, the City's award-winning newsletter, the Profile, kept residents up-to-date with events and activities that happened around the community. With the start of another year already here, we take a look back at the events that shaped the city's future during fiscal year of 2007-2008.

PARKS & RECREATION

- **Special Events** – During the fiscal year 2007-2008 the Parks and Recreation Department played a major role in planning and organizing events and programs in celebration of the City's 50th Anniversary Celebration. The major component to the City's 50th anniversary celebration included the organizing and conducting of several enhanced and branded major special events. Events included the historical return of the Miss Pico Rivera Pageant, where 15 contestants competed for the crown in front an audience

of over 300 at Pico Park. Other events attended by over 75,000 participants included the Senior Citizens Inaugural Ball and Valentines Dance, Spring Family Festival and Concert, Community Pride Day, National Day of Prayer, Fire Safety Day, Relay for Life and the Reflections of Our Past historical exhibit and art show. The summer was then highlighted by an enhanced four-day Independence Day Celebration at Smith Park. Department staff was also successful in forging corporate partnerships and collaborations resulting in over \$70,000 in cash and in-kind donations to support these events and programs.

- **Youth Sports** – Facility use support was provided to the Community Youth Sports Organizations who provided sports programming to over 4,000 youth participants of baseball, softball, football and soccer leagues. Additionally, over 1000 youth participated in city-sponsored basketball, soccer, flag football and soccer programs where sportsmanship and teamwork are emphasized.
- **Adult Sports** - Adult participation in sport activities continued to be popular, evidenced by 3,900 adults participating in City sponsored men's and co-ed, slow pitch softball and basketball leagues and tournaments.
- **Aquatics** - Over 37,000 patrons attended the Pico Rivera Aquatic Center. Program opportunities included swim lessons, lap swim, swim and water polo teams, and recreation swim sessions. In addition, the Jr. Lifeguard program offered an opportunity to foster development by providing 26 youth with a program to learn leadership, water safety, fitness, discipline and professionalism, in preparation for future employment.
- **Alternative Programming** - City park facilities offered over 2,000 alternative/drop-in programming hours such as open gym and drop-in activities to members of the community to socialize and engage in various recreational experiences. The alternative programming provided unstructured recreational opportunities to strengthen community image and a reliable place for residents to go for recreational outlets.
- **Golf Course** - The Golf Course continued to see an increase in play and revenue (3.5%) for the year. The Junior Golf program provided recreational experience to over 350 youth at Saturday clinics, Monday night and summer season teams. The Golf Course partnered with the REACH after-school program providing instruction to 240 elementary and middle school children who experienced the joy of playing golf for the first time in their lives.

- **Youth Center** - New homework assistance programs and expanded workshops, structured activities, sports activities, karate instruction, arts and crafts, dances, weekly meetings, and community service opportunities were provided to youth, giving them a strong sense of community and program ownership. The program experienced an increase in membership by 65 percent.
- **Park & Recreation Commission** – The City Council re-established the Parks & Recreation Commission as an advisory group on all matters relating to parks, recreation, arts, culture, youth and senior services. The Commission meets monthly in the Community Room at the Parks and Recreation offices.
- **Trips and Tours**– The City coordinated a total of 11 excursions and approximately 550 patrons took advantage of the opportunity to visit places of interest throughout various counties in Southern California. Diverse arts and culture trips ranged from theatrical plays, such as ‘Wicked’ to a performance by the Radio City Rockettes at the Orange County Performing Arts Center. To further promote active lifestyles and encourage lifelong learning, numerous festivals and the Griffith Observatory were visited.
- **Park Improvement Projects** - Streamland Park picnic shelters were renovated. The project included installation of new roofs and over 500 square feet of additional hardscape and ADA pathways as well as table and BBQ amenities. The project was completed utilizing city forces and was funded by the City and State Prop 12 grant funds. Also completed was the laser leveling of all baseball and softball fields. The project included reestablishment of infield perimeters, rebuilding of pitching mounds and relocation of sprinklers.
- **Contract Classes**– The department offered over 25 new recreation classes which boosted program registration by 25%.

PUBLIC SAFETY

Crime is down significantly in Pico Rivera. The City as a community is the safest it has been in a long time. The main reason for this is the City’s continued commitment to increasing the level of Sheriff’s patrol and various safety services this year.

Parking Enforcement

- Issued 19,244 parking citations, the value of which totals \$1,089,515.

- Revenue from parking citations total \$941,830, an increase of over \$176,000 from previous fiscal year.
- Opened 325 inoperable vehicle cases and abated 361.
- Investigated 602 resident complaints.
- Towed 271 vehicles of which 36 were repeat offenders with five or more unpaid citations.
- On March 28 City began enforcement of ordinance prohibiting vehicles displaying "For Sale" signs from parking in major thoroughfares. This has resulted in 137 citations and 15 vehicles towed.
- Purchased 2 new vehicles, replacing 2 existing vehicles. As with the 2 vehicles purchased the previous fiscal year, the new vehicles are also equipped with larger engines reducing the frequency and expense of vehicle maintenance and more conducive to the repetitive start and stop action characterized by parking enforcement driving.

General Public Safety

- With the oversight of the restitution phase of graffiti abatement, collected over \$25,000 of \$125,000 in court-ordered restitution.
- Monitored 80 restitution cases.
- Over 200 arrests made by the Sheriff's Dept. attributable to the Graffiti Tracking System.
- Public Safety Manager attended over 40 Neighborhood Watch Group meetings. Various types of complaints/concerns were referred to appropriate City departments and follow-ups conducted accordingly.

COMMUNITY DEVELOPMENT

BUILDING DIVISION:

- Unsolved substandard cases have been reduced to two cases.
- Issued permits for \$63,751,207 in building valuation.
- Conducted approximately 16,000 varied inspections.
- Processed approximately 1,685 plan checks.
- Processed approximately 315 permits that were about to cancel.
- Conducted approximately 927 Section 8 inspections and 120 CBDG/Home loan inspections for the Housing Division.

HOUSING DIVISION:

- Section 8 Program has sustained a lease up average rate of 95%;

- Housing Division continued to implement Cost Effective Measures- Moved 55% from paper to electronic;
- Expended three hundred and thirty-eight thousand four hundred and seventy-three dollars (\$338,473) in HOME Program Income funds;
- Expended one hundred and fourteen thousand four hundred and twenty dollars (\$114,420) in CalHOME funds;
- Expended over one point one million dollars (\$1,100,000) in CDBG funds, which include the Targeted Public Works Curb and Gutter project;
- Created an operation manual for the CDBG, HOME and CALHOME programs and procedural manual for Section 8 monthly check run.

NEIGHBORHOOD SERVICES DIVISION:

- A total of 741 complaints were received of which 379 complaints were submitted anonymously.
- A total of 816 cases were abated.
- Over 2,400 site inspections conducted within the fiscal year.
- Initiated a targeted “Neighborhood Sweep” in June 2008, which resulted in approximately 137 new cases for violations such as canopies on driveways, overgrown vegetation, trash and debris and trash bins in public view. Of these, 79 of the cases have been abated.
- Initiated a “Vacant Lot/Abandoned Property” monitoring program involving 48 properties throughout the City. Properties are monitored on a bi-weekly basis and additional properties (mainly foreclosed homes) are added to the list periodically.
- Created a “Neighborhood Improvement Officer Procedures Manual”.

PLANNING DIVISION:

Long Range Planning

Completed Draft Housing element and submitted to the California Department of Housing and Community Development Department for review and approval.

A Request for Proposal (RFP) for the General Plan has been submitted. Three proposals have been returned and are being evaluated.

Completed the cross-training of the Counter Services Representatives (CSRs) on basic planning functions for efficient and expeditious customer service.

The Counter Services Representatives (CSRs) and Building Division's workspace was reconfigured to allow for more efficient work areas.

Current Planning

MAJOR PROJECTS

Krikorian Theatre Village Walk 15 (southwest corner of Whittier & Paramount) - Project completed. The Community and Economic Development Department has signed off on all outstanding building and planning permits.

Pico Rivera Marketplace (northwest corner of Rosemead & Washington) -The Community and Economic Development Department has signed off on all pertinent building and planning permits. The Reciprocal Easement Agreement is pending final sign off.

Pico Crossing Center (northwest corner of Whittier & Paramount) – Project completed. The Community and Economic Development Department has signed off all outstanding building and planning permits.

Howard Johnson Motel (9515 Whittier Boulevard) - The Community and Economic Development Department has signed off on all outstanding building and planning permits.

Veranda Crest condominiums (5126 Rosemead Boulevard) -The Building Division has completed a final inspection for completion of the project. The Planning Division will conduct a final inspection for project completion.

Autozone (9234 Slauson Avenue) - Project completed. The Community and Economic Development Department has signed off on all outstanding building and planning permits.

APPROVED ENTITLEMENTS

The City has 28 approved entitlements which include conditional use permits, variances, precise plans of design, and other Planning related activities.

REDEVELOPMENT DIVISION:

- Completion of the midterm review of the 5-year Implementation Plan
- Prepared midterm review of Housing Compliance 10-year Plan

- Prepared documentation for Plan Amendment in compliance with SB 1045, SB 1096, and SB 211
- Reconciled records and developed strategies in preparation of pass-through negotiations with the County
- Compiled the Agency's Schedule of Real Estate Owned report
- Prepared database of affordable housing in compliance with AB 987
- Reconciled records of deed-restricted units
- Conducted monthly review of building activity in preparation of HCD year-end report
- Corrected inaccuracies in the HdL sales tax report
- Conducted pre-planning work for the development of the Burke Street site

PUBLIC WORKS:

Residential Resurfacing Program (RRP) – Phase I

The City completed the first phase of the annual RRP to a portion of the north end of the community. This project was completed after 2 months, utilizing the lowest responsible contractor at a cost of \$350,000. The roadway resurfacing will improve access and public safety. This project was funded using General Fund for street maintenance and repairs.

Citywide Sewer Mainline Replacement Program

Mainline sewer improvements for a portion of the sewer infrastructure located in the northern part of the community. This project addresses the capacity deficiencies in this portion of the city's system in the northern part of the community. This project was partially funded from a U.S. Environmental Protection Act (EPA) grant (\$242,500) and city Sewer Replacement Fund monies (\$600,000).

Street Improvement Project - Citywide

The City conducted a comprehensive pavement approach to improving the roadway surfaces throughout the community. At the same time, replacement of damaged and/or deficient concrete curbs and gutters was also done. These locations were decided upon by a priority-ranking that listed each location, beginning with the worst conditions. This project used funds (\$1,000,000) from the State Relinquishment Fund whose source was the settlement for maintenance costs projected by CALTRANS and the city for the maintenance of the state routes assumed by the city.

Internal Controls

Management of the City of Pico Rivera is responsible for establishing and maintaining a system of internal controls. In developing and evaluating the City's accounting systems, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss, theft or misuse from unauthorized use or disposition and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits require estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Accounting System

This is the Sixth year the City's Comprehensive Annual Financial Report (CAFR) is prepared in conformance with the new governmental financial reporting model established by the Governmental Accounting Standards Board's (GASB) statement No. 34, *Basis Financial Statements and Management's Discussion and Analysis – for State and Local Governments*.

GASB 34 represents a fundamental revision of governmental financial reporting model. One of the major changes is the presentation of two kinds of financial statements: Government-wide statements and Fund Statements.

Government-wide financial statements are consolidated financial statements for all of the City's operations on a full accrual basis of accounting. They are presented based on fiscal operations and organized into two major activities: governmental and business-type. They have a "net asset" focus. These are a new set of statements that are meant to reflect the City's fiscal operations in a similar manner to the private sector. Under these financial statements, the City is required to report capital fixed assets, including infrastructure, net of related depreciation. On June 30, 2007, the City has complied with the retroactive reporting of infrastructure. This resulted in the inclusion of additional infrastructure assets and an increased overall net asset value.

Fund statements continue to be presented. Traditionally, governmental agencies have presented their financial statements on the fund basis of accounting. One of the major changes that impact the City's financial presentation is the reporting of interfund borrowings. Interfund borrowings must be accounted for as assets and liabilities on the balance sheets of the respective funds. This will have the effect of

reflecting long-term liabilities on fund balance sheets with an offsetting receivable in another fund. In the past, the long-term liability would not have been reflected in the fund balance sheet but rather would have been reflected in the general long-term debt account group. The impact is an increase in liabilities and therefore, a reduction in fund balance on such fund balance sheets.

Budgetary Controls

As a general law city within the State of California, the City of Pico Rivera is not legally required to adopt a budget. However, the City Council does review and adopt an annual budget prepared on the modified accrual basis of accounting and such budget is controlled at the overall fund level. The operating appropriations lapse at the fiscal year end unless specific written approval is obtained from the City Manager to carry over appropriations to the next fiscal year.

Cash Management

The City Treasurer is responsible for the cash management and investment program of the City. The City's investments are managed in compliance with the investment policy adopted by the City Council on November 19, 1984, reaffirmed annually and last updated June 20, 2007. The City Treasurer has continued the practice of investing all idle funds with the State's Local Agency Investment Fund (LAIF). In the coming fiscal year, funds will be diverted to investment in U.S. Treasuries and Agencies for diversification.

Risk Management

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority provides a joint protection wherein cities pool their losses and claims jointly and purchase excess insurance and share administrative and related costs. The program includes both comprehensive liability and workers' compensation coverage for member cities.

Annual Audit

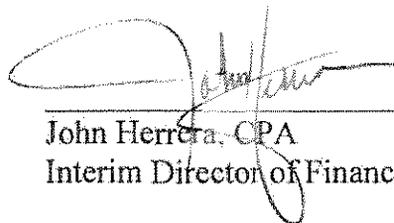
The accounting firm of Diehl, Evans & Company, LLP performed the annual independent audit. The annual audit is designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. The auditor's report on the basic financial statements is included in the financial section of this report. Results of the Single Audit are reported separately.

Acknowledgments

The Finance Department takes primary responsibility for the preparation of this report. The professionalism, commitment and effort of all the members of the Accounting Division have made this presentation possible. The assistance from other Departments in providing operational information for this report is also appreciated. Finally, we thank the City Council for their prudent financial management and leadership in guiding the City of Pico Rivera.



Charles P. Fuentes
City Manager



John Herrera, CPA
Interim Director of Finance

CITY OF PICO RIVERA

CITY OFFICIALS

June 30, 2008

City Council

Ron Beilke, Mayor

Gracie Gallegos, Mayor Pro Tem

Bob Archuleta, Councilmember

David Armenta, Councilmember

Gregory Salcido, Councilmember

Administration and Department Heads

City Manager

Charles P. Fuentes

Assistant City Manager

Deborah R. Lopez

Assistant City Manager

Jeffrey Prang

Director of Public Works

Al Cablay

Interim Director of Finance

John Herrera, C.P.A.

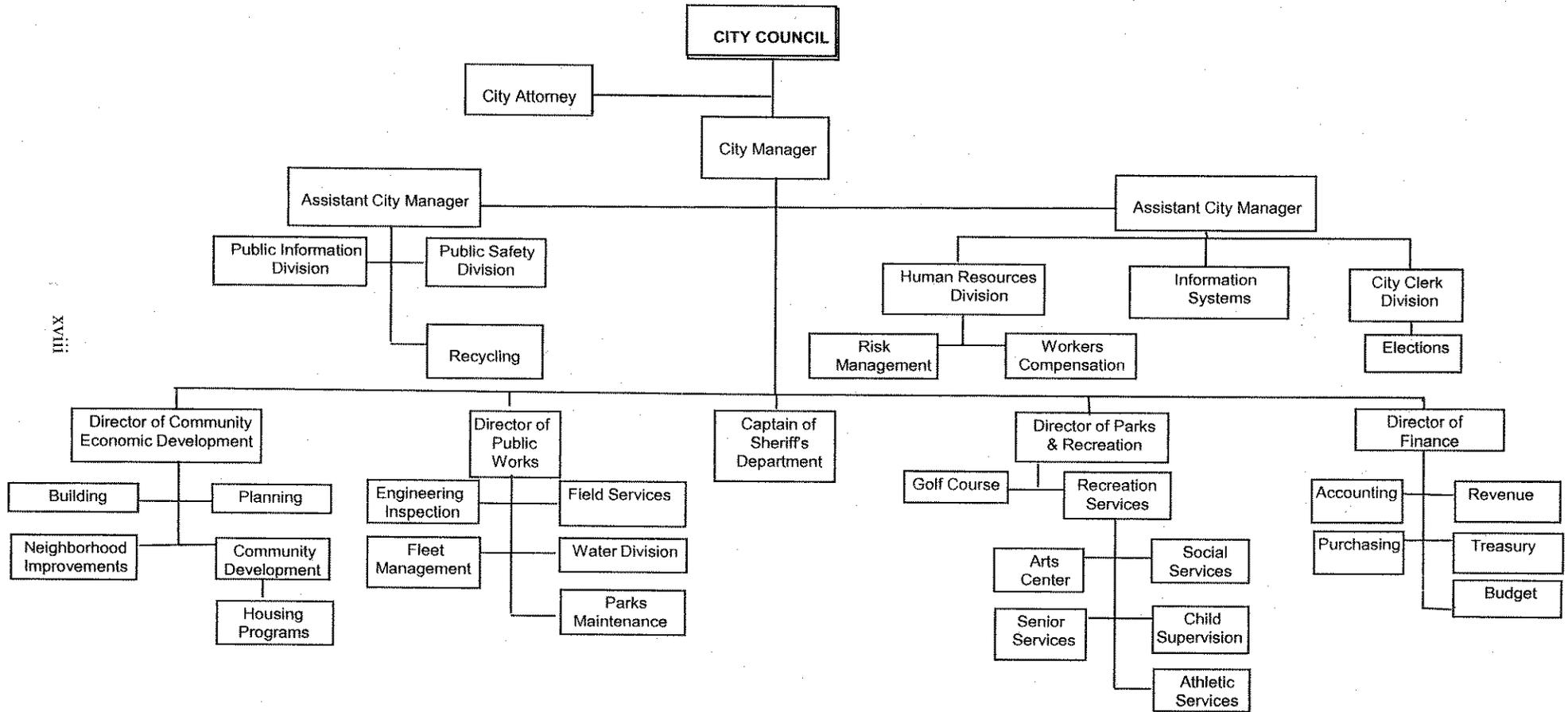
Director of Parks and Recreation

Ralph Aranda

Director of Community & Economic Development

Jeff Brauckmann

CITY OF PICO RIVERA ORGANIZATIONAL CHART



XVIII

FINANCIAL SECTION



DIEHL, EVANS & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

A PARTNERSHIP INCLUDING ACCOUNTANCY CORPORATIONS

5 CORPORATE PARK, SUITE 100
IRVINE, CALIFORNIA 92606-5165
(949) 399-0600 • FAX (949) 399-0610
www.diehlevans.com

MICHAEL R. LUDIN, CPA
CRAIG W. SPRAKER, CPA
NITIN P. PATEL, CPA
ROBERT J. CALLANAN, CPA
*PHILIP H. HOLTkamp, CPA
*THOMAS M. PERLOWSKI, CPA
*HARVEY J. SCHROEDER, CPA
KENNETH R. AMES, CPA
*WILLIAM C. PENTZ, CPA

*A PROFESSIONAL CORPORATION

March 6, 2009

INDEPENDENT AUDITORS' REPORT

The Honorable City Council
of the City of Pico Rivera
Pico Rivera, California

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 Pico Rivera, California as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Pico Rivera, California's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Pico Rivera, California as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

- 1 -

OTHER OFFICES AT:

2965 ROOSEVELT STREET
CARLSBAD, CALIFORNIA 92008-2389
(760) 729-2343 • FAX (760) 729-2234

613 W. VALLEY PARKWAY, SUITE 330
ESCONDIDO, CALIFORNIA 92025-2598
(760) 741-3141 • FAX (760) 741-9890

In accordance with Government Auditing Standards, we have also issued our report dated March 6, 2009 on our consideration of the City of Pico Rivera, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and the other required supplementary information identified in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the management's discussion and analysis, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this required supplementary information. However, we did not audit the management's discussion and analysis and express no opinion on it. The budgetary comparison schedules and related note have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pico Rivera, California's basic financial statements. The introductory section, the combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Diell, Evans and Company, LLP

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

This section of the City's Comprehensive Annual Financial Report provides a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal and the City's financial statements.

FINANCIAL HIGHLIGHTS

For several years the financial trend has been one of increasing revenues outpacing expenditures. Significant effort has been made to hold costs down and increase local revenues. State takeaways have been somewhat reduced with a better State budget and voter action. After completing a cost analysis, user fees were increased to more fully recover the cost of delivery of many services. The slowing in economic growth of local retail and the California real estate market has resulted in lower sales tax and property tax revenues have not grown in line with the increase in assessed valuations. The City continues to benefit from operating and capital grants. Governmental expenses have been reduced. The comparisons in the discussion and analysis below are between FY 2006-07 and FY 2007-08. All increases and decreases are expressed relative to 2006-07 results. FY 2007-08 financial highlights include the following:

Citywide

- The City's total net assets decreased to \$179.1 million, a \$1.2 million decrease compared to \$180.3 million in FY 2007. This decrease was due to the increase of total liability over last year.
- The City's total net assets invested in capital assets, net of related debt, was \$199.3 million, a \$17.5 million reduction from FY 2007. This decrease primarily resulted from higher appraisal valuation of FY 2007 in recording the historical value of infrastructure placed in service among the enterprise funds prior to July 1, 2002 as requested by GASB 34.
- The City's total restricted net assets decreased to \$12.3 million, a \$5.7 million decrease.
- The City's total unrestricted net assets deficit decreased to \$32.2 million, a reduction of \$22.0 million in the deficit from FY 2006-07 of \$54.2 million.
- Citywide revenues totaled \$60.1 million, a decrease of \$625,363 from the prior year. This consisted of \$25.6 million in program revenues and \$34.5 million in general revenues. Program revenues decreased by \$1.6 million and general revenues increased by \$934,506. One of the major reductions in revenue reflected in the sector of community development and public works. This was partially due to the completion of three major commercial projects, Marketplace, Pico Rivera Valley Walk and Pico Rivera Crossing by the end of FY 2006-07. Another direct factor was affected by the overall downturn of the declining housing and construction market nationwide.
- Total citywide expenses were \$61.2 million, a \$7.1 million increase. The contracted service was one of the main elements contributing to this increase. Law Enforcement expense increased by 14% this year compared to last year. The contract service need in both finance consulting and capital improvement field had also increased.
- Citywide capital assets maintained at \$238.7 million.
- Citywide long term debt remained at \$94.9 million.

See independent auditor's report.

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

Fund Level – Governmental Funds

- 1 Governmental Fund deficit fund balance of (\$21.7) million has increased by \$821,147.
- 2 Governmental Fund revenues (excluding Other Financing Sources) decreased to \$50.8 million which resulting a reduction of \$1.6 million from the prior year.
- 3 Governmental Fund expenditures (excluding Other Financing Sources) were to \$52.4 million, a \$5.8 million increase.
- 4 General Fund revenues came in at \$25.1 million, an increase of \$204,801 over prior year levels.
- 5 General Fund expenditures are \$28.6 million, an increase of \$2.1 million.
- 6 The General Fund balance of \$16.7 million at June 30, 2008 was an increase of \$68,227 from the prior year.

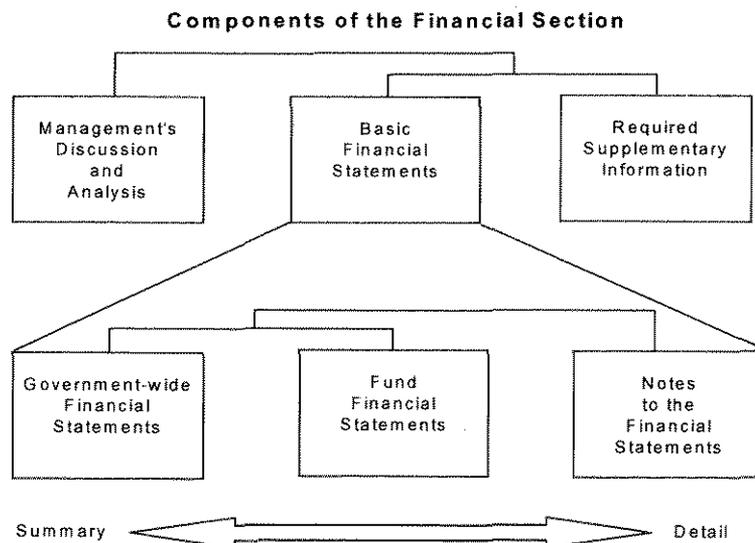
Fund Level – Enterprise Funds

- 1 Enterprise Fund net assets decreased to \$27.7 million, a \$1.5 million decrease.
- 2 Enterprise Fund revenues decreased to \$6.2 million, a reduction of \$169,864.
- 3 Enterprise Fund expenses increased to \$6.4 million, an increase of \$731,807.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - management's discussion and analysis (this portion), the basic financial statements, required supplementary information, and optional combining statements for other governmental funds, other enterprise funds, and agency funds. This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- 1) government-wide financial statements 2) fund financial statements and 3) notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements.



See independent auditor' report.

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

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

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

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

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, public safety, public works, community development, recreation, non-departmental, and interest on long-term debt.

The government-wide financial statements include not only the City itself (known as the primary government), but also three legally separate entities, the Pico Rivera Redevelopment Agency, the Pico Rivera Water Authority, and the Pico Rivera Financing Authority. The City is financially accountable for these entities and financial information for these blended component units is reported within the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning 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 City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating 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 financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

See independent auditor' report.

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

Fund Financial Statements (Continued).

Governmental Funds (Continued). The City maintains 32 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Housing Agency and State Relinquishment Special Revenue Funds, Debt Service Fund, and the Capital Improvement and Redevelopment Agency Capital Projects Funds, each of which are considered to be major funds. Data from the other 26 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements in the other governmental funds supplementary information section of this report.

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

The governmental fund financial statements can be found beginning on page 22 of this report.

Proprietary Funds. The City maintains several 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 the Pico Rivera Water Authority Fund, Pico Rivera Water Enterprise Fund, Pico Rivera Sports Arena Fund, Campground Fund, and the Pico Rivera Golf Course Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among a City's various self-supporting functions. The City does not use any internal service funds at this time.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Pico Rivera Water Authority Fund and Pico Rivera Water Enterprise Fund are aggregated and presented as a major fund in the financial statements. Individual fund data for the other proprietary funds is provided in the form of combining statements in the supplementary information section of this report.

The basic proprietary fund financial statements can be found beginning on page 29 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on page 34 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 beginning on page 35 of this report.

See independent auditor' report.

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the comparison of budgeted to actual results for the general and major special revenue funds. Required supplementary information can be found beginning on page 73 of this report.

The combining statements referred to earlier in connection with other governmental funds and other enterprise funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 86 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City of Pico Rivera is presenting its financial statements under the new reporting model required by GASB 34. This report model changes significantly both the recording and presentation of financial data. As this is the sixth year under this model, prior year information is shown along with the current year for comparative analysis of government-wide data.

City of Pico Rivera
Statement of Net Assets
Fiscal years ended June 30, 2008 and 2007

Table 1

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u> <u>As Restated</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u> <u>As Restated</u>
Assets:						
Current and other assets	\$ 39,199,285	\$ 38,758,932	\$ 7,834,024	\$ 7,960,459	\$ 47,033,309	\$ 46,719,391
Internal Balances	(30,754,645)	(32,831,507)	30,754,645	32,831,507	-	-
Capital assets	191,767,030	190,494,301	46,894,964	47,654,581	238,661,994	238,148,882
Total assets	200,211,670	196,421,726	85,483,633	88,446,547	285,695,303	284,868,273
Liabilities:						
Current and other liabilities	10,347,656	8,201,634	1,312,645	1,404,481	11,660,301	9,606,115
Long-term liabilities	38,441,167	37,183,927	56,449,182	57,786,290	94,890,349	94,970,217
Total liabilities	48,788,823	45,385,561	57,761,827	59,190,771	106,550,650	104,576,332
Net assets:						
Invested in capital assets, net of related debt	191,767,030	190,494,301	7,549,112	26,299,345	199,316,142	216,793,646
Restricted	12,009,671	13,724,579	-	3,991,884	12,009,671	17,716,463
Unrestricted	(52,353,854)	(53,182,715)	20,172,694	(1,035,453)	(32,181,160)	(54,218,168)
Total net assets	\$151,422,847	\$151,036,165	\$27,721,806	\$29,255,776	\$179,144,653	\$180,291,941

See independent auditor's report.

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In this case, City's assets exceeded liabilities by \$179,144,653 at June 30, 2008.

An important component of net assets is capital assets (e.g., land, buildings, infrastructure, furniture and equipment, etc.), net of related debt. The City's investment in capital assets is \$199,316,142. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City's restricted net assets of \$12,009,671 represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City has a negative balance in unrestricted net assets. The requirements for implementing GASB 34 allow cities of our size up to four additional years to analyze and value all City infrastructures. The City, however, completed the appraisal of City's infrastructure prior to July 1, 2002 and has recorded that value in this CAFR.

Governmental Activities. Governmental activities increased the City's net assets by \$386,682 in FY 2008 and the key elements of this increase are as follows:

- The City total revenues decreased by \$359,963. The program revenues were \$1.39 million short of last year, and the general revenues increased \$1.03 million. Among the general revenues, property taxes went up by \$893,197, sales and use taxes increased \$584,751, and utility user taxes increased \$114,072. Franchise taxes declined by \$218,442, motor vehicle in-lieu went down by \$149,235, and all others including the investment earnings decreased \$194,301.
- The cost of providing the City public service increased among all functions except the interest and fiscal charges decreased \$56,609. The key element of keeping the net asset in positive territory was the transfer in of \$788,089 from City's business-type activities, which was \$344,236 over last year and 77.56% higher.

Business-Type Activities. Business-type activities decreased the City's net assets by \$1.5 million. Total revenues were \$265,400 lesser than the prior year and expenses plus transfers increased by \$561,286 compared to last year.

- Charges for services decreased \$169,864 compared to prior year. Investment income was reduced by \$95,536. The declined meter water sales was directly due to the increasing awareness of drought threat in Southern California thus resulting more conservative water consumption among the water users.
- Salaries and benefits increased \$43,797, administrative services went up by \$167,720, maintenance and supplies had a leap of \$824,442 and depreciation expenses also increased \$138,135.

See independent auditor's report.

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

City of Pico Rivera
Statement of Activities
Fiscal years ended June 30, 2008 and 20077

Table 2

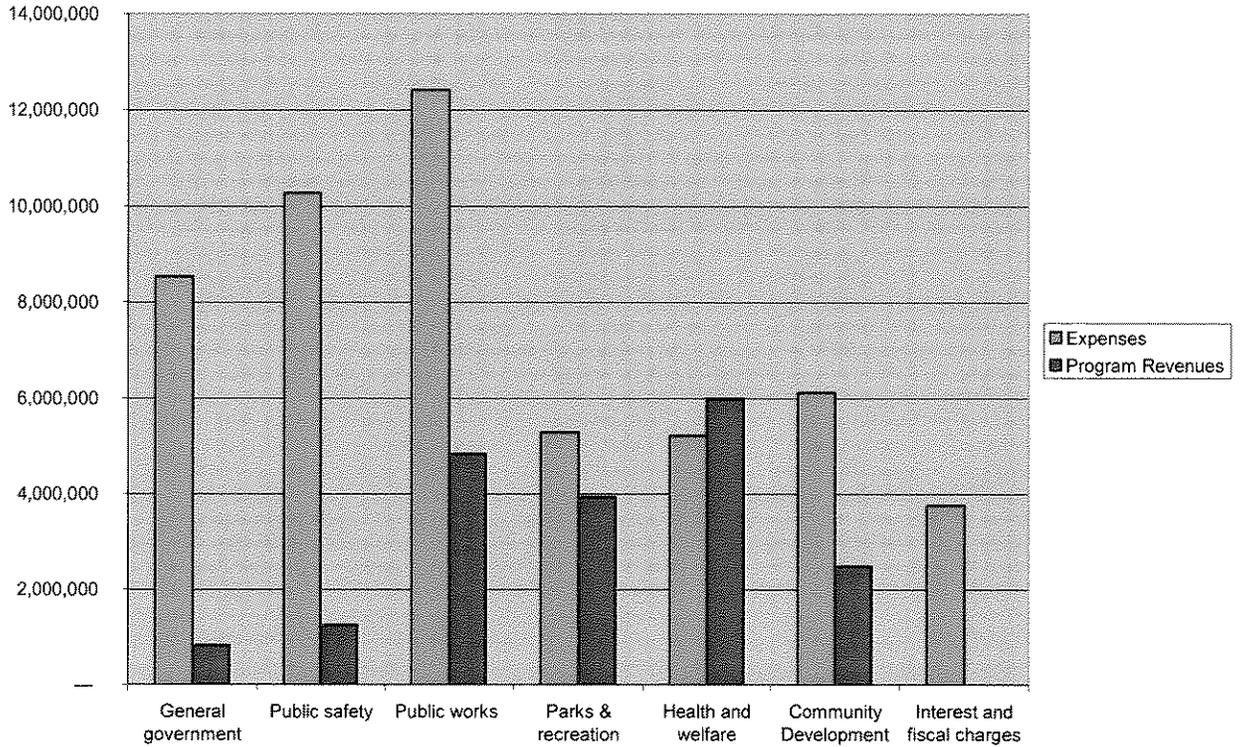
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007 As Restated</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007 As Restated</u>
Revenues						
Program revenues:						
Charges for services	\$ 5,033,263	\$ 5,368,271	\$ 6,230,600	\$ 6,400,464	\$ 11,263,863	\$ 11,768,735
Operating grants and contributions	14,292,679	14,815,016	-	-	14,292,679	14,815,016
Capital grants and contributions	630	533,290	-	-	630	533,290
General revenues						
Property taxes	14,892,493	13,999,296	-	-	14,892,493	13,999,296
Sales and use taxes	7,925,324	7,340,573	-	-	7,925,324	7,340,573
Utility users taxes	4,043,150	3,929,078	-	-	4,043,150	3,929,078
Franchise taxes	984,238	1,202,680	-	-	984,238	1,202,680
Other taxes	1,695,765	1,728,439	-	-	1,695,765	1,728,439
Unrestricted Motor Vehicle In-lieu	298,233	447,468	-	-	298,233	447,468
Unrestricted investment earnings	1,703,963	1,731,877	2,941,741	3,037,277	4,645,704	4,769,154
Miscellaneous	10,776	144,489	-	-	10,776	144,489
Total revenues	<u>50,880,514</u>	<u>51,240,477</u>	<u>9,172,341</u>	<u>9,437,741</u>	<u>60,052,855</u>	<u>60,678,218</u>
Expenses						
General government	8,519,371	8,269,717	-	-	8,519,371	8,269,717
Public safety	10,271,958	9,103,656	-	-	10,271,958	9,103,656
Public works	12,264,878	7,406,992	-	-	12,264,878	7,406,992
Community development	6,115,717	5,806,568	-	-	6,115,717	5,806,568
Parks and recreation	5,175,945	5,203,123	-	-	5,175,945	5,203,123
Health and welfare	5,176,082	4,747,082	-	-	5,176,082	4,747,082
Interest and fiscal charges	3,757,970	3,814,579	-	-	3,757,970	3,814,579
Enterprise operations	-	-	9,918,222	9,701,172	9,918,222	9,701,172
Total expenses	<u>51,281,921</u>	<u>44,351,717</u>	<u>9,918,222</u>	<u>9,701,172</u>	<u>61,200,143</u>	<u>54,052,889</u>
Increase (decrease) in net assets before transfers	(401,407)	6,888,760	(745,881)	(263,431)	(1,147,288)	6,625,329
Transfers	<u>788,089</u>	<u>443,853</u>	<u>(788,089)</u>	<u>(443,853)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	386,682	7,332,613	(1,533,970)	(707,284)	(1,147,288)	6,625,329
Net assets - Beginning of fiscal year	<u>151,036,165</u>	<u>143,703,552</u>	<u>29,255,776</u>	<u>29,963,060</u>	<u>180,291,941</u>	<u>173,666,612</u>
Net assets - End of fiscal year	<u>\$ 151,422,847</u>	<u>\$ 151,036,165</u>	<u>\$ 27,721,806</u>	<u>\$ 29,255,776</u>	<u>\$ 179,144,653</u>	<u>\$ 180,291,941</u>

See independent auditor's report.

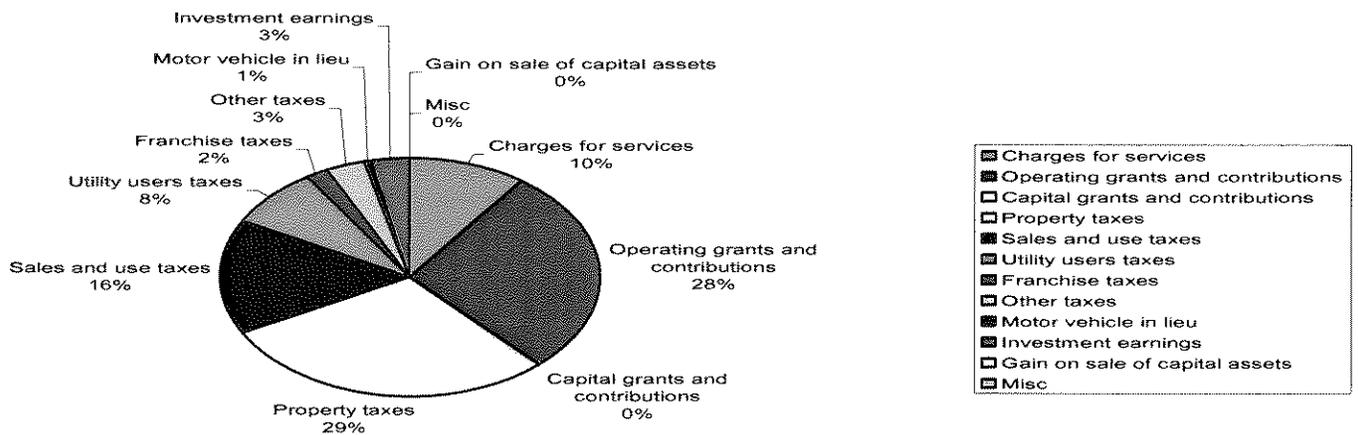
CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

Financial Analysis of the City's Funds

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



See independent auditor's report.

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

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

Fund Financial Statements

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, unreserved 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 June 30, 2008, the City's governmental funds reported combined ending fund deficit of \$21,654,728. The City's governmental funds reported a negative \$33,500,971 in its unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay debt service, 2) reflect amounts due from other funds that are long term in nature and thus do not represent available spendable resources, 3) for prepaids and deposits, 4) funds designated for Low and Moderate income housing activities, 5) for property held for resale, and 6) for long term receivables.

Introduction. The Fund Financial Statements are presented by individual major funds, while other governmental funds are combined in a single column. Major Funds are defined generally as having significant activities or balances in the current year.

Major Governmental Funds. The funds described below were determined to be Major Funds by the City in fiscal year 2007-08. Other governmental individual funds may be found in the Supplemental section.

General Fund. The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds, and related expenditures.

Housing Agency Fund (A special revenue fund). The Housing Agency Fund accounts for rental assistance expenditures to assist low and very low income families with their housing needs.

State Relinquishment Fund (A special revenue fund). The State Relinquishment Fund accounts for funds received from the California Department of Transportation for maintenance of Rosemead Blvd.

Debt Service Fund. The Debt Service Fund accounts for the resources accumulated and payment made for principal and interest on long-term obligation debt of the governmental funds.

Capital Improvement Fund. The Capital Improvement Fund is a capital improvements fund that accounts for all capital expenditures not accounted for in the capital projects of the Redevelopment Agency.

See independent auditor's report.

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

Redevelopment Agency Fund. The Redevelopment Agency Capital Projects Fund accounts for the financial resources to be used for property acquisition, improvement, and rehabilitation within project areas authorized under provisions of the California Community Redevelopment Law.

Please refer to pages 22 and 23 for the Balance Sheet of Governmental Funds, page 25 for the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets, pages 26 and 27 for the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds, and page 28 for the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$7,648,759 while the total fund balance reached \$16,713,432. General fund balance represents 59% of total general fund expenditures of \$28,553,196.

The fund balance of the City's General Fund was increased by \$68,227 during the current fiscal year. Key factors of this increase are as follows:

- Expenditures exceeded revenues by \$3,476,440.
- Transfers in exceeded transfers out by \$3,544,667.

General Fund Budgetary Highlights

- 1 Actual revenues exceeded budgeted revenues by a net of \$304,650. The two largest favorable variances were intergovernmental revenues of \$596,180 and taxes and assessments of \$373,335. The largest unfavorable variance was licenses and permits of \$901,402, a casualty result of housing market meltdown.
- 2 Actual expenditures were \$2.5 million under the budget. The variances were 1) general government was under budget by \$817,577, 2) public safety was under budget by \$336,490, 3) public works was under budget by \$601,189 and 4) parks & recreation was under budget by \$769,192.
- 3 Total other financing sources (uses) had cumulative unfavorable variances of \$1,787,839.
- 4 The final budget for revenues increased by \$1.1 million while the expenditure budget also increased \$1.2 million.

Housing Agency. The Housing Agency special revenue fund has an ending fund balance of \$869,371 a \$113,974 increase from the prior year.

State Relinquishment Fund. The State Relinquishment Fund has an ending balance of \$8,053,620. This fund represents the one time funding received from the California Department of Transportation for the maintenance of Rosemead Blvd. and Whittier Blvd. The decrease in fund balance of \$178,534 represents the combination of reduced revenue of \$585,399 and reduced other financing uses of \$72,447 from last year.

See independent auditor' report.

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

Debt Service Fund. The Debt Service Fund represents the debt owed to Pico Rivera Water Authority for their investment in the Redevelopment Agency 2001 Revenue Bonds. The ending fund balance of (\$34,722,311) represents a net decrease of \$13,737 in the amount owed from the prior year.

Capital Improvement Fund. The Capital Improvement Fund has an ending balance of \$612,890. In 2007-08 approximately \$5.4 million of capital improvements were made.

Redevelopment Agency Capital Projects Fund. The ending fund balance of (\$23,392,137) represents a decrease in the deficit fund balance of \$560,661 from the prior year.

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

Enterprise Funds. Total net assets of the enterprise funds totaled \$27,721,806, a decrease in net assets of \$1.5 million for the year ended June 30, 2008.

Internal Service Funds. The City does not use internal service funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental activities amounts to \$191,767,030 (net of accumulated depreciation of \$84,872,310) as of June 30, 2008. This investment in capital assets includes land, buildings, structures and improvements, infrastructure (roads, sidewalks, streetlights, etc.), furniture and equipment and construction in progress.

City of Pico Rivera
Capital Assets (Net of Accumulated Depreciation)
Fiscal years ended June 30, 2008 and 2007

Table 3

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2007		2008	2007	2008	2007
	2008	As Restated				
Land	\$ 119,067,165	\$ 119,067,165	\$ 18,174,062	\$ 18,174,062	\$ 137,241,227	\$ 137,241,227
Structures & improvements	21,627,055	21,627,055	4,868,475	4,868,475	26,495,530	26,495,530
Furniture & equipment	7,221,396	7,054,097	1,067,633	1,067,633	8,289,029	8,121,730
Utility plant	-	-	27,365,589	27,365,589	27,365,589	27,365,589
Infrastructure	124,541,958	121,282,628	12,250,223	12,250,223	136,792,181	133,532,851
Construction in progress	4,181,766	2,602,041	-	-	4,181,766	2,602,041
Total Capital Assets	276,639,340	271,632,986	63,725,982	63,725,982	340,365,322	335,358,968
Less accumulated depreciation	(84,872,310)	(81,138,685)	(16,831,018)	(16,071,401)	(101,703,328)	(97,210,086)
Net Capital Assets	<u>\$ 191,767,030</u>	<u>\$ 190,494,301</u>	<u>\$ 46,894,964</u>	<u>\$ 47,654,581</u>	<u>\$ 238,661,994</u>	<u>\$ 238,148,882</u>

Additional information on the City's capital assets can be found in note 5 to the basic financial statements on pages 53 through 56 of this report.

See independent auditor' report.

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued).

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

Governmental activities:

- Recording of infrastructure increase of \$3,259,330.
- Recording of furniture & equipment increase of \$167,299.
- Recording of construction in progress increase of \$1,579,725.
- Recording of depreciation expenditure of \$3,733,625.

Business-type activities:

- Recording of depreciation expenditure of \$759,617.

Debt Administration. At June 30, 2008, the City had total bonded debt outstanding of \$56,080,000. This represents revenue bonds to finance the initial lease payment under the terms of a capital lease between the City and the Water Authority and to purchase Redevelopment Agency tax allocation bonds.

City of Pico Rivera
 Outstanding Debt
 Fiscal year ended June 30, 2008 and 2007
 Table 4

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Bonded indebtedness:						
Revenue bonds	\$ -	\$ -	\$ 56,080,000	\$ 57,430,000	\$ 56,080,000	\$ 57,430,000
Bond premium	-	-	830,378	870,236	830,378	870,236
Bond discount	-	-	(598,712)	(625,420)	(598,712)	(625,420)
Other long-term debt:						
Los Angeles County deferrals	37,826,623	36,623,324	-	-	37,826,623	36,623,324
Compensated absences	614,544	560,603	137,516	111,474	752,060	672,077
Total indebtedness	<u>\$ 38,441,167</u>	<u>\$ 37,183,927</u>	<u>\$ 56,449,182</u>	<u>\$ 57,786,290</u>	<u>\$ 94,890,349</u>	<u>\$ 94,970,217</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limitation for the City is \$563,808,591, which is significantly in excess of the City's outstanding general obligation debt. Additional information can be found in note 6 to the basic financial statements on pages 56 through 60 of this report.

See independent auditor' report.

CITY OF PICO RIVERA
Management's Discussion and Analysis
June 30, 2008

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Fiscal Year 07-08 total City (including RDA) sales tax revenues increased by 584,751 to \$7.9 million for a 8.0% increase. Citywide assessed valuations increased \$292,592,887 or 8.53%. This has resulted in \$893,197 increase in property tax receipts. The increase in sales tax is partially indicative of the promotional success of "Shop Pico Rivera" by the City even in a slowly downturn consumer market.

The 2008-2009 Budget presents a balanced financial picture for the City. The general fund budget provides enhanced service for the public while still maintaining the regular reserve. This year's \$2,000,000 reserve was the same with prior year, occupying 7.0% of general fund operating expenditure with a modest reduction from last year of 7.54%. Actual numbers show that City ended Fiscal Year 07-08 with a general fund balance of \$16.7 million, a \$1.0 million increase over projection. We believe the City continues to improve while remaining fiscally prudent.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information in this report or request for additional financial information should be addressed to the Director of Finance, Pico Rivera, California

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CITY OF PICO RIVERA

STATEMENT OF NET ASSETS

June 30, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and investments (Note 2)	\$ 26,474,737	\$ 617,473	\$ 27,092,210
Cash and investments with fiscal agent (Note 2)	274,894	4,571,815	4,846,709
Receivables, net			
Accounts	3,588,579	600,960	4,189,539
Taxes	3,086,716	-	3,086,716
Interest	653,495	7,909	661,404
Prepays and deposits	108,582	55,509	164,091
Internal balances	(30,754,645)	30,754,645	-
Inventories	-	176,012	176,012
Deferred charges	-	1,804,346	1,804,346
Long-term receivables (Note 4)	4,424,672	-	4,424,672
Land held for resale	587,610	-	587,610
Capital assets, not depreciated (Note 5)	123,248,931	18,174,062	141,422,993
Capital assets, depreciated, net (Note 5)	68,518,099	28,720,902	97,239,001
	<u>200,211,670</u>	<u>85,483,633</u>	<u>285,695,303</u>
TOTAL ASSETS			
LIABILITIES:			
Accounts payable	4,491,825	335,232	4,827,057
Interest payable	-	374,600	374,600
Accrued liabilities	345,397	71,580	416,977
Deposits	1,044,676	531,233	1,575,909
Unearned revenue	126,400	-	126,400
Payable to grantors	4,339,358	-	4,339,358
Long-term liabilities (Note 6):			
Due within one year	-	1,417,681	1,417,681
Due in more than one year	38,441,167	55,031,501	93,472,668
	<u>48,788,823</u>	<u>57,761,827</u>	<u>106,550,650</u>
TOTAL LIABILITIES			
NET ASSETS:			
Invested in capital assets, net of related debt	191,767,030	7,549,112	199,316,142
Restricted for:			
Capital improvements	3,265,733	-	3,265,733
Community development	4,217,510	-	4,217,510
Debt service	237,780	-	237,780
Transportation	2,903,465	-	2,903,465
Special purposes	1,385,183	-	1,385,183
Unrestricted	(52,353,854)	20,172,694	(32,181,160)
	<u>\$ 151,422,847</u>	<u>\$ 27,721,806</u>	<u>\$ 179,144,653</u>
TOTAL NET ASSETS			

See independent auditors' report and notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF ACTIVITIES

For the year ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 8,519,371	\$ 463,454	\$ 359,040	\$ -
Public safety	10,271,958	1,084,164	169,701	-
Public works	12,264,878	1,360,238	3,477,262	630
Parks and recreation	5,175,945	794,636	3,139,126	-
Health and welfare	5,176,082	511,812	5,482,475	-
Community development	6,115,717	818,959	1,665,075	-
Interest and fiscal charges	3,757,970	-	-	-
Total governmental activities	51,281,921	5,033,263	14,292,679	630
Business-type activities:				
Water	8,752,874	5,323,829	-	-
Sports Arena	151,626	130,000	-	-
Campground	-	-	-	-
Golf	1,013,722	776,771	-	-
Total business-type activities	9,918,222	6,230,600	-	-
Total	\$ 61,200,143	\$ 11,263,863	\$ 14,292,679	\$ 630

General revenues:

Taxes:

Property

Sales and use

Franchise

Utility users

Other

Unrestricted motor vehicle license in lieu

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year, as restated

Net assets - end of year

See independent auditors' report and notes to financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (7,696,877)	\$ -	\$ (7,696,877)
(9,018,093)	-	(9,018,093)
(7,426,748)	-	(7,426,748)
(1,242,183)	-	(1,242,183)
818,205	-	818,205
(3,631,683)	-	(3,631,683)
(3,757,970)	-	(3,757,970)
<u>(31,955,349)</u>	<u>-</u>	<u>(31,955,349)</u>
-	(3,429,045)	(3,429,045)
-	(21,626)	(21,626)
-	-	-
-	(236,951)	(236,951)
<u>-</u>	<u>(3,687,622)</u>	<u>(3,687,622)</u>
<u>(31,955,349)</u>	<u>(3,687,622)</u>	<u>(35,642,971)</u>
14,892,493	-	14,892,493
7,925,324	-	7,925,324
984,238	-	984,238
4,043,150	-	4,043,150
1,695,765	-	1,695,765
298,233	-	298,233
1,703,963	2,941,741	4,645,704
10,776	-	10,776
788,089	(788,089)	-
<u>32,342,031</u>	<u>2,153,652</u>	<u>34,495,683</u>
386,682	(1,533,970)	(1,147,288)
<u>151,036,165</u>	<u>29,255,776</u>	<u>180,291,941</u>
<u>\$ 151,422,847</u>	<u>\$ 27,721,806</u>	<u>\$ 179,144,653</u>

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CITY OF PICO RIVERA

DESCRIPTION OF MAJOR FUNDS

June 30, 2008

GOVERNMENTAL FUNDS

The General Fund is the City's primary operating fund and accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

The Housing Agency Special Revenue Fund accounts for rental assistance expenditures incurred to assist very low and low income families in meeting their housing needs. Funds are provided by the U.S. Department of Housing and Urban Development.

The State Relinquishment Special Revenue Fund accounts for funds received from the California Department of Transportation for maintenance of Rosemead Boulevard.

The Debt Service Fund accounts for the resources accumulated and payment made for principal and interest on long-term general obligation debt of governmental funds.

The Capital Improvement Capital Projects Fund accounts for all capital expenditures not being accounted for in the capital projects of the Redevelopment Agency, or in other fund types.

The Redevelopment Agency Capital Projects Fund accounts for the financial resources to be used for property acquisition, improvement, and rehabilitation within project areas authorized under provisions of the California Community Redevelopment Law.

ENTERPRISE FUND

The Water Operations accounts for the operation and maintenance of the City's water treatment, water transmission and distribution system.

See independent auditors' report.

CITY OF PICO RIVERA

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2008

	General	Special Revenue Funds	
		Housing Agency	State Relinquishment
ASSETS			
Cash and investments	\$ 3,750,727	\$ 886,284	\$ 7,472,485
Receivables:			
Accounts	162,694	24,079	533,920
Taxes	2,146,677	-	-
Interest	51,414	4,426	47,215
Prepays and deposits	108,582	-	-
Due from other funds (Note 3)	7,030,570	-	-
Restricted cash and investments	-	37,114	-
Long-term receivables	-	-	-
Advances to other funds (Note 3)	27,180,046	-	-
Land held for resale	-	-	-
TOTAL ASSETS	\$ 40,430,710	\$ 951,903	\$ 8,053,620
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 3,358,366	\$ -	\$ -
Accrued liabilities	281,620	38,620	-
Due to other funds (Note 3)	-	6,798	-
Deposits	1,002,562	37,114	-
Deferred revenue	19,074,730	-	-
Advances from other funds (Note 3)	-	-	-
TOTAL LIABILITIES	23,717,278	82,532	-
FUND BALANCES (DEFICITS):			
Reserved (Note 13)	9,064,673	-	-
Unreserved reported in:			
General fund	7,648,759	-	-
Special revenue funds	-	869,371	8,053,620
Debt service funds	-	-	-
Capital projects funds	-	-	-
TOTAL FUND BALANCES (DEFICITS)	16,713,432	869,371	8,053,620
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,430,710	\$ 951,903	\$ 8,053,620

See independent auditors' report and notes to financial statements.

Debt Service	Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
	Capital Improvement	Redevelopment Agency		
\$ -	\$ 1,071,155	\$ 1,858,003	\$ 11,436,083	\$ 26,474,737
-	-	144	2,867,742	3,588,579
50,242	-	437,824	451,973	3,086,716
-	-	10,398	540,042	653,495
-	-	-	-	108,582
-	331,070	-	-	7,361,640
237,780	-	-	-	274,894
-	-	555,014	3,869,658	4,424,672
-	-	-	-	27,180,046
-	-	587,610	-	587,610
<u>\$ 288,022</u>	<u>\$ 1,402,225</u>	<u>\$ 3,448,993</u>	<u>\$ 19,165,498</u>	<u>\$ 73,740,971</u>
\$ -	\$ 789,335	\$ 2,400	\$ 341,724	\$ 4,491,825
-	-	10,168	14,989	345,397
366,192	-	337,865	4,005,408	4,716,263
-	-	5,000	-	1,044,676
-	-	549,770	4,592,970	24,217,470
34,644,141	-	25,935,927	-	60,580,068
<u>35,010,333</u>	<u>789,335</u>	<u>26,841,130</u>	<u>8,955,091</u>	<u>95,395,699</u>
237,780	-	2,543,790	-	11,846,243
-	-	-	-	7,648,759
-	-	-	10,340,743	19,263,734
(34,960,091)	-	-	-	(34,960,091)
-	612,890	(25,935,927)	(130,336)	(25,453,373)
<u>(34,722,311)</u>	<u>612,890</u>	<u>(23,392,137)</u>	<u>10,210,407</u>	<u>(21,654,728)</u>
<u>\$ 288,022</u>	<u>\$ 1,402,225</u>	<u>\$ 3,448,993</u>	<u>\$ 19,165,498</u>	<u>\$ 73,740,971</u>

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CITY OF PICO RIVERA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

June 30, 2008

Fund balances (deficit) for governmental funds \$ (21,654,728)

Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial resources and, therefore,
are not reported in the governmental funds:

Governmental capital assets	\$ 276,639,340	
Less accumulated depreciation	<u>(84,872,310)</u>	
		191,767,030

Long-term loans receivable and accrued unpaid interest on long-term loans receivable
and advances to other funds are not available to pay for current-period expenditures
and accordingly are deferred in the governmental funds. In the Statement of Net
Assets, these receivables are recognized as earned revenues. 19,751,712

Long-term liabilities are not due and payable in the current period and therefore, are
not reported in the governmental funds:

Compensated absences	\$ (614,544)	
County deferral	<u>(37,826,623)</u>	
		<u>(38,441,167)</u>

Net assets of governmental activities \$ 151,422,847

See independent auditors' report and notes to financial statements.

CITY OF PICO RIVERA

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

For the year ended June 30, 2008

	General	Special Revenue Funds	
		Housing Agency	State Relinquishment
REVENUES:			
Taxes and assessments	\$ 13,367,335	\$ -	\$ -
Licenses and permits	2,703,598	-	-
Intergovernmental	6,129,180	5,159,850	-
Charges for services	1,001,911	-	-
Fines, forfeitures and penalties	1,291,782	-	-
Investment and rental	293,422	24,582	273,608
Miscellaneous	289,528	1,819	630
TOTAL REVENUES	25,076,756	5,186,251	274,238
EXPENDITURES:			
Current:			
General government	7,695,450	-	-
Public safety	10,270,119	-	-
Public works	7,072,755	-	-
Parks and recreation	3,514,872	-	-
Health and welfare	-	5,072,277	-
Community development	-	-	-
Pass through to other agencies	-	-	-
Capital outlay	-	-	-
Debt service:			
Interest and fiscal charges	-	-	-
TOTAL EXPENDITURES	28,553,196	5,072,277	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,476,440)	113,974	274,238
OTHER FINANCING SOURCES (USES):			
Transfers in (Note 3)	3,756,226	-	-
Transfers out (Note 3)	(211,559)	-	(452,772)
TOTAL OTHER FINANCING SOURCES (USES)	3,544,667	-	(452,772)
NET CHANGE IN FUND BALANCES	68,227	113,974	(178,534)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	16,645,205	755,397	8,232,154
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 16,713,432	\$ 869,371	\$ 8,053,620

See independent auditors' report and notes to financial statements.

Debt Service	Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
	Capital Improvement	Redevelopment Agency		
\$ 6,672,466	\$ -	\$ 3,384,982	\$ 1,292,649	\$ 24,717,432
-	-	-	-	2,703,598
-	-	-	8,080,503	19,369,533
-	-	-	140,349	1,142,260
-	-	-	-	1,291,782
37,767	-	49,450	603,741	1,282,570
-	-	10,777	24,245	326,999
<u>6,710,233</u>	<u>-</u>	<u>3,445,209</u>	<u>10,141,487</u>	<u>50,834,174</u>
103,427	-	325,385	-	8,124,262
-	-	-	-	10,270,119
-	-	-	1,722,048	8,794,803
-	-	-	1,215,030	4,729,902
-	-	-	39,737	5,112,014
-	-	295,079	1,231,266	1,526,345
4,577,189	-	-	-	4,577,189
-	5,371,559	-	236,546	5,608,105
<u>2,687,405</u>	<u>-</u>	<u>1,013,266</u>	<u>-</u>	<u>3,700,671</u>
<u>7,368,021</u>	<u>5,371,559</u>	<u>1,633,730</u>	<u>4,444,627</u>	<u>52,443,410</u>
<u>(657,788)</u>	<u>(5,371,559)</u>	<u>1,811,479</u>	<u>5,696,860</u>	<u>(1,609,236)</u>
1,467,930	5,371,559	956,405	51,526	11,603,646
(796,405)	-	(2,207,223)	(7,147,598)	(10,815,557)
<u>671,525</u>	<u>5,371,559</u>	<u>(1,250,818)</u>	<u>(7,096,072)</u>	<u>788,089</u>
13,737	-	560,661	(1,399,212)	(821,147)
<u>(34,736,048)</u>	<u>612,890</u>	<u>(23,952,798)</u>	<u>11,609,619</u>	<u>(20,833,581)</u>
<u>\$ (34,722,311)</u>	<u>\$ 612,890</u>	<u>\$ (23,392,137)</u>	<u>\$ 10,210,407</u>	<u>\$ (21,654,728)</u>

CITY OF PICO RIVERA

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

For the year ended June 30, 2008

Net change in fund balances - total governmental funds \$ (821,147)

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement
of Activities, the cost of those assets is allocated over the estimated useful lives as
depreciation expense. This is the amount by which depreciation exceeded capital
expense in the current period:

Capital expenditures	\$ 5,006,354	
Depreciation expense	<u>(3,733,625)</u>	
		1,272,729

County deferral is reported as intergovernmental revenue in governmental funds and
contributes to the change in fund balance. In the government-wide financial statements,
obtaining debt increases long-term liabilities in the statement of net assets and does
not affect the Statement of Activities. (1,146,000)

Revenues in the Statement of Activities that do not provide current financial resources
are not reported as revenues in the governmental funds:

Interest income on notes receivable and advances to other funds	\$ 1,039,605	
Sales tax	<u>173,757</u>	
		1,213,362

Collection of long-term receivables are treated as an asset reduction in the Statement
of Net Assets but recorded as revenues in the governmental funds.

Receivable from developer on rehabilitation project		(21,022)
---	--	----------

Some expenses reported in the Statement of Activities do not require the use of current
financial resources and therefore are not reported as expenditures in the governmental
funds:

Interest on county deferral	\$ (57,299)	
Net change in compensated absences	<u>(53,941)</u>	
		<u>(111,240)</u>

Change in net assets of governmental activities \$ 386,682

See independent auditors' report and notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2008

	Business-type Activities - Enterprise Funds		
	Water	Other	Total
	Operations	Funds	
ASSETS			
CURRENT ASSETS:			
Cash and investments	\$ -	\$ 617,473	\$ 617,473
Restricted cash and investments	4,571,815	-	4,571,815
Receivables, net:			
Accounts	598,960	2,000	600,960
Interest	6,631	1,278	7,909
Deposits	41,184	14,325	55,509
Inventories, at cost	160,204	15,808	176,012
TOTAL CURRENT ASSETS	5,378,794	650,884	6,029,678
NONCURRENT ASSETS:			
Advances to other funds (Note 3)	35,062,741	-	35,062,741
Deferred charges	1,804,346	-	1,804,346
Capital assets, not depreciated	18,131,750	42,312	18,174,062
Capital assets, depreciated, net	27,218,839	1,502,063	28,720,902
TOTAL NONCURRENT ASSETS	82,217,676	1,544,375	83,762,051
TOTAL ASSETS	87,596,470	2,195,259	89,791,729
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	309,126	26,106	335,232
Accrued interest payable	374,600	-	374,600
Accrued liabilities	55,799	15,781	71,580
Due to other funds (Note 3)	619,897	2,025,480	2,645,377
Deposits	531,233	-	531,233
Bonds payable - current portion	1,405,000	-	1,405,000
Compensated absences - current portion	8,481	4,200	12,681
TOTAL CURRENT LIABILITIES	3,304,136	2,071,567	5,375,703
NONCURRENT LIABILITIES:			
Advances from other funds (Note 3)	-	1,662,719	1,662,719
Bonds payable	54,906,666	-	54,906,666
Compensated absences	87,036	37,799	124,835
TOTAL NONCURRENT LIABILITIES	54,993,702	1,700,518	56,694,220
TOTAL LIABILITIES	58,297,838	3,772,085	62,069,923
NET ASSETS			
Invested in capital assets, net of related debt	6,004,737	1,544,375	7,549,112
Unrestricted	23,293,895	(3,121,201)	20,172,694
TOTAL NET ASSETS (DEFICIT)	\$ 29,298,632	\$ (1,576,826)	\$ 27,721,806

See independent auditors' report and notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS

For the year ended June 30, 2008

	Business-type Activities - Enterprise Funds		
	Water Operations	Other Funds	Total
OPERATING REVENUES:			
Charges for services	\$ 5,320,099	\$ 906,771	\$ 6,226,870
Other revenues	3,730	-	3,730
TOTAL OPERATING REVENUES	5,323,829	906,771	6,230,600
OPERATING EXPENSES:			
Salaries and benefits	2,031,218	501,271	2,532,489
Contractual services	51,365	45,706	97,071
Administrative	472,792	176,598	649,390
Utilities	234,066	129,196	363,262
Maintenance and supplies	1,832,002	124,508	1,956,510
Amortization	83,083	-	83,083
Depreciation	613,487	146,130	759,617
TOTAL OPERATING EXPENSES	5,318,013	1,123,409	6,441,422
OPERATING INCOME (LOSS)	5,816	(216,638)	(210,822)
NONOPERATING REVENUES (EXPENSES):			
Investment income	2,935,372	6,368	2,941,740
Interest expense	(3,434,860)	(41,939)	(3,476,799)
TOTAL NONOPERATING REVENUES (EXPENSES)	(499,488)	(35,571)	(535,059)
INCOME (LOSS) BEFORE TRANSFERS	(493,672)	(252,209)	(745,881)
TRANSFERS IN	-	434,038	434,038
TRANSFERS OUT	(531,289)	(690,838)	(1,222,127)
CHANGE IN NET ASSETS	(1,024,961)	(509,009)	(1,533,970)
TOTAL NET ASSETS (DEFICIT) - BEGINNING OF YEAR	30,323,593	(1,067,817)	29,255,776
TOTAL NET ASSETS (DEFICIT) - END OF YEAR	\$ 29,298,632	\$ (1,576,826)	\$ 27,721,806

See independent auditors' report and notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the year ended June 30, 2008

	Business-type Activities - Enterprise Funds		
	Water Operations	Other Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 5,433,370	\$ 904,771	\$ 6,338,141
Payments to suppliers	(2,670,885)	(517,787)	(3,188,672)
Payments to employees	(1,999,373)	(438,490)	(2,437,863)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>763,112</u>	<u>(51,506)</u>	<u>711,606</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Received from other funds	1,384,896	775,409	2,160,305
Paid to other funds	(531,289)	(271,803)	(803,092)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>853,607</u>	<u>503,606</u>	<u>1,357,213</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from disposition of capital assets	-	-	-
Principal retired	(1,350,000)	-	(1,350,000)
Interest paid	(3,416,972)	-	(3,416,972)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(4,766,972)</u>	<u>-</u>	<u>(4,766,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	2,791,181	6,999	2,798,180
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(359,072)</u>	<u>459,099</u>	<u>100,027</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>4,930,887</u>	<u>158,374</u>	<u>5,089,261</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,571,815</u>	<u>\$ 617,473</u>	<u>\$ 5,189,288</u>

See independent auditors' report and notes to financial statements.

(Continued)

CITY OF PICO RIVERA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 (CONTINUED)

For the year ended June 30, 2008

	Business-type Activities - Enterprise Funds		
	Water Operations	Other Funds	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 5,816	\$ (216,638)	\$ (210,822)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	613,487	146,130	759,617
Amortization	83,083	-	83,083
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivables	99,181	(2,000)	97,181
(Increase) decrease in deposits	6,920	2,406	9,326
(Increase) decrease in inventories	27,767	2,428	30,195
Increase (decrease) in accounts payable	(115,347)	(3,187)	(118,534)
Increase (decrease) in accrued liabilities	17,374	7,784	25,158
Increase (decrease) in deposits payable	10,360	-	10,360
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in compensated absences	14,471	11,571	26,042
TOTAL ADJUSTMENTS	757,296	165,132	922,428
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 763,112	\$ (51,506)	\$ 711,606
NONCASH INVESTING AND FINANCING ACTIVITIES:			
Changes in advances related to accrued interest	\$ 11,138	\$ 41,939	\$ 53,077

See independent auditors' report and notes to financial statements.

CITY OF PICO RIVERA

DESCRIPTION OF AGENCY FUND

June 30, 2008

The Agency Fund accounts for assets held by the City as an agent for bond assessment districts. The Agency Fund is as follows:

The Assessment District 95-1 Improvement Fund accounts for monies received for the payment of the Special Assessment Bonds. Funds are annually assessed to each respective property owner by the Los Angeles County Tax Collector and remitted to the City.

See independent auditors' report.

CITY OF PICO RIVERA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND

June 30, 2008

	<u>Assessment District 95-1 Improvement Agency Fund</u>
ASSETS	
Cash and investments	\$ 32,732
Taxes receivable	1,151
Interest receivable	<u>206</u>
	<u>\$ 34,089</u>
LIABILITIES	
Due to bondholders	<u>\$ 34,089</u>

See independent auditors' report and notes to financial statements

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES:

A. Description of the Reporting Entity:

The City of Pico Rivera (the City) was incorporated in January 1958 under the general laws of the State of California. The City is a full-service city and operates under a Council-Manager form of government.

The Pico Rivera Redevelopment Agency (RDA) was established pursuant to the State of California Health and Safety Code, Section 33000 entitled Community Redevelopment Law. Its purpose is to prepare and carry out plans for the improvement, rehabilitation and redevelopment of blighted areas within the project area, as amended.

The Pico Rivera Public Financing Authority was formed for the purpose of purchasing bonds issued by the RDA for financing public capital improvements or projects whenever there are significant public benefits as determined by the RDA.

The Pico Rivera Water Authority was formed as a joint powers authority between the City and the RDA. Its purpose is to assist the City in its financing objectives by leasing and financing improvements to the City's water supply and distribution system.

The Pico Rivera Housing Assistance Agency was formed to provide safe and sanitary dwelling accommodations in the City to low and moderate - income individuals.

The criteria used in determining the scope of the reporting entity are based on the provisions of Government Accounting Standards Board (GASB) Statement 14. The City of Pico Rivera is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit provides a financial benefit or imposes a financial burden on the City. Separate financial statements of the Redevelopment Agency and Water Authority may be obtained at City Hall.

The RDA, Agency and Authorities have been accounted for as "blended" component units of the City. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City's operations. Accordingly, the balances and transactions of the RDA, Agency and Authorities are reported within the funds of the City. The Water Authority is reported as an enterprise fund and the other component units as governmental funds.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

A. Description of the Reporting Entity (Continued):

The following specific criteria were used in determining that the RDA, Agency and Authorities are blended component units.

- The members of the City Council also act as the governing body of the RDA, Agency and the Authorities.
- The RDA, Agency and Authorities are managed by employees of the City. A portion of the City's salary and overhead expenses are billed to the Agency each year.
- The City and RDA are financially interdependent. The City makes loans to the Agency to use for redevelopment purposes. Available property tax revenues of the Agency are used to repay the loans from the City.

The City's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

B. Government-wide and Fund Financial Statements:

The statement of net assets and statement activities (i.e., the government-wide financial statements) display information on all of the nonfiduciary activities of the primary government (the City) and its blended component units. Eliminations have been made to minimize the effect of interfund activity. These statements distinguish between the City's governmental and business-type activities. 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 charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each segment of the City's business-type activities. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the functions or programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements have been satisfied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenue represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of other long-term receivables are offset by fund balance reserve accounts.

The City's only fiduciary fund financial statement is related to an Agency fund. Agency funds have no measurement focus and are reported on the accrual basis of accounting.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued):

Under the modified accrual basis of accounting, 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims payable, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

Property taxes, taxpayer-assessed taxes, such as sales taxes, gas taxes, and transient occupancy taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the last is excluded from the government-wide financial statements.

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

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued):

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Housing Agency Special Revenue Fund accounts for rental assistance expenditures incurred to assist very low and low income families in meeting their housing needs. Funds are provided by the U.S. Department of Housing and Urban Development.

The State Relinquishment Special Revenue Fund accounts for funds received from the California Department of Transportation for maintenance of Rosemead Boulevard.

The Debt Service Fund accounts for the resources accumulated and payment made for principal and interest on long-term general obligation debt of governmental funds.

The Capital Improvement Capital Projects Fund accounts for all capital expenditures not being accounted for in the capital projects of the Redevelopment Agency, or in other fund types.

The Redevelopment Agency Capital Projects Fund accounts for the financial resources to be used for property acquisition, improvement, and rehabilitation within project areas authorized under provisions of the California Community Redevelopment Law.

The City reports the following major enterprise funds:

The Water Operations Fund accounts for the operation and maintenance of the City's water treatment, water transmission and distribution system.

Additionally, the City reports the following fund types:

Governmental Funds:

Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued):

Governmental Funds (Continued):

Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities.

Proprietary Funds:

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges.

Fiduciary Funds:

The Agency Fund accounts for assets held by the City as an agent for bonded assessment districts.

D. Investments:

Investments are recorded at fair value (quoted market price or best available estimate thereof). Interest earned on cash and investments is credited to the fund, which holds the investment.

E. Property Taxes:

Property taxes include assessments on both secured and unsecured property. Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments by December 10 and April 10. The County of Los Angeles bills and collects the property taxes and remits them to the City in installments during the year. The City records property taxes as revenue when received from the County, except for property taxes received within 60 days after fiscal year-end, which are accrued at June 30th.

The County is permitted by State Law (Article XIII A of the California Constitution) to levy taxes at one percent (1%) of full market value (at the time of purchase) and can increase the property's value at no more than two percent (2%) per year. The City receives a share of this basic levy.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

F. Receivables:

Property, sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year-end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net assets. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available. Earned but unbilled revenue is recognized as revenue and accounts receivable in the enterprise funds.

G. Interfund Transactions:

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., 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". The principal portion of advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs costs, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers.

H. Inventories and Prepaid Items:

Inventories are recorded as expenditures when consumed rather than when purchased. These inventories are valued at the lower of average cost or market and consist of expendable materials and supplies.

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.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

I. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

H. Inventories and Prepaid Items (Continued):

Inventories and prepaid items, as reported in the fund financial statements, are offset by a reservation of fund balance in governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

I. Restricted Assets:

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

J. Capital Assets:

Capital assets, which include lands, buildings, improvements, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are recorded at the lower of actual historical cost or fair market value (as of the date donated for contributed assets). The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

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

Building and structures	40 years
Improvements other than buildings	40 years
Furniture and equipment	Up to 25 years
Infrastructure	Up to 60 years

It is the City's policy to capitalize all land, building, improvements and equipment with an estimated useful life greater than one year, except assets costing less than \$5,000, and to capitalize infrastructure assets costing \$50,000 or more. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related fund. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

K. Land Held for Resale:

The City's Redevelopment Agency has acquired land in its project areas that is categorized as land held for resale. Such land is carried at the lower of acquisition cost or fair value.

L. Compensated Absences:

Employees accrue vacation, sick and holiday benefits. An employee may accumulate vacation time of up to 240 hours. Sick pay vests and may be accumulated up to 100 days. An employee with accumulated sick leave at the end of the fiscal year may elect to receive cash payment for earned sick leave up to 81 hours. The amount of sick leave paid is deducted from the employee's total accumulation.

All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. Deferred Revenues:

Deferred revenues in governmental funds arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them (e.g., when grant monies are received prior to the incurrence of qualifying expenditures).

N. Long-term Obligations:

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the life of the related debt using the straight-line method.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

N. Long-term Obligations (Continued):

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Fund Balances:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative plans by City Management for future use of financial resources.

P. Statement of Cash Flows:

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash and not subject to significant changes in value from interest rate fluctuations.

Q. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

2. CASH AND INVESTMENTS:

Cash and investments at June 30, 2008 are classified in the accompanying financial statements as follows:

	Government- Wide Statement of Net Assets	Fiduciary Fund	Total
Cash and investments	\$ 27,092,210	\$ 32,732	\$ 27,124,942
Cash and investments with fiscal agent	<u>4,846,709</u>	<u>-</u>	<u>4,846,709</u>
	<u>\$ 31,938,919</u>	<u>\$ 32,732</u>	<u>\$ 31,971,651</u>

Cash and investments at June 30, 2008 consisted of the following:

Demand accounts	\$ 998,438
Petty cash	8,900
Investments	<u>30,964,313</u>
Total cash and investments	<u>\$ 31,971,651</u>

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government 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 California Government Code or the City's investment policy.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by the California Government Code and the City's Investment Policy (Continued):

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills, Bonds and Notes U.S. Government Sponsored	5 years	40%	None
Enterprise Securities	5 years	40%	None
Banker's Acceptances Notes	180 days	30%	15%
Commercial Paper	270 days	20%	None
Certificates of Deposits	5 years	None	None
Repurchase Agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 40,000,000

N/A - Not Applicable

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 California Government Code or the City's investment policy. Investments authorized for funds held by bond trustee include, U.S. Treasury Obligations, U.S. Government Sponsored Enterprise Securities, Certificates of Deposits, Commercial Paper, Local Agency Bonds, Banker's Acceptance, Money Market Mutual Funds, Investment Contracts and Repurchase Agreements. There were no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment, except for the maturity of Banker's Acceptance which are limited to one year.

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.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Interest Rate Risk (Continued):

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

<u>Investment Type</u>	Remaining Maturity <u>(in Months)</u> 12 Months or Less
Local Agency Investment Fund	\$ 26,154,718
Held by Bond Trustee:	
Money Market Mutual Funds	<u>4,809,595</u>
	<u>\$ 30,964,313</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 California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Standard and Poor's, as of year end for each investment type:

<u>Investment Type</u>	Total as of <u>June 30, 2008</u>	Minimum Legal <u>Rating</u>	<u>AAA</u>	Not <u>Rated</u>
Local Agency Investment Fund	\$ 26,154,718	N/A	\$ -	\$ 26,154,718
Held By Bond Trustee:				
Money Market Mutual Funds	<u>4,809,595</u>	A	<u>4,809,595</u>	<u>-</u>
Total	<u>\$ 30,964,313</u>		<u>\$ 4,809,595</u>	<u>\$ 26,154,718</u>

N/A - Not Applicable

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

2. CASH AND INVESTMENTS (CONTINUED):

Custodial Credit Risk:

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government 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 California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments. As of June 30, 2008, the City's deposits with financial institutions in excess of Federal Depository insurance limits are held in collateralized accounts. The City had no investments that are held by the safekeeping department of the broker-dealer (counterparty) used by the City to buy the securities.

Investment in Local Agency Investment Fund:

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair 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.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

The composition of interfund balances as of June 30, 2008, is as follows:

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Housing Agency Special Revenue Fund	\$ 6,798
	Debt Service Fund	366,192
	Redevelopment Capital Projects Fund	337,865
	Other Governmental Funds	3,674,338
	Other Enterprise Funds	2,645,377
Capital Improvement Capital Projects Fund	Other Governmental Funds	<u>331,070</u>
		<u>\$ 7,361,640</u>

The amounts loaned from the General Fund to the Housing Agency Special Revenue Fund, the Debt Service Fund, the Other Governmental Funds and Other Enterprise Funds are short-term loans to fund operations of the various funds.

Advances To/From:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Redevelopment Agency Capital Projects Fund (1)	\$ 25,517,327
	Other Enterprise Funds	1,662,719
Water Enterprise Fund	Debt Service Fund (2)	34,644,141
	Redevelopment Agency Capital Projects Fund (1)	418,600
		<u>\$ 62,242,787</u>

(1) The City has an agreement with the Pico Rivera Redevelopment Agency providing for the advance of funds to finance improvements and operations relating to and within the Agency's project areas. The Agency accrues interest on the original advances at a rate of 12% per annum. At June 30, 2008, the City has advanced \$25,935,927 including accrued interest of \$17,216,312, which is included in the advance balance.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED):

Advances To/From (Continued):

(2) In January 2001, the Water Authority used the proceeds of its Revenue Bonds, Series 2001 issue (Note 6) to purchase the Redevelopment Agency's Tax Allocation Bonds, Series 2001 issue for \$38,020,100, which was recorded by the Agency as advances from the Water Authority. Principal and interest payments on the advance are scheduled to cover and coincide with the Authority's debt service requirements on its Revenue Bonds, Series 2001. At June 30, 2008, the Water Authority's advances to the Redevelopment Agency amounted to \$34,644,141 (including accrued interest of \$213,821). The Agency's tax allocation refunding bonds are recorded as an advance from the Authority and the debt service requirements, which cover and coincide with the Authority's debt service requirements on its Revenue Bonds, Series 2001, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 820,000	\$ 2,537,150	\$ 3,357,150
2010	880,000	2,477,650	3,357,650
2011	940,000	2,413,950	3,353,950
2012	1,005,000	2,345,875	3,350,875
2013	1,075,000	2,273,075	3,348,075
2014-2018	6,620,000	19,391,750	26,011,750
2019-2023	9,290,000	7,322,000	16,612,000
2024-2028	10,070,000	3,753,050	13,823,050
2029-2033	<u>5,955,000</u>	<u>1,098,125</u>	<u>7,053,125</u>
Total	<u>\$ 36,655,000</u>	<u>\$ 43,612,625</u>	<u>\$ 80,267,625</u>

At June 30, 2008, the balance of the advance from the Water Authority to the Redevelopment Agency is comprised of the following:

Outstanding balance on revenue bonds	\$ 36,655,000
Less: Unamortized revenue bond discount	(2,224,680)
Plus: Accrued unpaid interest	<u>213,821</u>
	<u>\$ 34,644,141</u>

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED):

Transfers In/Out:

Transfer Out	Transfer In	Amount
General	Capital Improvement Capital Projects Fund (1)	\$ 211,559
State Relinquishment Special Revenue Fund	Capital Improvement Capital Projects Fund (1)	452,772
Debt Service Fund	Redevelopment Agency Capital Projects Fund	796,405
Redevelopment Agency Capital Projects Fund	General Fund (4) Debt Service Fund (2)	1,467,930 739,293
Other Governmental Funds	General Fund (4) Capital Improvement Capital Projects Fund (1) Redevelopment Agency Capital Projects Fund (1) Other Governmental Funds	2,705,333 4,230,739 160,000 51,526
Water Enterprise Fund	General Fund (4) Capital Improvement Capital Project Fund	54,800 476,489
Other Enterprise Funds	General Fund (4) Other Enterprise Funds	256,800 <u>434,038</u>
		<u>\$ 12,037,684</u>

Interfund transfers were principally used to (1) provide capital projects funds with the funding necessary to accomplish those projects approved by City Council, (2) cover debt service payments, (3) provide for matching requirement of HOME funds, (4) reimbursements to other funds for expenditures paid, and (5) close out a fund.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

4. LONG-TERM RECEIVABLES:

- A. Loans receivable consist of low interest and no interest home improvement loans made from Community Development Block Grant Funds to qualified low-income homeowners. The low interest loans are payable in monthly installments over a period of 1 to 20 years. Those loans earning no interest are payable in one lump sum at the time the property is sold or refinanced. Payments received on these loans (principal and interest) are reloaned on a revolving basis under the home improvements program. Loans outstanding at June 30, 2008 totaled \$261,001.
- B. Low interest Home Improvement Loans were made under the City's Home Loan Program. These loans shall be due and payable in full when the borrower's legal interest in the property, which is security for the loan, is sold, transferred or conveyed. The balance at June 30, 2008 is \$3,186,910.
- C. Low interest down-payment assistance loans made under the City's Section 8 Program. These loans are due and payable in full when the borrower's legal interest in the property, which is security for the loan, is sold, transferred or conveyed. The balance at June 30, 2008 is \$45,130.
- D. Loans receivable consist of low interest home improvement loans made from CALHOME Grant Funds to low and moderate income homeowners. The loans are due and payable in full when the borrower's legal interest in the property, which is security for the loan, is sold, transferred or conveyed. The balance at June 30, 2008 is \$376,617.
- E. Two low-interest loans were issued by the Pico Rivera Redevelopment Agency for a commercial rehabilitation project. The loans bear interest rates from 1% to 3% and payments on these loans are to begin in ten to twenty-six years from the date of the loan. The amount of the loans outstanding at June 30, 2008 is \$435,000.
- F. Low interest commercial improvement loans were issued by the Redevelopment Agency for façade improvements. The loans are payable in monthly installments over a ten-year period. The balance of these loans at June 30, 2008 is \$25,014.
- G. Home Improvement Loans. The Pico Rivera Redevelopment Agency has provided a home improvement program to low and moderate income households. These loans are payable to the Agency in ten years or when borrower sells their property, whichever comes first. The total outstanding balance as of June 30, 2008 was \$95,000.
- H. A lease receivable is recorded in the City's Water Enterprise Fund. The lease is the remainder still due to the City from the sale of the Water Enterprise to the Water Authority. The Water Authority will pay off this lease from surplus revenues over the 50-year life of the lease ending April 1, 2049. Payments will vary with the level of surplus revenues. The balance of the lease at June 30, 2008 is \$19,564,881. The lease receivable and capitalized lease obligation have been eliminated as internal balances in the statement of net assets.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

5. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2008 was as follows:

Governmental Activities:

	Balance at July 1, 2007, as restated (1)	Additions	Deletions	Balance at June 30, 2008
Capital assets, not being depreciated:				
Land	\$ 119,067,165	\$ -	\$ -	\$ 119,067,165
Construction in progress (1)	<u>2,602,041</u>	<u>4,839,055</u>	<u>(3,259,330)</u>	<u>4,181,766</u>
Total capital assets, not being depreciated	<u>121,669,206</u>	<u>4,839,055</u>	<u>(3,259,330)</u>	<u>123,248,931</u>
Capital assets, being depreciated:				
Structures and improvements	21,627,055	-	-	21,627,055
Furniture and equipment	7,054,097	167,299	-	7,221,396
Infrastructure	<u>121,282,628</u>	<u>3,259,330</u>	<u>-</u>	<u>124,541,958</u>
Total capital assets, being depreciated	<u>149,963,780</u>	<u>3,426,629</u>	<u>-</u>	<u>153,390,409</u>
Less accumulated depreciation for:				
Structures and improvements	(5,029,386)	(374,554)	-	(5,403,940)
Furniture and equipment	(5,457,032)	(269,314)	-	(5,726,346)
Infrastructure	<u>(70,652,267)</u>	<u>(3,089,757)</u>	<u>-</u>	<u>(73,742,024)</u>
Total accumulated depreciation	<u>(81,138,685)</u>	<u>(3,733,625)</u>	<u>-</u>	<u>(84,872,310)</u>
Total capital assets, being depreciated, net	<u>68,825,095</u>	<u>(306,996)</u>	<u>-</u>	<u>68,518,099</u>
Governmental activities capital assets, net	<u>\$ 190,494,301</u>	<u>\$ 4,532,059</u>	<u>\$ (3,259,330)</u>	<u>\$ 191,767,030</u>

(1) Beginning net assets of the governmental activities have been decreased by \$192,154 as a result of the City correcting an error in the amount capitalized as construction in progress as of July 1, 2007.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

5. CAPITAL ASSETS (CONTINUED):

Governmental Activities (Continued):

Depreciation expense was charged to functions of the governmental activities as follows:

General government	\$ 217,494
Public safety	1,839
Public works	3,224,733
Parks and recreation	277,376
Community development	<u>12,183</u>
Total depreciation expense - governmental activities	<u>\$ 3,733,625</u>

Business-type Activities:

	Water Operations Enterprise Fund	Other Enterprise Funds	Total
Land and water rights	\$ 18,131,750	\$ 42,312	\$ 18,174,062
Structures and improvements	961,287	3,907,188	4,868,475
Utility plant in service	27,365,589	-	27,365,589
Equipment	239,841	827,792	1,067,633
Infrastructure	<u>11,650,842</u>	<u>599,381</u>	<u>12,250,223</u>
	58,349,309	5,376,673	63,725,982
Less accumulated depreciation	<u>(12,998,720)</u>	<u>(3,832,298)</u>	<u>(16,831,018)</u>
Business-type activities capital assets, net	<u>\$ 45,350,589</u>	<u>\$ 1,544,375</u>	<u>\$ 46,894,964</u>

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

5. CAPITAL ASSETS (CONTINUED):

Business-type Activities (Continued):

	Balance at <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2008</u>
Capital assets, not being depreciated:				
Land	\$ 18,174,062	\$ -	\$ -	\$ 18,174,062
Capital assets, being depreciated				
Structures and improvements	4,868,475	-	-	4,868,475
Utility plant in service	27,365,589	-	-	27,365,589
Equipment	1,067,633	-	-	1,067,633
Infrastructure	<u>12,251,223</u>	<u>-</u>	<u>-</u>	<u>12,250,223</u>
Total capital assets, being depreciated	<u>45,551,920</u>	<u>-</u>	<u>-</u>	<u>45,551,920</u>
Less accumulated depreciation for:				
Structures and improvements	(2,573,125)	(118,684)	-	(2,691,809)
Utility plan in service	(2,868,998)	(366,644)	-	(3,235,642)
Equipment	(907,846)	(49,616)	-	(957,462)
Infrastructure	<u>(9,721,432)</u>	<u>(224,673)</u>	<u>-</u>	<u>(9,946,105)</u>
Total accumulated depreciation	<u>(16,071,401)</u>	<u>(759,617)</u>	<u>-</u>	<u>(16,831,018)</u>
Total capital assets, being depreciated, net	<u>29,480,519</u>	<u>(759,617)</u>	<u>-</u>	<u>28,720,902</u>
Business-type activities capital assets, net	<u>\$ 47,654,581</u>	<u>\$ (759,617)</u>	<u>\$ -</u>	<u>\$ 46,894,964</u>

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

5. CAPITAL ASSETS (CONTINUED):

Business-type Activities (Continued):

Depreciation expense was charged to functions of the business-type activities as follows:

Water Operations	\$ 613,487
Sports Arena	78,672
Golf Course	<u>67,458</u>
Total depreciation expense- Business-type activities	<u>\$ 759,617</u>

6. LONG-TERM LIABILITIES:

Changes in long-term liabilities activity for the year ended June 30, 2008, was as follows:

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Due Within One Year
Governmental activities:					
County deferral	\$36,623,324	\$ 1,203,299	\$ -	\$ 37,826,623	\$ -
Compensated absences	<u>560,603</u>	<u>53,941</u>	<u>-</u>	<u>614,544</u>	<u>-</u>
Total	<u>\$37,183,927</u>	<u>\$ 1,257,240</u>	<u>\$ -</u>	<u>\$ 38,441,167</u>	<u>\$ -</u>
Business-type activities:					
Revenue bonds payable	\$57,430,000	\$ -	\$(1,350,000)	\$ 56,080,000	\$ 1,405,000
Add (Less):					
Bond premium	870,236	-	(39,858)	830,378	-
Bond discount	<u>(625,420)</u>	<u>-</u>	<u>26,708</u>	<u>(598,712)</u>	<u>-</u>
Subtotal revenue bonds payable	57,674,816	-	(1,363,150)	56,311,666	1,405,000
Compensated absences	<u>111,474</u>	<u>26,042</u>	<u>-</u>	<u>137,516</u>	<u>12,681</u>
Total	<u>\$57,786,290</u>	<u>\$ 26,042</u>	<u>\$(1,363,150)</u>	<u>\$ 56,449,182</u>	<u>\$ 1,417,681</u>

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

6. LONG-TERM LIABILITIES (CONTINUED):

Governmental Activities:

A. County Deferral:

The Agency and County entered into an agreement whereby the County will defer their share of tax increment (County Deferral) generated within the project area and remit it to the Agency to meet the Agency's debt service obligations. The County Deferrals accrue simple interest of equal to 5% of the current year's annual deferral amount. After that no additional interest accrues. The County Deferrals are to be repaid with the excess of property tax revenues received by the Agency in excess of its debt payment requirements. The County Deferrals are recorded as revenue when received by the Agency. At June 30, 2008, the balance of the County Deferrals including interest was \$37,826,623.

B. Compensated Absences:

The City's policies relating to compensated absences are described in Note 1. The liability amounts of \$614,544 at June 30, 2008 are expected to be paid in future years from future resources. The General Fund, typically, has been used in prior years to liquidate the liability for compensated absences.

Business-type Activities:

C. Revenue Bonds and Capitalized Lease:

Revenue bonds were issued by the Pico Rivera Water Authority to finance the initial lease payment under the terms of a capital lease between the City and Water Authority (Note 4H) and to purchase the Redevelopment Agency's Tax Allocation Bonds (Note 3).

Revenue bonds currently outstanding (in thousands) are as follow:

<u>Enterprise Fund</u>	<u>Series</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Maturity Date</u>
Water Authority	1999A	3.25%-5.5%	\$ 17,940	\$ 17,150	May 2029
Water Authority	1999B	6.00%-6.75%	5,520	2,840	May 2014
Water Authority	2001	5.75%-6.25%	40,710	36,090	December 2032
			<u>\$ 64,170</u>	<u>\$ 56,080</u>	

All operating and nonoperating revenues of the City's Water Operations Enterprise Fund are pledged to secure these revenue bonds.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

6. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities (Continued):

C. Revenue Bonds and Capitalized Lease (Continued):

Water Authority Revenue Bonds, Series 1999 A and B

The Pico Rivera Water Authority issued \$17,940,000 of Revenue Bonds (Series A) and \$5,520,000 of Taxable Revenue Bonds (Series B) dated May 1, 1999. These Bonds were issued to finance the lease and improvements of the Water Enterprise.

The Series A bonds are due in whole or in part through May 2029 and bear an interest rate ranging from 3.25% to 5.5%. The Series B bonds are due through May 2014 and bear an interest rate ranging from 6.0% to 6.75%. Interest is payable semiannually on May 1 and November 1 of each year. The bonds are subject to optional redemption in whole or in part on any interest payment due on or after May 1, 2009, by lot, with premiums ranging from 0% to 2%.

The bond indenture requires a Water Rate Stabilization Fund to be held and maintained by the trustee for the benefit of the owners of the bonds. The Water Rate Stabilization Fund is required to have a balance of not less than \$600,000. All funds in the Water Rate Stabilization Fund are pledged to secure payment of the bonds. The balance in the Water Rate Stabilization Fund at June 30, 2008 is \$600,000.

Annual debt service for the 1999 Series A revenue bonds follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 105,000	\$ 941,938	\$ 1,046,938
2010	110,000	937,475	1,047,475
2011	115,000	931,425	1,046,425
2012	120,000	925,100	1,045,100
2013	130,000	918,500	1,048,500
2014-2018	3,320,000	4,275,700	7,595,700
2019-2023	5,070,000	3,115,475	8,185,475
2024-2028	6,630,000	1,558,700	8,188,700
2029	<u>1,550,000</u>	<u>85,250</u>	<u>1,635,250</u>
	17,150,000	13,689,563	30,839,563
Add premium	<u>830,378</u>	<u>-</u>	<u>830,378</u>
Total	<u>\$ 17,980,378</u>	<u>\$ 13,689,563</u>	<u>\$ 31,669,941</u>

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

6. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities (Continued):

C. Revenue Bonds and Capitalized Lease (Continued):

Water Authority Revenue Bonds, Series 1999 A and B (Continued)

Annual debt service for the 1999 Series B revenue bonds follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 400,000	\$ 190,500	\$ 590,500
2010	425,000	164,700	589,700
2011	455,000	136,012	591,012
2012	485,000	105,300	590,300
2013	520,000	72,563	592,563
2014	<u>555,000</u>	<u>37,462</u>	<u>592,462</u>
Total	<u>\$ 2,840,000</u>	<u>\$ 706,537</u>	<u>\$ 3,546,537</u>

Water Authority Revenue Bonds, Series 2001

On January 30, 2001, the Authority issued at a \$796,798 discount, \$40,710,000 in Revenue Bonds, 2001 Series. Proceeds of \$38,020,100 were used to purchase 2001 Tax Allocation Refunding Bonds from the Agency, which in turn refunded its 1989 tax allocation bonds. The 2001 Series bonds are subject to optional redemption in whole or in part and by lot on any date on or after December 1, 2011 with premiums ranging from 0% to 2%. The bonds are due through December 1, 2032 with interest rates ranging from 5.75% to 6.25% per annum. The reserve fund requirement is equal to maximum annual debt service on the bonds, which is \$3,134,763, less the entire amount in the Water Rate Stabilization Funds up to an amount equal to \$600,000. The balance in the Reserve Account and in the Water Rate Stabilization Fund as of June 30, 2008 amounted to \$2,619,858 and \$600,000, respectively.

It is the opinion of management that the City and Water Authority have complied with all major aspects of the bonds' covenants and loan agreements for fiscal year ended June 30, 2008.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

6. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities (Continued):

C. Revenue Bonds and Capitalized Lease (Continued):

Water Authority Revenue Bonds, Series 2001 (Continued)

Annual debt service for the 2001 Series revenue bonds follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 900,000	\$ 2,204,450	\$ 3,104,450
2010	955,000	2,151,119	3,106,119
2011	1,010,000	2,094,625	3,104,625
2012	1,065,000	2,034,969	3,099,969
2013	1,130,000	1,971,863	3,101,863
2014-2018	6,760,000	8,691,250	15,451,250
2019-2023	9,155,000	6,223,594	15,378,594
2024-2028	9,685,000	3,127,344	12,812,344
2029-2033	<u>5,430,000</u>	<u>889,063</u>	<u>6,319,063</u>
	36,090,000	29,388,277	65,478,277
Less discount	<u>(598,712)</u>	-	<u>(598,712)</u>
Total	<u>\$ 35,491,288</u>	<u>\$ 29,388,277</u>	<u>\$ 64,879,565</u>

D. Compensated Absences:

The City's policies relating to compensated absences are described in Note 1. The liability amounts of \$137,516 at June 30, 2008 are expected to be paid in future years from future resources.

7. COMMITMENTS AND CONTINGENCIES:

A. In 2002, the City of Pico Rivera (the City) and the Pico Rivera Redevelopment Agency (the Agency) entered into separate agreements with a developer and a retail establishment in connection with the occupancy of the retail establishment in the Pico Rivera Towne Center. The agreements require the City and the Agency to pay the developer and the retail establishment approximately \$2,240,000 over the initial 15 year lease term. As of June 30, 2008, 10 years remain of the initial lease term.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

7. COMMITMENTS AND CONTINGENCIES (CONTINUED):

- B. The City and Agency entered into an agreement whereby the City will defer its' portion of sales tax revenues (City Deferral) generated within the project area and advance the monies to the Agency, to allow the Agency to meet its debt service obligations. The City deferrals accrue interest at 7%. At June 30, 2008, the balance of the City Deferrals including interest was \$24,836,916.

8. RETIREMENT PLAN:

A. Plan Description: (PERS):

The City of Pico Rivera contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from its executive office: 400 P Street, Sacramento, CA 95814.

B. Funding Policy:

Participants are required to contribute 7% of their annual covered salary. In August of 2002, the City changed its Plan to 2.5%@55 resulting in a 1% increase in contributions to 8% of annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 14.254% for non-safety employees. The contribution requirements of plan members and the City are established and may be amended by PERS.

C. Annual Pension Cost:

For the year ended June 30, 2008, the City's annual pension cost of \$1,977,602 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2004, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by age, length of service and type of employment from 3.25 % to 14.45%, (c) a 3.0% inflation rate; (d) a 3.25% payroll growth rate; and (e) a merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.0% and an annual production growth of 0.25%.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

8. RETIREMENT PLAN (CONTINUED):

C. Annual Pension Cost (Continued):

The actuarial value of the Plan's assets were determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three-year period. Initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. Subsequent Plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the Plan are amortized over a rolling period which results in an amortization of 10% of unamortized gains and losses each year. If the Plan's accrued liability exceeds the actuarial value of Plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

Three Year Trend Information for PERS (\$ Amount in Thousands)

Fiscal Year	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligations
6/30/06	\$ 2,110	100%	\$ -
6/30/07	1,960	100%	-
6/30/08	1,978	100%	-

D. Funded Status and Funding Progress:

As of June 30, 2007, the most recent actuarial valuation date, the plan was 84.5% funded. The actuarial accrued liability for benefits was \$56,387,482 and the actuarial value of assets was \$47,645,822, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,741,660. The covered payroll (annual payroll of active employees covered by the plan) was \$8,750,547 and the ratio of the UAAL to the covered payroll was 99.9%.

The schedule of funding progress presented below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Schedule of Funding Progress for PERS (\$ Amount in Thousands)

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age (A)	Actuarial Value of Assets (B)	Unfunded (Excess Assets) AAL (UAAL) (A-B)	Funded Ratio (B/A)	Covered Payroll (C)	UAAL as a % of Covered Payroll [(A-B)/C]
6/30/05	\$ 47,629	\$ 40,208	\$ 7,421	84.4 %	\$ 9,369	79.2 %
6/30/06	52,371	43,783	8,588	83.6 %	8,321	103.2 %
6/30/07	56,387	47,646	8,741	84.5 %	8,751	99.9 %

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

8. RETIREMENT PLAN (CONTINUED):

E. Defined Contribution Pension Plan (PARS):

The City provides pension benefits for all of its part-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered as part of the Public Agency Retirement System (PARS). All part-time employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.5% to a retirement plan, and City Council resolved to match the employees' contributions of 3.75%. The City's contributions for each employee (and interest earned by the accounts) are fully vested immediately.

For the year ended June 30, 2008, the City's payroll covered by the plan was \$2,700,430. The City made employer contributions of \$104,742 (3.76% of current covered payroll), and employees contributed \$104,742 (3.75% of current covered payroll).

On July 1, 2002, the City started providing retirement benefits to its City Council members through a defined contribution plan. Council members can participate in the plan provided they have met all the eligibility requirements. The City contributes 1/12 of a certain percentage of the members final pay based on years of service, as follows:

<u>Number of Years of Service</u>	<u>Percentage of Final Pay</u>
5	20%
6	24%
7	28%
8	32%
9	36%
10	40%

For the year ended June 30, 2008 the City contributed a total \$12,436 to the City Council members' defined contribution plan.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

9. POST-EMPLOYMENT BENEFITS:

The City provides health care insurance benefits for its full-time employees who retire subsequent to October 1, 1983. The City pays 100 percent of the medical premium and 85 percent of the PERS Care premium for all PERS vested retirees age of 50 or above and their eligible dependents. The City's obligation to pay full medical costs relates only to those medical coverage costs provided through PERS. It does not mean that the City is obligated to pay Medicare Part B premiums for those retirees who are age 65 or above and who are enrolled in a Supplemental Medicare plan. When the retiree reaches age 65, the Basic Medical Plan is required to be transferred to a Supplemental Medicare Plan.

The cost of retiree health care insurance benefits is recognized as an expenditure as insurance premiums are paid on a monthly basis, one month in advance. For the fiscal year ended June 30, 2008, those costs totaled \$711,122. 84 employees were affected by the provisions of these benefits at the end of the 2007/08 fiscal year.

10. DEFERRED COMPENSATION PLAN:

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all City employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan assets are under the participants control and are principally invested in demand deposits and mutual funds and are held in trust for the exclusive benefit of the participants and their beneficiaries.

11. NON-CITY OBLIGATION DEBT SPECIAL ASSESSMENT BONDS:

During the year ended June 30, 1996, Assessment District 95-1 was established by the City of Pico Rivera. Bonds were issued to finance the cost of various improvements, which have a special and direct benefit to the related property owners. Under the terms and conditions of these bonds, the City acts as agent for the property owners in collecting the special taxes and forwarding the collections to the bondholders. As of June 30, 2008, the bonds outstanding from this Assessment District total \$110,000.

Such bonds do not constitute an indebtedness of the City and are payable solely from special taxes collected from property owners within the District. In the opinion of the City officials, these bonds are not payable from any revenues or assets of the City and neither the full faith and credit nor the taxing authority of the City is obligated to the payment of the principal or interest on the bonds. Accordingly, no liability has been recorded.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

12. INSURANCE PROGRAM:

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement:

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other coverage's. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

B. Self-Insurance Programs of the Insurance Authority:

General Liability Insurance. Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are spread to members as follows: the first \$30,000 of each occurrence is charged directly to the member's primary deposit; costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000. Losses from \$750,000 to \$5,000,000 and the associated loss development reserves are pooled based on payroll. Costs of covered claims from \$5,000,000 to \$50,000,000 are currently paid by excess insurance. Costs of covered claims for subsidence losses from \$15,000,000 to \$25,000,000 are paid by excess insurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate. Administrative expenses are paid from the Insurance Authority's investment earnings.

Workers' Compensation. The City also participates in the workers' compensation pool administered by the Insurance Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

12. INSURANCE PROGRAM (CONTINUED):

B. Self-Insurance Programs of the Insurance Authority (Continued):

Workers' Compensation (Continued). Each member has a retention level of \$50,000 for each loss and this is charged directly to the member's primary deposit. Losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000. Losses from \$100,000 to \$2,000,000 and employer's liability losses from \$5,000,000 to \$10,000,000 and loss development reserves associated with those losses are pooled based on payroll. Losses from \$2,000,000 to \$5,000,000 are pooled with California State Association of Counties – Excess Insurance Authority members. Costs from \$2,000,000 to \$300,000,000 are transferred to reinsurance carriers. Costs in excess of \$300,000,000 are pooled among the Members based on payroll. Protection is provided per statutory liability under California Workers' Compensation law. Administrative expenses are paid from the Authority's investment earnings.

C. Purchased Insurance:

Property Insurance. The City of Pico Rivera participates in the all-risk property protection program of the Insurance Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Insurance Authority. Total all-risk property insurance coverage is \$36,476,167. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Earthquake and Flood Insurance. The City of Pico Rivera purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Insurance Authority. The City properties currently have earthquake protection in the amount of \$35,241,535. There is a deductible of 5% of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Crime Insurance. The City of Pico Rivera purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Insurance Authority. Premiums are paid annually and are not subject to retroactive adjustments.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

12. INSURANCE PROGRAM (CONTINUED):

C. Purchased Insurance (Continued):

Environmental Liability Insurance. The City of Pico Rivera participates in the pollution legal liability and remediation legal liability insurance, which is available through the Insurance Authority. the policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Insurance Authority has a limit of \$50,000 for the 3-year period from July 1, 2005 through June 30 2008. Each member of the Insurance Authority has a \$10,000,000 limit during the 3-year term of the policy.

Boiler and Machinery Insurance. Covers objects and machinery. This insurance is part of the All Risk Property Insurance. \$100,000,000 per occurrence. \$5,000 deductible. Premium for this coverage are paid annually and are not subject to retroactive adjustments.

D. Adequacy of Protection:

During the past three fiscal years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

The aforementioned information is not included in the accompanying financial statements. Complete financial statements for the Insurance Authority may be obtained at their administrative office located at 8081 Moody Street, La Palma, California 90623.

13. FUND BALANCE RESERVES:

A city may establish "reserves" of fund equity to segregate fund balances which are not appropriable for expenditure in future periods, or which are legally set aside for a specific purpose.

The City's reserves at June 30, 2008 are tabulated below, followed by explanations as to the nature and purpose of each reserve.

	General Fund	Debt Service Fund	Redevelopment Agency Capital Projects Fund
Prepays and deposits	\$ 108,582	\$ -	\$ -
Advances to other funds	8,956,091	-	-
Low and moderate income housing	-	-	1,949,511
Debt service	-	237,780	-
Land held for resale	-	-	587,610
Long-term receivables	-	-	6,669
Total Reserves	<u>\$ 9,064,673</u>	<u>\$ 237,780</u>	<u>\$ 2,543,790</u>

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

13. FUND BALANCE RESERVES (CONTINUED):

A. Reserved for Prepaids and Deposits:

This is a reserve to reflect that prepaids and deposits are not “available” as a spendable resource.

B. Reserved for Advances to Other Funds:

This is a reserve to reflect the principal portion of the amount due from other funds that are long-term in nature. Such amounts do not represent available spendable resources.

C. Reserved for Low and Moderate Income Housing:

These funds represent that portion of redevelopment tax increment revenue that must be set aside for housing programs.

D. Reserved for Debt Service:

These are reserves representing assets held by various trustees pursuant to bond covenants.

E. Reserved for Land Held for Resale:

This is a reserve to reflect that land held for resale by the Redevelopment Agency is not “available” as a spendable resource.

F. Reserved for Long-term Receivables:

This is a reserve to reflect that long-term receivables that are not already offset by deferred revenue are not “available” as a spendable resource.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

14. OTHER REQUIRED DISCLOSURES:

Expenditures in Excess of Appropriations:

The following departments/funds reported expenditures in excess of appropriations:

Major Funds:

Housing Agency Special Revenue Fund:	
Health and Welfare	\$ 427,406
Debt Service Fund:	
General government	13,427
Pass through to other agencies	277,189
Redevelopment Agency Capital Project Fund:	
General government	5,435

Other Governmental Funds:

Special Revenue Funds:	
Prop C - Public works	210,775
Reach Grant - Capital outlay	34,819

Deficit Fund Balances/Net Assets:

The following funds reported deficits fund balances/net assets at June 30, 2008:

Major Funds:

Debt Service Fund	\$ 34,722,311
Redevelopment Agency Capital Projects Fund	23,392,137

Other Governmental Funds:

Special Revenue Funds:	
Sewer	148,337
CALHOME Grant	37,128
County Grants	39,649
EPA Sewer Grant	321,932
Prop 12 Park	365,391
Intermodal Surface Transportation Efficiency Act	109,608
Miscellaneous Grant	89,817
Capital Projects Funds:	
Flossmoor Road Sewer Assessment District	3,626
Paramount/Mines Landscape Maintenance Assessment	126,710

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2008

14. OTHER REQUIRED DISCLOSURES (CONTINUED):

Deficit Fund Balances/Net Assets (Continued):

Other Enterprise Funds:

Sport Arena	\$	11,531
Golf Course		1,565,295

Management expects to eliminate the deficits with subsequent revenues or transfers from the General Fund.

The Prop 12 Park fund deficits are due to interfund advances and loans to be recorded on the governmental fund balance sheet. The fund deficits will be remedied with the receipt of future property tax increment revenue.

The capital projects fund deficit will be remedied through future transfers from the Debt Service Fund

15. SUBSEQUENT EVENT:

In August 2008, the City received additional County Deferral amounting to \$1.07 million (see Note 6A for information about the County Deferral). This resulted in an increase in the total outstanding deferral from the County of Los Angeles to approximately \$38.90 million.

See independent auditors' report.

**CITY OF PICO RIVERA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
AND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

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CITY OF PICO RIVERA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 12,994,000	\$ 12,994,000	\$ 13,367,335	\$ 373,335
Licenses and permits	3,605,000	3,605,000	2,703,598	(901,402)
Intergovernmental	5,404,000	5,533,000	6,129,180	596,180
Charges for services	123,243	1,064,243	1,001,911	(62,332)
Fines, forfeitures and penalties	1,120,000	1,120,000	1,291,782	171,782
Investment and rental	142,000	183,000	293,422	110,422
Miscellaneous	272,863	272,863	289,528	16,665
TOTAL REVENUES	23,661,106	24,772,106	25,076,756	304,650
EXPENDITURES:				
Current:				
General government	8,091,989	8,513,027	7,695,450	817,577
Public safety	10,684,064	10,606,609	10,270,119	336,490
Public works	6,878,410	7,673,944	7,072,755	601,189
Parks and recreation	4,191,023	4,284,064	3,514,872	769,192
TOTAL EXPENDITURES	29,845,486	31,077,644	28,553,196	2,524,448
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,184,380)	(6,305,538)	(3,476,440)	2,829,098
OTHER FINANCING SOURCES (USES):				
Transfers in	5,949,800	6,223,500	3,756,226	(2,467,274)
Transfers out	-	(890,994)	(211,559)	679,435
TOTAL OTHER FINANCING SOURCES (USES)	5,949,800	5,332,506	3,544,667	(1,787,839)
NET CHANGE IN FUND BALANCE	(234,580)	(973,032)	68,227	1,041,259
FUND BALANCE - BEGINNING OF YEAR	16,645,205	16,645,205	16,645,205	-
FUND BALANCE - END OF YEAR	\$ 16,410,625	\$ 15,672,173	\$ 16,713,432	\$ 1,041,259

See independent auditors' report and note to required supplementary information.

CITY OF PICO RIVERA

BUDGETARY COMPARISON SCHEDULE

HOUSING AGENCY SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 4,576,307	\$ 4,576,307	\$ 5,159,850	\$ 583,543
Investment and rental	10,164	10,164	24,582	14,418
Miscellaneous	8,677	8,677	1,819	(6,858)
TOTAL REVENUES	4,595,148	4,595,148	5,186,251	591,103
EXPENDITURES:				
Current:				
Health and welfare	4,644,871	4,644,871	5,072,277	(427,406)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(49,723)	(49,723)	113,974	163,697
FUND BALANCE - BEGINNING OF YEAR	755,397	755,397	755,397	-
FUND BALANCE - END OF YEAR	\$ 705,674	\$ 705,674	\$ 869,371	\$ 163,697

See independent auditors' report and note to required supplementary information.

CITY OF PICO RIVERA

BUDGETARY COMPARISON SCHEDULE

STATE RELINQUISHMENT SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental	\$ 165,000	\$ 165,000	\$ 273,608	\$ 108,608
Miscellaneous	-	-	630	630
TOTAL REVENUES	165,000	165,000	274,238	109,238
EXPENDITURES:				
Current:				
Public works	8,000	8,000	-	8,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	157,000	157,000	274,238	117,238
OTHER FINANCING USES:				
Transfers out	(1,500,000)	(2,272,221)	(452,772)	1,819,449
NET CHANGE IN FUND BALANCE	(1,343,000)	(2,115,221)	(178,534)	1,936,687
FUND BALANCE - BEGINNING OF YEAR	8,232,154	8,232,154	8,232,154	-
FUND BALANCE - END OF YEAR	<u>\$ 6,889,154</u>	<u>\$ 6,116,933</u>	<u>\$ 8,053,620</u>	<u>\$ 1,936,687</u>

See independent auditors' report and note to required supplementary information.

CITY OF PICO RIVERA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2008

1. BUDGETARY CONTROL AND ACCOUNTING:

The City adopts annual budgets for governmental funds on a basis that is the same as accounting principles generally accepted in the United States of America except for capital projects funds, which adopt project length budgets.

The City's budget is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues. The budget includes (1) the programs, projects, services, and activities to be provided during the fiscal year, (2) the estimated resources (inflows) and amounts available for appropriation and (3) the estimated charges to appropriations. The budget represents a process through which policy decisions are made, implemented, and controlled.

The following procedures establish the budgetary data reflected in the financial statements:

The budget is prepared under the City Manager's direction and adopted by the City Council, generally prior to June 30 of each year. It is revised periodically during the year by the City Council. The budget presented in the financial statements includes the original and final amounts. The budget serves as a policy document for the deliverance of public services; however, expenditures are individually approved by the City Council. The City manager is authorized to transfer amounts within individual fund budgets without the approval of City Council. Additional appropriations during the year may be submitted to the City Council for review and approval.

Budget information is presented for the governmental fund types. Budgeted revenue amounts represent the original budget modified by Council-authorized adjustments during the year, which were contingent upon new, or additional revenue sources. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year. The budgets conform, in all material respects, to accounting principles generally accepted in the United States of America. Appropriations lapse at year-end.

Budgetary compliance is monitored without the use of encumbrances.

Budget information for the following Special Revenue Funds, the EPA Sewer Grant, the Urban Park and Recreation Program, the Federal Earmark, the Federal Emergency Management Agency, the Intermodal Surface Transportation Efficiency Act Funds, and the Assessment District 95-1 Improvement Capital Projects Fund, are not presented since no budget was adopted for these funds.

See independent auditors' report.

**CITY OF PICO RIVERA
SUPPLEMENTARY INFORMATION**

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**CITY OF PICO RIVERA
OTHER MAJOR FUNDS**

BUDGETARY COMPARISON SCHEDULES

CITY OF PICO RIVERA

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 6,234,000	\$ 6,234,000	\$ 6,672,466	\$ 438,466
Investment and rental	25,000	25,000	37,767	12,767
TOTAL REVENUES	<u>6,259,000</u>	<u>6,259,000</u>	<u>6,710,233</u>	<u>451,233</u>
EXPENDITURES:				
Current:				
General government	90,000	90,000	103,427	(13,427)
Pass through to other agencies	4,300,000	4,300,000	4,577,189	(277,189)
Debt service:				
Interest and fiscal charges	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,687,405</u>	<u>112,595</u>
TOTAL EXPENDITURES	<u>7,190,000</u>	<u>7,190,000</u>	<u>7,368,021</u>	<u>(178,021)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(931,000)</u>	<u>(931,000)</u>	<u>(657,788)</u>	<u>273,212</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,445,000	1,445,000	1,467,930	22,930
Transfers out	<u>-</u>	<u>-</u>	<u>(796,405)</u>	<u>(796,405)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,445,000</u>	<u>1,445,000</u>	<u>671,525</u>	<u>(773,475)</u>
NET CHANGE IN FUND BALANCE	514,000	514,000	13,737	(500,263)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(34,736,048)</u>	<u>(34,736,048)</u>	<u>(34,736,048)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$(34,222,048)</u></u>	<u><u>\$(34,222,048)</u></u>	<u><u>\$(34,722,311)</u></u>	<u><u>\$ (500,263)</u></u>

See independent auditors' report.

CITY OF PICO RIVERA

BUDGETARY COMPARISON SCHEDULE

CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND

For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Capital outlay	\$ -	\$ 29,865,413	\$ 5,371,559	\$ 24,493,854
OTHER FINANCING SOURCES:				
Transfers in	1,055,000	30,920,413	5,371,559	(25,548,854)
NET CHANGE IN FUND BALANCE	1,055,000	1,055,000	-	(1,055,000)
FUND BALANCE - BEGINNING OF YEAR	612,890	612,890	612,890	-
FUND BALANCE - END OF YEAR	<u>\$ 1,667,890</u>	<u>\$ 1,667,890</u>	<u>\$ 612,890</u>	<u>\$ (1,055,000)</u>

See independent auditors' report.

CITY OF PICO RIVERA

BUDGETARY COMPARISON SCHEDULE

REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND

For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 3,095,000	\$ 3,095,000	\$ 3,384,982	\$ 289,982
Investment and rental	41,000	41,000	49,450	8,450
Miscellaneous	14,000	14,000	10,777	(3,223)
TOTAL REVENUES	<u>3,150,000</u>	<u>3,150,000</u>	<u>3,445,209</u>	<u>295,209</u>
EXPENDITURES:				
Current:				
General government	-	319,950	325,385	(5,435)
Community development	407,879	1,356,027	295,079	1,060,948
Debt service:				
Interest and fiscal charges	-	1,013,266	1,013,266	-
TOTAL EXPENDITURES	<u>407,879</u>	<u>2,689,243</u>	<u>1,633,730</u>	<u>1,055,513</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,742,121</u>	<u>460,757</u>	<u>1,811,479</u>	<u>1,350,722</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	160,000	160,000	956,405	796,405
Transfers out	(1,835,000)	(3,140,000)	(2,207,223)	932,777
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,675,000)</u>	<u>(2,980,000)</u>	<u>(1,250,818)</u>	<u>1,729,182</u>
NET CHANGE IN FUND BALANCE	1,067,121	(2,519,243)	560,661	3,079,904
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(23,952,798)</u>	<u>(23,952,798)</u>	<u>(23,952,798)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$(22,885,677)</u></u>	<u><u>\$(26,472,041)</u></u>	<u><u>\$(23,392,137)</u></u>	<u><u>\$ 3,079,904</u></u>

See independent auditors' report.

CITY OF PICO RIVERA

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS

June 30, 2008

SPECIAL REVENUE FUNDS

Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes. Special Revenue Funds include the following:

Community Development Block Grant Fund accounts for funds received from the U.S. Department of Housing and Urban Development for the purpose of Housing Rehabilitation, Social Services and qualified capital improvements.

Equipment Replacement Fund accounts for expenditures made for the purpose of purchasing equipment to replace obsolete, broken or other items in which it is economically unfeasible to continue repairing.

State Gas Tax Fund accounts for the City's proportionate share of gas tax monies collected by the State of California, which are used for street construction and maintenance.

Lighting Assessment District Fund accounts for monies received for lighting services deemed to benefit the properties and businesses against which the special benefit assessments are levied. The assessments are levied once a year and are collected by the Los Angeles County Tax Collector and remitted to the City.

Park Development Fund accounts for funds received on new residential construction for the purpose of improving and/or developing the City's park system.

Prop A Fund accounts for the ½% sales tax approved by Prop. A in Los Angeles County which is restricted for transportation programs and projects.

Prop C Fund accounts for the ½% sales tax approved by Prop. C which is restricted for transportation programs and projects.

Sewer Fund accounts for monies to be used for the reconstruction of the public sewer system.

CALHOME Grant Fund accounts for funds received from the State of California for the purpose of providing home rehabilitation loans.

CITY OF PICO RIVERA

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2008

SPECIAL REVENUE FUNDS (CONTINUED)

Air Quality Improvement Fund accounts for the additional vehicle registration fees received from the Southern California Air Quality Management District for the purpose of air pollution reduction.

State Grants Fund accounts for the various State of California grants that are restricted to expenditures for specific programs and projects.

County Grants Fund accounts for various Los Angeles County grants that are received for restricted expenditures for specific programs and projects.

EPA Sewer Grant Fund accounts for funds received from the United States government to repair and upgrade the sewage system for the wastewater treatment project.

Urban Park and Recreation Recovery Program Fund accounts for funds received from the State of California for purposes of park rehabilitation.

Economic Development Assistance (EDA) Grant Fund provides meaningful assistance, on a cost-shared basis, to economic growth. It also accounts for funds received from the companies developing the Pico Rivera Towne Center, under the terms of the improvement and reimbursement agreements with the Redevelopment Agency.

Prop 12 Park Fund accounts for funds received from the State of California to improve local parks.

Federal Earmark Fund accounts for funds received from the Federal Government for the rehabilitation of intersections, parkway improvements, landscaping, and signalization at various locations along Rosemead blvd within the City limits of Pico Rivera.

Federal Emergency Management Agency (FEMA) Fund accounts for seismically related retrofit construction.

Intermodal Surface Transportation Efficiency Act (ISTEA) Fund accounts for the costs of improvements or street construction on the federal highway system in the City.

State Park Fund accounts for funds received from the State of California to improve local parks.

Image Enhancement Fund accounts for funds received from all developers for the enhancement of the image of the City of Pico Rivera.

CITY OF PICO RIVERA

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2008

SPECIAL REVENUE FUNDS (CONTINUED)

Reach Grants Fund accounts for funds received from the State of California for our after school learning program.

Miscellaneous Grant Fund accounts for funds received from multiple sources and reasons.

CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities. Capital Projects Funds include the following:

Assessment District 95-1 Improvement Fund accounts for monies received for the purpose of improving and rehabilitating the streets located within the Assessment District. Funds are annually assessed to each respective property owner by the Los Angeles County Tax Collector and remitted to the City.

Flossmoor Road Sewer Assessment District Fund accounts for funds received for the installation of sewers deemed to benefit the properties against which the special benefit assessments are levied.

Paramount/Mines Landscape Maintenance Assessment Fund accounts for funds received for the installation and maintenance of common areas deemed to benefit the properties against which the special benefit assessments are levied.

CITY OF PICO RIVERA
 COMBINING BALANCE SHEET
 OTHER GOVERNMENTAL FUNDS

June 30, 2008

	Special Revenue Funds		
	Community Development Block Grant	Equipment Replacement	State Gas Tax
ASSETS			
Cash and investments	\$ 968,700	\$ 392,767	\$ -
Accounts receivable	91,868	-	-
Taxes receivable	-	-	388,776
Interest receivable	456,902	2,588	-
Long-term receivables	3,493,041	-	-
TOTAL ASSETS	\$ 5,010,511	\$ 395,355	\$ 388,776
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 29,690	\$ 8,552	\$ -
Accrued liabilities	9,526	-	-
Due to other funds	152,760	-	388,776
Deferred revenue	3,950,098	-	-
TOTAL LIABILITIES	4,142,074	8,552	388,776
FUND BALANCES (DEFICITS):			
Unreserved reported in:			
Special revenue funds	868,437	386,803	-
Capital projects funds	-	-	-
TOTAL FUND BALANCES (DEFICITS)	868,437	386,803	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,010,511	\$ 395,355	\$ 388,776

See independent auditors' report.

Special Revenue Funds (Continued)

Lighting Assessment District	Park Development	Prop A	Prop C	Sewer	CALHOME Grant
\$ 422,460	\$ 32,003	\$ 843,977	\$ 2,486,833	\$ -	\$ -
-	-	-	10,000	-	-
63,170	-	-	-	-	-
3,327	199	5,129	20,448	-	12,644
-	-	-	-	-	376,617
<u>\$ 488,957</u>	<u>\$ 32,202</u>	<u>\$ 849,106</u>	<u>\$ 2,517,281</u>	<u>\$ -</u>	<u>\$ 389,261</u>
\$ 54,476	\$ -	\$ 131,852	\$ -	\$ -	\$ 29,487
-	-	-	-	-	-
-	-	-	331,070	148,337	7,642
-	-	-	-	-	389,260
<u>54,476</u>	<u>-</u>	<u>131,852</u>	<u>331,070</u>	<u>148,337</u>	<u>426,389</u>
434,481	32,202	717,254	2,186,211	(148,337)	(37,128)
-	-	-	-	-	-
<u>434,481</u>	<u>32,202</u>	<u>717,254</u>	<u>2,186,211</u>	<u>(148,337)</u>	<u>(37,128)</u>
<u>\$ 488,957</u>	<u>\$ 32,202</u>	<u>\$ 849,106</u>	<u>\$ 2,517,281</u>	<u>\$ -</u>	<u>\$ 389,261</u>

(Continued)

CITY OF PICO RIVERA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2008

		<u>Special Revenue Funds (Continued)</u>	
		<u>Air Quality Improvement</u>	<u>State Grants</u>
ASSETS			
Cash and investments		\$ -	\$ 30,041
Accounts receivable		20,934	126,320
Taxes receivable		-	-
Interest receivable		441	218
Long-term receivables		-	-
	TOTAL ASSETS	<u>\$ 21,375</u>	<u>\$ 156,579</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable		\$ -	\$ 14,203
Accrued liabilities		-	-
Due to other funds		21,375	126,320
Deferred revenue		-	-
	TOTAL LIABILITIES	<u>21,375</u>	<u>140,523</u>
FUND BALANCES (DEFICITS):			
Unreserved reported in:			
Special revenue funds		-	16,056
Capital projects funds		-	-
	TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>16,056</u>
	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 21,375</u>	<u>\$ 156,579</u>

See independent auditors' report.

Special Revenue Funds (Continued)

County Grants	EPA Sewer Grant	Urban Park and Recreation Recovery Program	Economic Development Assistance Grant	Prop 12 Park	Federal Earmark
\$ 5,617	\$ -	\$ -	\$ 3,321,335	\$ -	\$ -
-	-	-	253,612	1,021,769	-
-	-	-	-	-	-
-	-	-	20,748	-	-
-	-	-	-	-	-
<u>\$ 5,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,595,695</u>	<u>\$ 1,021,769</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
45,266	321,932	-	329,962	1,387,160	-
-	-	-	253,612	-	-
<u>45,266</u>	<u>321,932</u>	<u>-</u>	<u>583,574</u>	<u>1,387,160</u>	<u>-</u>
(39,649)	(321,932)	-	3,012,121	(365,391)	-
-	-	-	-	-	-
<u>(39,649)</u>	<u>(321,932)</u>	<u>-</u>	<u>3,012,121</u>	<u>(365,391)</u>	<u>-</u>
<u>\$ 5,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,595,695</u>	<u>\$ 1,021,769</u>	<u>\$ -</u>

(Continued)

CITY OF PICO RIVERA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2008

		<u>Special Revenue Funds (Continued)</u>	
		<u>Federal Emergency Management Agency</u>	<u>Intermodal Surface Transportation Efficiency Act</u>
ASSETS			
Cash and investments		\$ 65,275	\$ -
Accounts receivable		-	-
Taxes receivable		-	-
Interest receivable		-	-
Long-term receivables		-	-
	TOTAL ASSETS	<u>\$ 65,275</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable		\$ -	\$ -
Accrued liabilities		-	-
Due to other funds		-	109,608
Deferred revenue		-	-
	TOTAL LIABILITIES	<u>-</u>	<u>109,608</u>
FUND BALANCES (DEFICITS):			
Unreserved reported in:			
Special revenue funds		65,275	(109,608)
Capital projects funds		-	-
	TOTAL FUND BALANCES (DEFICITS)	<u>65,275</u>	<u>(109,608)</u>
	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 65,275</u>	<u>\$ -</u>

See independent auditors' report.

Special Revenue Funds (Continued)

State Park	Image Enhancement	Reach Grants	Miscellaneous Grant	Total Special Revenue Funds
\$ 63,132	\$ 2,803,443	\$ 500	\$ -	\$ 11,436,083
-	-	1,311,701	31,538	2,867,742
-	-	-	-	451,946
-	17,398	-	-	540,042
-	-	-	-	3,869,658
<u>\$ 63,132</u>	<u>\$ 2,820,841</u>	<u>\$ 1,312,201</u>	<u>\$ 31,538</u>	<u>\$ 19,165,471</u>
\$ -	\$ -	\$ 73,464	\$ -	\$ 341,724
-	-	5,463	-	14,989
-	-	383,482	121,355	3,875,045
-	-	-	-	4,592,970
-	-	462,409	121,355	8,824,728
63,132	2,820,841	849,792	(89,817)	10,340,743
-	-	-	-	-
<u>63,132</u>	<u>2,820,841</u>	<u>849,792</u>	<u>(89,817)</u>	<u>10,340,743</u>
<u>\$ 63,132</u>	<u>\$ 2,820,841</u>	<u>\$ 1,312,201</u>	<u>\$ 31,538</u>	<u>\$ 19,165,471</u>

(Continued)

CITY OF PICO RIVERA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2008

		<u>Capital Projects Funds</u>	
		<u>Assessment District 95-1 Improvement</u>	<u>Flossmoor Road Sewer Assessment District</u>
ASSETS			
Cash and investments		\$ -	\$ -
Accounts receivable		-	-
Taxes receivable		-	-
Interest receivable		-	-
Long-term receivables		-	-
	TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable		\$ -	\$ -
Accrued liabilities		-	-
Due to other funds		-	3,626
Deferred revenue		-	-
	TOTAL LIABILITIES	<u>-</u>	<u>3,626</u>
FUND BALANCES (DEFICITS):			
Unreserved reported in:			
Special revenue funds		-	-
Capital projects funds		-	(3,626)
	TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>(3,626)</u>
	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

Capital Projects (Continued)		
Paramount/Mines Landscape Maintenance Assessment	Total Capital Projects Funds	Total Other Governmental Funds
\$ -	\$ -	\$ 11,436,083
-	-	2,867,742
27	27	451,973
-	-	540,042
-	-	3,869,658
<u>\$ 27</u>	<u>\$ 27</u>	<u>\$ 19,165,498</u>

\$ -	\$ -	\$ 341,724
-	-	14,989
126,737	130,363	4,005,408
-	-	4,592,970
<u>126,737</u>	<u>130,363</u>	<u>8,955,091</u>

-	-	10,340,743
<u>(126,710)</u>	<u>(130,336)</u>	<u>(130,336)</u>
<u>(126,710)</u>	<u>(130,336)</u>	<u>10,210,407</u>
<u>\$ 27</u>	<u>\$ 27</u>	<u>\$ 19,165,498</u>

CITY OF PICO RIVERA

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

For the year ended June 30, 2008

	Special Revenue Funds		
	Community Development Block Grant	Equipment Replacement	State Gas Tax
REVENUES:			
Taxes and assessments	\$ -	\$ -	\$ -
Intergovernmental	1,123,640	-	1,171,249
Charges for services	-	-	-
Investment and rental	170,244	18,199	-
Miscellaneous	10,049	-	-
TOTAL REVENUES	1,303,933	18,199	1,171,249
EXPENDITURES:			
Current:			
Public works	-	-	-
Parks and recreation	-	-	-
Health and welfare	-	-	-
Community development	1,122,082	-	-
Capital outlay	-	201,727	-
TOTAL EXPENDITURES	1,122,082	201,727	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	181,851	(183,528)	1,171,249
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(370,797)	-	(1,171,249)
TOTAL OTHER FINANCING SOURCES (USES)	(370,797)	-	(1,171,249)
NET CHANGE IN FUND BALANCES	(188,946)	(183,528)	-
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	1,057,383	570,331	-
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 868,437	\$ 386,803	\$ -

See independent auditors' report.

Special Revenue Funds (Continued)

Lighting Assessment District	Park Development	Prop A	Prop C	Sewer	CALHOME Grant
\$ 1,264,308	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,069,876	889,875	-	239,270
-	-	-	-	144	-
15,023	1,133	26,844	136,311	-	1,450
-	-	14,196	-	-	-
<u>1,279,331</u>	<u>1,133</u>	<u>1,110,916</u>	<u>1,026,186</u>	<u>144</u>	<u>240,720</u>
627,917	-	871,256	222,875	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	109,184
-	-	-	-	-	-
<u>627,917</u>	<u>-</u>	<u>871,256</u>	<u>222,875</u>	<u>-</u>	<u>109,184</u>
651,414	1,133	239,660	803,311	144	131,536
-	-	-	-	-	-
<u>(822,500)</u>	<u>-</u>	<u>(174,251)</u>	<u>(2,705,153)</u>	<u>-</u>	<u>-</u>
<u>(822,500)</u>	<u>-</u>	<u>(174,251)</u>	<u>(2,705,153)</u>	<u>-</u>	<u>-</u>
(171,086)	1,133	65,409	(1,901,842)	144	131,536
605,567	31,069	651,845	4,088,053	(148,481)	(168,664)
<u>\$ 434,481</u>	<u>\$ 32,202</u>	<u>\$ 717,254</u>	<u>\$ 2,186,211</u>	<u>\$ (148,337)</u>	<u>\$ (37,128)</u>

(Continued)

CITY OF PICO RIVERA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
(CONTINUED)

For the year ended June 30, 2008

	<u>Special Revenue Funds (Continued)</u>	
	<u>Air Quality Improvement</u>	<u>State Grants</u>
REVENUES:		
Taxes and assessments	\$ -	\$ -
Intergovernmental	80,111	144,121
Charges for services	-	-
Investment and rental	1,427	1,687
Miscellaneous	-	-
TOTAL REVENUES	<u>81,538</u>	<u>145,808</u>
EXPENDITURES:		
Current:		
Public works	-	-
Parks and recreation	-	-
Health and welfare	-	39,254
Community development	-	-
Capital outlay	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>39,254</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>81,538</u>	<u>106,554</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Transfers out	<u>(105,729)</u>	<u>(126,320)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(105,729)</u>	<u>(126,320)</u>
NET CHANGE IN FUND BALANCES	(24,191)	(19,766)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	<u>24,191</u>	<u>35,822</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ -</u>	<u>\$ 16,056</u>

See independent auditors' report.

Special Revenue Funds (Continued)

County Grants	EPA Sewer Grant	Urban Park and Recreation Recovery Program	Economic Development Assistance Grant	Prop 12 Park	Federal Earmark
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	168,911	163,000	-	1,650,049	-
-	-	-	-	-	-
-	-	-	120,422	-	-
-	-	-	-	-	-
-	168,911	163,000	120,422	1,650,049	-
-	-	-	-	-	-
483	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
483	-	-	-	-	-
(483)	168,911	163,000	120,422	1,650,049	-
-	-	-	-	-	51,526
-	-	(133,351)	(160,000)	(1,264,897)	-
-	-	(133,351)	(160,000)	(1,264,897)	51,526
(483)	168,911	29,649	(39,578)	385,152	51,526
(39,166)	(490,843)	(29,649)	3,051,699	(750,543)	(51,526)
\$ (39,649)	\$ (321,932)	\$ -	\$ 3,012,121	\$ (365,391)	\$ -

(Continued)

CITY OF PICO RIVERA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
(CONTINUED)

For the year ended June 30, 2008

	<u>Special Revenue Funds (Continued)</u>	
	<u>Federal Emergency Management Agency</u>	<u>Intermodal Surface Transportation Efficiency Act</u>
REVENUES:		
Taxes and assessments	\$ -	\$ -
Intergovernmental	-	-
Charges for services	-	-
Investment and rental	-	-
Miscellaneous	-	-
	<hr/>	<hr/>
TOTAL REVENUES	-	-
EXPENDITURES:		
Current:		
Public works	-	-
Parks and recreation	-	-
Health and welfare	-	-
Community development	-	-
Capital outlay	-	-
	<hr/>	<hr/>
TOTAL EXPENDITURES	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<hr/>	<hr/>
	-	-
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Transfers out	-	-
	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCES	-	-
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	<hr/>	<hr/>
	65,275	(109,608)
FUND BALANCES (DEFICITS) - END OF YEAR	<hr/>	<hr/>
	\$ 65,275	\$ (109,608)

See independent auditors' report.

Special Revenue Funds (Continued)

State Park	Image Enhancement	Reach Grants	Miscellaneous Grant	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,264,308
-	-	1,311,701	68,700	8,080,503
-	140,205	-	-	140,349
-	96,447	14,376	178	603,741
-	-	-	-	24,245
-	236,652	1,326,077	68,878	10,113,146
-	-	-	-	1,722,048
-	-	1,215,030	-	1,215,030
-	-	-	-	39,737
-	-	-	-	1,231,266
-	-	34,819	-	236,546
-	-	1,249,849	-	4,444,627
-	236,652	76,228	68,878	5,668,519
-	-	-	-	51,526
-	-	(62,462)	(48,519)	(7,145,228)
-	-	(62,462)	(48,519)	(7,093,702)
-	236,652	13,766	20,359	(1,425,183)
63,132	2,584,189	836,026	(110,176)	11,765,926
\$ 63,132	\$ 2,820,841	\$ 849,792	\$ (89,817)	\$ 10,340,743

(Continued)

CITY OF PICO RIVERA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
(CONTINUED)

For the year ended June 30, 2008

	Capital Projects Funds	
	Assessment District 95-1 Improvement	Flossmoor Road Sewer Assessment District
REVENUES:		
Taxes and assessments	\$ 427	\$ 20,164
Intergovernmental	-	-
Charges for services	-	-
Investment and rental	-	-
Miscellaneous	-	-
TOTAL REVENUES	<u>427</u>	<u>20,164</u>
EXPENDITURES:		
Current:		
Public works	-	-
Parks and recreation	-	-
Health and welfare	-	-
Community development	-	-
Capital outlay	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>427</u>	<u>20,164</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Transfers out	(2,370)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,370)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,943)	20,164
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	<u>1,943</u>	<u>(23,790)</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ -</u>	<u>\$ (3,626)</u>

See independent auditors' report.

Capital Projects (Continued)		
Paramount/Mines Landscape Maintenance Assessment	Total Capital Projects Funds	Total Other Governmental Funds
\$ 7,750	\$ 28,341	\$ 1,292,649
-	-	8,080,503
-	-	140,349
-	-	603,741
-	-	24,245
<u>7,750</u>	<u>28,341</u>	<u>10,141,487</u>
-	-	1,722,048
-	-	1,215,030
-	-	39,737
-	-	1,231,266
-	-	236,546
<u>-</u>	<u>-</u>	<u>4,444,627</u>
<u>7,750</u>	<u>28,341</u>	<u>5,696,860</u>
-	-	51,526
-	(2,370)	(7,147,598)
<u>-</u>	<u>(2,370)</u>	<u>(7,096,072)</u>
7,750	25,971	(1,399,212)
(134,460)	(156,307)	11,609,619
<u>\$ (126,710)</u>	<u>\$ (130,336)</u>	<u>\$ 10,210,407</u>

CITY OF PICO RIVERA

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

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 2,661,283	\$ 1,123,640	\$ (1,537,643)
Investment and rental	9,880	170,244	160,364
Miscellaneous	11,208	10,049	(1,159)
	<u>2,682,371</u>	<u>1,303,933</u>	<u>(1,378,438)</u>
TOTAL REVENUES			
EXPENDITURES:			
Current:			
Community development	<u>2,696,868</u>	<u>1,122,082</u>	<u>1,574,786</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,497)</u>	<u>181,851</u>	<u>196,348</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	45,000	-	(45,000)
Transfers out	<u>(370,797)</u>	<u>(370,797)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(325,797)</u>	<u>(370,797)</u>	<u>(45,000)</u>
NET CHANGE IN FUND BALANCE	(340,294)	(188,946)	151,348
FUND BALANCE - BEGINNING OF YEAR	<u>1,057,383</u>	<u>1,057,383</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 717,089</u>	<u>\$ 868,437</u>	<u>\$ 151,348</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment and rental	\$ 18,580	\$ 18,199	\$ (381)
EXPENDITURES:			
Current:			
General government	1,000	-	1,000
Capital outlay	398,025	201,727	196,298
TOTAL EXPENDITURES	399,025	201,727	197,298
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(380,445)	(183,528)	196,917
FUND BALANCE - BEGINNING OF YEAR	570,331	570,331	-
FUND BALANCE - END OF YEAR	\$ 189,886	\$ 386,803	\$ 196,917

See independent auditors' report.

CITY OF PICO RIVERA

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

STATE GAS TAX SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,064,251	\$ 1,171,249	\$ 106,998
Investment and rental	19,168	-	(19,168)
Miscellaneous	-	-	-
	<u>1,083,419</u>	<u>1,171,249</u>	<u>87,830</u>
TOTAL REVENUES	1,083,419	1,171,249	87,830
OTHER FINANCING USES:			
Transfers out	(1,498,419)	(1,171,249)	327,170
	<u>(1,498,419)</u>	<u>(1,171,249)</u>	<u>327,170</u>
NET CHANGE IN FUND BALANCE	(415,000)	-	415,000
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (415,000)</u>	<u>\$ -</u>	<u>\$ 415,000</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

LIGHTING ASSESSMENT DISTRICT SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 1,198,300	\$ 1,264,308	\$ 66,008
Investment and rental	9,000	15,023	6,023
TOTAL REVENUES	1,207,300	1,279,331	72,031
EXPENDITURES:			
Current:			
Public works	648,000	627,917	20,083
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	559,300	651,414	92,114
OTHER FINANCING USES:			
Transfers out	(1,212,213)	(822,500)	389,713
NET CHANGE IN FUND BALANCE	(652,913)	(171,086)	481,827
FUND BALANCE - BEGINNING OF YEAR	605,567	605,567	-
FUND BALANCE - END OF YEAR	\$ (47,346)	\$ 434,481	\$ 481,827

See independent auditors' report.

CITY OF PICO RIVERA

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

PARK DEVELOPMENT SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment and rental	\$ -	\$ 1,133	\$ 1,133
FUND BALANCE - BEGINNING OF YEAR	<u>31,069</u>	<u>31,069</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 31,069</u>	<u>\$ 32,202</u>	<u>\$ 1,133</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

PROP A SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,077,837	\$ 1,069,876	\$ (7,961)
Investment and rental	8,500	26,844	18,344
Miscellaneous	13,800	14,196	396
	<u>1,100,137</u>	<u>1,110,916</u>	<u>10,779</u>
TOTAL REVENUES			
EXPENDITURES:			
Current:			
Public works	889,805	871,256	18,549
	<u>889,805</u>	<u>871,256</u>	<u>18,549</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	210,332	239,660	29,328
OTHER FINANCING USES:			
Transfers out	(265,600)	(174,251)	91,349
	<u>(265,600)</u>	<u>(174,251)</u>	<u>91,349</u>
NET CHANGE IN FUND BALANCE	(55,268)	65,409	120,677
FUND BALANCE - BEGINNING OF YEAR	651,845	651,845	-
	<u>651,845</u>	<u>651,845</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 596,577</u>	<u>\$ 717,254</u>	<u>\$ 120,677</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

PROP C SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 894,151	\$ 889,875	\$ (4,276)
Investment and rental	44,700	136,311	91,611
 TOTAL REVENUES	 938,851	 1,026,186	 87,335
EXPENDITURES:			
Current:			
Public works	12,100	222,875	(210,775)
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 926,751	 803,311	 (123,440)
OTHER FINANCING USES:			
Transfers out	(5,704,546)	(2,705,153)	
 NET CHANGE IN FUND BALANCE	 (4,777,795)	 (1,901,842)	 (123,440)
FUND BALANCE - BEGINNING OF YEAR	4,088,053	4,088,053	-
FUND BALANCE - END OF YEAR	\$ (689,742)	\$ 2,186,211	\$ (123,440)

See independent auditors' report.

CITY OF PICO RIVERA

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

SEWER SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for services	\$ 3,606	\$ 144	\$ (3,462)
Investment and rental	14,962	-	(14,962)
 TOTAL REVENUES	 18,568	 144	 (18,424)
EXPENDITURES:			
Current:			
Public works	700	-	700
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 17,868	 144	 (17,724)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(148,481)	(148,481)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (130,613)</u>	<u>\$ (148,337)</u>	<u>\$ (17,724)</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

CALHOME GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 584,030	\$ 239,270	\$ (344,760)
Investment and rental	-	1,450	1,450
TOTAL REVENUES	584,030	240,720	(343,310)
EXPENDITURES:			
Current:			
Community development	898,597	109,184	789,413
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(314,567)	131,536	446,103
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(168,664)	(168,664)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (483,231)	\$ (37,128)	\$ 446,103

See independent auditors' report.

CITY OF PICO RIVERA

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

AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 80,000	\$ 80,111	\$ 111
Investment and rental	548	1,427	879
TOTAL REVENUES	80,548	81,538	990
EXPENDITURES:			
Current:			
Community development	50	-	50
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	80,498	81,538	1,040
OTHER FINANCING USES:			
Transfers out	(80,548)	(105,729)	(25,181)
NET CHANGE IN FUND BALANCE	(50)	(24,191)	(24,141)
FUND BALANCE - BEGINNING OF YEAR	24,191	24,191	-
FUND BALANCE - END OF YEAR	\$ 24,141	\$ -	\$ (24,141)

See independent auditors' report.

CITY OF PICO RIVERA

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

STATE GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 16,283,000	\$ 144,121	\$(16,138,879)
Investment and rental	-	1,687	1,687
	<u>16,283,000</u>	<u>145,808</u>	<u>(16,137,192)</u>
TOTAL REVENUES	16,283,000	145,808	(16,137,192)
EXPENDITURES:			
Current:			
Health and welfare	55,000	39,254	15,746
	<u>55,000</u>	<u>39,254</u>	<u>15,746</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	16,228,000	106,554	(16,121,446)
OTHER FINANCING USES:			
Transfers out	(16,200,000)	(126,320)	16,073,680
	<u>(16,200,000)</u>	<u>(126,320)</u>	<u>16,073,680</u>
NET CHANGE IN FUND BALANCE	28,000	(19,766)	(47,766)
FUND BALANCE - BEGINNING OF YEAR	35,822	35,822	-
	<u>35,822</u>	<u>35,822</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 63,822</u>	<u>\$ 16,056</u>	<u>\$ (47,766)</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

COUNTY GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 165,936	\$ -	\$ (165,936)
EXPENDITURES:			
Current:			
Health and welfare	<u>5,173</u>	<u>483</u>	<u>4,690</u>
EXCESS OF REVENUES OVER (UUNDER) EXPENDITURES	160,763	(483)	(161,246)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(39,166)</u>	<u>(39,166)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 121,597</u>	<u>\$ (39,649)</u>	<u>\$ (161,246)</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

ECONOMIC DEVELOPMENT ASSISTANCE GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment and rental	\$ -	\$ 120,422	\$ 120,422
EXPENDITURES:			
Current:			
Community development	<u>2,600</u>	<u>-</u>	<u>2,600</u>
EXCESS OF REVENUES OVER (Under) EXPENDITURES	(2,600)	120,422	123,022
OTHER FINANCING USES:			
Transfers out	<u>(160,000)</u>	<u>(160,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(162,600)	(39,578)	123,022
FUND BALANCE - BEGINNING OF YEAR	<u>3,051,699</u>	<u>3,051,699</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,889,099</u>	<u>\$ 3,012,121</u>	<u>\$ 123,022</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

PROP 12 PARK SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 370,455	\$ 1,650,049	\$ 1,279,594
OTHER FINANCING USES:			
Transfers out	<u>(1,773,424)</u>	<u>(1,264,897)</u>	<u>508,527</u>
NET CHANGE IN FUND BALANCE	(1,402,969)	385,152	1,788,121
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(750,543)</u>	<u>(750,543)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (2,153,512)</u>	<u>\$ (365,391)</u>	<u>\$ 1,788,121</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

STATE PARK SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 284,153	\$ -	\$ (284,153)
FUND BALANCE - BEGINNING OF YEAR	<u>63,132</u>	<u>63,132</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 347,285</u>	<u>\$ 63,132</u>	<u>\$ (284,153)</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

IMAGE ENHANCEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for services	\$ 400,000	\$ 140,205	\$ (259,795)
Investment and rental	51,188	96,447	45,259
 TOTAL REVENUES	 451,188	 236,652	 (214,536)
EXPENDITURES:			
Current:			
General government	1,000	-	1,000
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 450,188	 236,652	 (213,536)
OTHER FINANCING USES:			
Transfers out	(16,000)	-	16,000
 NET CHANGE IN FUND BALANCE	 434,188	 236,652	 (197,536)
FUND BALANCE - BEGINNING OF YEAR	2,584,189	2,584,189	-
FUND BALANCE - END OF YEAR	<u>\$ 3,018,377</u>	<u>\$ 2,820,841</u>	<u>\$ (197,536)</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

REACH GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,374,840	\$ 1,311,701	\$ (63,139)
Investment and rental	-	14,376	14,376
TOTAL REVENUES	<u>1,374,840</u>	<u>1,326,077</u>	<u>(48,763)</u>
EXPENDITURES:			
Current:			
Parks and recreation	1,428,483	1,215,030	213,453
Capital outlay	-	34,819	(34,819)
TOTAL EXPENDITURES	<u>1,428,483</u>	<u>1,249,849</u>	<u>178,634</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(53,643)	76,228	129,871
OTHER FINANCING USES:			
Transfers out	-	(62,462)	(62,462)
NET CHANGE IN FUND BALANCE	(53,643)	13,766	67,409
FUND BALANCE - BEGINNING OF YEAR	<u>836,026</u>	<u>836,026</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 782,383</u>	<u>\$ 849,792</u>	<u>\$ 67,409</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

MISCELLANEOUS GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 458,746	\$ 68,700	\$ (390,046)
Investment and rental	-	178	178
	<u>458,746</u>	<u>68,878</u>	<u>(389,868)</u>
TOTAL REVENUES	458,746	68,878	(389,868)
OTHER FINANCING USES:			
Transfers out	<u>(298,043)</u>	<u>(48,519)</u>	<u>249,524</u>
NET CHANGE IN FUND BALANCE	160,703	20,359	(140,344)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(110,176)</u>	<u>(110,176)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 50,527</u>	<u>\$ (89,817)</u>	<u>\$ (140,344)</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

FLOSSMOOR ROAD SEWER ASSESSMENT DISTRICT CAPITAL PROJECTS FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Taxes and assessments	\$ 26,200	\$ 20,164	\$ (6,036)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(23,790)</u>	<u>(23,790)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 2,410</u>	<u>\$ (3,626)</u>	<u>\$ (6,036)</u>

See independent auditors' report.

CITY OF PICO RIVERA

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

PARAMOUNT/MINES LANDSCAPE MAINTENANCE ASSESSMENT CAPITAL PROJECTS FUND

For the year ended June 30, 2008

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 8,800	\$ 7,750	\$ (1,050)
EXPENDITURES:			
Current:			
Public works	<u>1,000</u>	<u>-</u>	<u>1,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,800	7,750	(50)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(134,460)</u>	<u>(134,460)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (126,660)</u></u>	<u><u>\$ (126,710)</u></u>	<u><u>\$ (50)</u></u>

See independent auditors' report.

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CITY OF PICO RIVERA

DESCRIPTION OF OTHER ENTERPRISE FUNDS

June 30, 2008

These funds account for operations that are financed and operated in a manner similar to private business enterprises. The Whittier Narrows Recreation Area Other Enterprise Funds are as follows:

Pico Rivera Sports Arena and Campground Funds account individually for funds received from the respective private concessionaires operating each facility.

Pico Rivera Golf Course Fund records the operations of the City-managed Golf Course.

CITY OF PICO RIVERA

COMBINING STATEMENT OF NET ASSETS
OTHER ENTERPRISE FUNDS

June 30, 2008

	Sports Arena	Campground
ASSETS		
CURRENT ASSETS:		
Cash and investments	\$ 143,081	\$ -
Receivables, net:		
Accounts	-	-
Interest	1,278	-
Deposits	-	-
Inventories, at cost	-	-
	144,359	-
TOTAL CURRENT ASSETS		
NONCURRENT ASSETS:		
Capital assets, not depreciated	3,368	-
Capital assets, depreciated, net	1,058,454	-
	1,061,822	-
TOTAL NONCURRENT ASSETS		
	1,206,181	-
TOTAL ASSETS		
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	106	-
Accrued liabilities	982	-
Due to other funds	-	-
Compensated absences - current portion	-	-
	1,088	-
TOTAL CURRENT LIABILITIES		
NONCURRENT LIABILITIES:		
Advances from other funds	1,216,624	-
Compensated absences	-	-
	1,216,624	-
TOTAL NONCURRENT LIABILITIES		
	1,217,712	-
TOTAL LIABILITIES		
NET ASSETS		
Invested in capital assets	1,061,822	-
Unrestricted	(1,073,353)	-
	\$ (11,531)	\$ -
TOTAL NET ASSETS (DEFICITS)		

See independent auditors' report.

<u>Golf Course</u>	<u>Total</u>
\$ 474,392	\$ 617,473
2,000	2,000
-	1,278
14,325	14,325
15,808	15,808
<u>506,525</u>	<u>650,884</u>
38,945	42,313
443,608	1,502,062
<u>482,553</u>	<u>1,544,375</u>
<u>989,078</u>	<u>2,195,259</u>
26,000	26,106
14,799	15,781
2,025,480	2,025,480
4,200	4,200
<u>2,070,479</u>	<u>2,071,567</u>
446,095	1,662,719
37,799	37,799
<u>483,894</u>	<u>1,700,518</u>
<u>2,554,373</u>	<u>3,772,085</u>
482,553	1,544,375
<u>(2,047,848)</u>	<u>(3,121,201)</u>
<u>\$ (1,565,295)</u>	<u>\$ (1,576,826)</u>

CITY OF PICO RIVERA

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
OTHER ENTERPRISE FUNDS

For the year ended June 30, 2008

	Sports Arena	Campground
OPERATING REVENUES:		
Charges for services	\$ 130,000	\$ -
OPERATING EXPENSES:		
Salaries and benefits	44,408	-
Contractual services	-	-
Administrative	6,504	-
Utilities	1,133	-
Maintenance and supplies	1,110	-
Depreciation	78,672	-
TOTAL OPERATING EXPENSES	131,827	-
OPERATING INCOME (LOSS)	(1,827)	-
NONOPERATING REVENUES (EXPENSES):		
Investment income	6,368	-
Interest expense	(19,799)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(13,431)	-
INCOME (LOSS) BEFORE TRANSFERS	(15,258)	-
TRANSFERS IN	-	434,038
TRANSFERS OUT	(534,038)	-
CHANGE IN NET ASSETS	(549,296)	434,038
TOTAL NET ASSETS (DEFICITS) - BEGINNING OF YEAR	537,765	(434,038)
TOTAL NET ASSETS (DEFICITS) - END OF YEAR	\$ (11,531)	\$ -

See independent auditors' report.

<u>Golf Course</u>	<u>Total</u>
\$ 776,771	\$ 906,771
456,863	501,271
45,706	45,706
170,094	176,598
128,063	129,196
123,398	124,508
67,458	146,130
<u>991,582</u>	<u>1,123,409</u>
<u>(214,811)</u>	<u>(216,638)</u>
-	6,368
<u>(22,140)</u>	<u>(41,939)</u>
<u>(22,140)</u>	<u>(35,571)</u>
(236,951)	(252,209)
-	434,038
<u>(156,800)</u>	<u>(690,838)</u>
(393,751)	(509,009)
<u>(1,171,544)</u>	<u>(1,067,817)</u>
<u>\$ (1,565,295)</u>	<u>\$ (1,576,826)</u>

CITY OF PICO RIVERA

COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS

For the year ended June 30, 2008

	Sports Arena	Campground
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ 130,000	\$ -
Payments to suppliers	(52,254)	(38)
Payments to employees	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>77,746</u>	<u>(38)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Received from other funds	15,003	-
Paid to other funds	(100,000)	(15,003)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>(84,997)</u>	<u>(15,003)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from disposition of capital assets	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	6,797	202
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(454)	(14,839)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>143,535</u>	<u>14,839</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 143,081</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (1,827)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	78,672	-
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivables	-	-
(Increase) decrease in deposits	-	-
(Increase) decrease in inventories	-	-
Increase (decrease) in accounts payable	(81)	(38)
Increase (decrease) in accrued liabilities	982	-
Increase (decrease) in compensated absences	-	-
TOTAL ADJUSTMENTS	<u>79,573</u>	<u>(38)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 77,746</u>	<u>\$ (38)</u>
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Changes in advances related to accrued interest	<u>\$ 19,799</u>	<u>\$ -</u>
Transfer of capital assets at book value, net of debt between enterprise funds	<u>\$ (449,041)</u>	<u>\$ 449,041</u>

See independent auditors' report.

Golf Course	Total
\$ 774,771	\$ 904,771
(465,495)	(517,787)
(438,490)	(438,490)
<u>(129,214)</u>	<u>(51,506)</u>
760,406	775,409
(156,800)	(271,803)
<u>603,606</u>	<u>503,606</u>
-	-
-	6,999
474,392	459,099
-	158,374
<u>\$ 474,392</u>	<u>\$ 617,473</u>
\$ (214,811)	\$ (216,638)
67,458	146,130
(2,000)	(2,000)
2,406	2,406
2,428	2,428
(3,068)	(3,187)
6,802	7,784
11,571	11,571
<u>85,597</u>	<u>165,132</u>
<u>\$ (129,214)</u>	<u>\$ (51,506)</u>
\$ 22,140	\$ 41,939
<u>\$ -</u>	<u>\$ -</u>

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CITY OF PICO RIVERA

DESCRIPTION OF AGENCY FUND

June 30, 2008

The Agency Fund accounts for assets held by the City as an agent for bond assessment districts. The Agency Fund is as follows:

The Assessment District 95-1 Improvement Fund accounts for monies received for the payment of the Special Assessment Bonds. Funds are annually assessed to each respective property owner by the Los Angeles County Tax Collector and remitted to the City.

CITY OF PICO RIVERA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND

For the year ended June 30, 2008

	Assessment District 95-1 Improvement Agency Fund			
	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
ASSETS:				
Cash and investments	\$ 34,318	\$ 37,983	\$ 39,569	\$ 32,732
Taxes receivable	-	1,151	-	1,151
Interest receivable	-	206	-	206
TOTAL ASSETS	<u>\$ 34,318</u>	<u>\$ 39,340</u>	<u>\$ 39,569</u>	<u>\$ 34,089</u>
LIABILITIES:				
Due to bondholders	<u>\$ 34,318</u>	<u>\$ 39,340</u>	<u>\$ 39,569</u>	<u>\$ 34,089</u>

See independent auditors' report

**STATISTICAL SECTION
(UNAUDITED)**

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CITY OF PICO RIVERA

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2008

This part of the City of Pico Rivera's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	136 - 145
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	146 - 151
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	152 - 158
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	159 - 160
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	161 - 163

City of Pico Rivera
 Net Assets by Component
 Last Six Fiscal Years
 (accrual basis of accounting)

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Governmental Activities:				
Invested in capital assets, net of related debt	\$ 23,281,853	\$ 31,111,506	\$ 32,697,038	\$ 34,740,084
Restricted	331,559	11,708,700	11,439,231	12,304,490
Unrestricted	<u>(48,407,259)</u>	<u>(57,874,288)</u>	<u>(60,638,614)</u>	<u>(56,778,135)</u>
Total governmental activities net assets	<u>(24,793,847)</u>	<u>(15,054,082)</u>	<u>(16,502,345)</u>	<u>(9,733,561)</u>
Business-type Activities:				
Invested in capital assets, net of related debt	6,124,587	27,034,162	27,994,096	26,990,694
Restricted	5,193,887	4,532,993	4,449,323	4,171,209
Unrestricted	<u>19,642,364</u>	<u>(1,160,828)</u>	<u>(2,272,766)</u>	<u>(1,127,575)</u>
Total business-type activities net assets	<u>30,960,838</u>	<u>30,406,327</u>	<u>30,170,653</u>	<u>30,034,328</u>
Primary Government:				
Invested in capital assets, net of related debt	29,406,440	58,145,668	60,691,134	61,730,778
Restricted	5,525,446	16,241,693	15,888,554	16,475,699
Unrestricted	<u>(28,764,895)</u>	<u>(59,035,116)</u>	<u>(62,911,380)</u>	<u>(57,905,710)</u>
Total primary government net assets	<u>\$ 6,166,991</u>	<u>\$ 15,352,245</u>	<u>\$ 13,668,308</u>	<u>\$ 20,300,767</u>

GASB 34 was implemented for the fiscal year ended June 30, 2003.
 Information prior to implementation of GASB 34 is not available.

Fiscal Year	
<u>2006-07</u>	<u>2007-08</u>
\$ 190,686,455	\$ 191,767,030
13,724,579	12,009,671
<u>(53,182,715)</u>	<u>(52,353,854)</u>
<u>151,228,319</u>	<u>151,422,847</u>
26,299,345	7,549,112
3,991,884	-
<u>(1,035,453)</u>	<u>20,172,694</u>
<u>29,255,776</u>	<u>27,721,806</u>
216,985,800	199,316,142
17,716,463	12,009,671
<u>(54,218,168)</u>	<u>(32,181,160)</u>
<u>\$ 180,484,095</u>	<u>\$ 179,144,653</u>

City of Pico Rivera
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Expenses:				
Governmental Activities:				
General government	\$ 10,543,667	\$ 9,080,334	\$ 11,428,626	\$ 9,895,699
Public safety	6,406,252	7,152,034	7,623,674	8,116,757
Public works	4,504,378	5,555,980	6,126,234	6,847,821
Parks and recreation	5,125,458	5,385,664	4,981,564	3,940,046
Health and welfare	3,712,452	4,777,727	4,579,545	4,742,546
Community development	7,157,548	6,364,158	7,558,819	6,051,055
Pass through to other agencies	2,425,495	-	-	-
Loss on land held for resale	1,215,653	-	-	-
Interest and fiscal charges	2,018,029	3,125,937	3,309,305	2,875,836
Total governmental activities net expenses	<u>43,108,932</u>	<u>41,441,834</u>	<u>45,607,767</u>	<u>42,469,760</u>
Business-type Activities:				
Water	7,496,928	7,200,856	7,737,301	7,812,309
Nonmajor enterprise funds	1,019,557	1,122,230	890,052	1,106,174
Total business-type activities net assets	<u>8,516,485</u>	<u>8,323,086</u>	<u>8,627,353</u>	<u>8,918,483</u>
Total primary government expenses	<u>\$ 51,625,417</u>	<u>\$ 49,764,920</u>	<u>\$ 54,235,120</u>	<u>\$ 51,388,243</u>
Program Revenues:				
Governmental Activities:				
Charges for services:				
General government	\$ 2,106,145	\$ 1,459,634	\$ 701,685	\$ 500,226
Public safety	808,960	557,425	1,087,334	902,834
Public works	561,969	1,311,022	1,066,636	1,258,618
Parks and recreation	897,276	765,740	675,995	707,524
Health and welfare	1,931	148,796	147,329	476,841
Community development	1,039,630	1,185,597	891,960	1,053,680
Operating contributions and grants	13,971,212	16,606,780	11,065,958	12,315,594
Capital contributions and grants	6,781,111	5,948,509	182,808	2,874,000
Total governmental activities program revenues	<u>26,168,234</u>	<u>27,983,503</u>	<u>15,819,705</u>	<u>20,089,317</u>
Business-type Activities:				
Charges for services:				
Water utility	5,019,018	5,139,698	5,294,063	5,059,106
Nonmajor enterprise funds	932,622	918,394	897,992	934,726
Capital contributions and grants	68,000	-	-	-
Total business-type activities program revenues	<u>6,019,640</u>	<u>6,058,092</u>	<u>6,192,055</u>	<u>5,993,832</u>
Primary government program revenues	<u>\$ 32,187,874</u>	<u>\$ 34,041,595</u>	<u>\$ 22,011,760</u>	<u>\$ 26,083,149</u>
Net (Expense)/Revenue:				
Governmental activities	\$(16,940,698)	\$(13,458,331)	\$(29,788,062)	\$(22,380,443)
Business-type activities	<u>(2,496,845)</u>	<u>(2,264,994)</u>	<u>(2,435,298)</u>	<u>(2,924,651)</u>
Total primary government net expense	<u>\$ (19,437,543)</u>	<u>\$ (15,723,325)</u>	<u>\$ (32,223,360)</u>	<u>\$ (25,305,094)</u>

GASB 34 was implemented for the fiscal year ended June 30, 2003.
Information prior to implementation of GASB 34 is not available.

Source: City of Pico Rivera Finance Department

Fiscal Year	
2006-07	2007-08
\$ 8,250,292	\$ 8,519,371
9,103,656	10,271,958
7,406,992	12,264,878
5,203,123	5,175,945
4,747,082	5,176,082
5,633,839	6,115,717
-	-
-	-
3,814,579	3,757,970
<u>44,159,563</u>	<u>51,281,921</u>
7,903,722	8,752,874
1,797,450	1,165,348
<u>9,701,172</u>	<u>9,918,222</u>
<u>\$ 53,860,735</u>	<u>\$ 61,200,143</u>
\$ 547,418	\$ 463,454
872,327	1,084,164
1,269,513	1,360,238
972,759	794,636
516,313	511,812
1,189,941	818,959
14,815,016	14,292,679
533,290	630
<u>20,716,577</u>	<u>19,326,572</u>
5,470,193	5,323,829
930,271	906,771
-	-
<u>6,400,464</u>	<u>6,230,600</u>
<u>\$ 27,117,041</u>	<u>\$ 25,557,172</u>
\$(23,442,986)	\$(31,955,349)
(3,300,708)	(3,687,622)
<u>\$(26,743,694)</u>	<u>\$(35,642,971)</u>

City of Pico Rivera
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
General Revenues and Other Changes in Net Assets:				
Governmental Activities:				
Property taxes	\$ 6,559,945	\$ 6,416,408	\$ 7,759,956	\$ 13,574,447
Sales and use taxes	5,453,985	6,746,464	7,059,294	7,969,973
Franchise taxes	993,091	979,546	1,109,691	969,595
Utility users taxes	3,201,569	3,352,796	3,620,239	3,836,457
Other taxes	-	5,769,778	5,789,985	1,732,339
Unrestricted motor vehicle license in lieu	-	-	-	237,016
Unrestricted investment earnings	99,642	225,790	757,285	455,006
Miscellaneous	-	83,906	237,184	3,713
Transfers	1,198,512	1,100,906	735,910	214,525
Gain on sale of property	355,659	-	-	156,156
Total governmental activities	<u>17,862,403</u>	<u>24,675,594</u>	<u>27,069,544</u>	<u>29,149,227</u>
Business-type Activities:				
Unrestricted investment earnings	3,000,054	2,928,702	2,935,534	3,002,851
Transfers	<u>(1,198,512)</u>	<u>(1,100,906)</u>	<u>(735,910)</u>	<u>(214,525)</u>
Total business-type activities	<u>1,801,542</u>	<u>1,827,796</u>	<u>2,199,624</u>	<u>2,788,326</u>
Total primary government	<u>\$ 19,663,945</u>	<u>\$ 26,503,390</u>	<u>\$ 29,269,168</u>	<u>\$ 31,937,553</u>
Change in Net Assets:				
Governmental activities	\$ 921,705	\$ 11,217,263	\$ (2,718,518)	\$ 6,768,784
Business-type activities	<u>(695,303)</u>	<u>(437,198)</u>	<u>(235,674)</u>	<u>(136,325)</u>
Total primary government	<u>\$ 226,402</u>	<u>\$ 10,780,065</u>	<u>\$ (2,954,192)</u>	<u>\$ 6,632,459</u>

GASB 34 was implemented for the fiscal year ended June 30, 2003.
Information prior to implementation of GASB 34 is not available.

Fiscal Year	
<u>2006-07</u>	<u>2007-08</u>
\$ 13,999,296	\$ 14,892,493
7,340,573	7,925,324
1,202,680	984,238
3,929,078	4,043,150
1,728,439	1,695,765
447,468	298,233
1,731,877	1,703,963
144,489	10,776
443,853	788,089
-	-
<u>30,967,753</u>	<u>32,342,031</u>
3,037,277	2,941,741
<u>(443,853)</u>	<u>(788,089)</u>
<u>2,593,424</u>	<u>2,153,652</u>
<u>\$ 33,561,177</u>	<u>\$ 34,495,683</u>
\$ 7,524,767	\$ 386,682
<u>(707,284)</u>	<u>(1,533,970)</u>
<u>\$ 6,817,483</u>	<u>\$ (1,147,288)</u>

City of Pico Rivera
Fund Balances of Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
General Fund:				
Reserved	\$ 11,184,926	\$ 8,890,476	\$ 10,452,952	\$ 9,856,378
Unreserved	1,647,915	2,075,870	(481,113)	2,868,707
Total general fund	<u>\$ 12,832,841</u>	<u>\$ 10,966,346</u>	<u>\$ 9,971,839</u>	<u>\$ 12,725,085</u>
All Other Governmental Funds:				
Reserved	\$ 13,308,656	\$ 7,145,780	\$ 4,020,424	\$ 2,139,102
Unreserved, reported in:				
Special revenue funds	6,068,112	14,856,956	14,992,076	10,647,724
Debt service funds	(37,736,823)	(37,013,195)	(36,473,309)	(27,708,365)
Capital projects funds	<u>(27,467,788)</u>	<u>(27,586,147)</u>	<u>(24,993,544)</u>	<u>(24,888,349)</u>
Total all other governmental funds	<u>\$ (45,827,843)</u>	<u>\$ (42,596,606)</u>	<u>\$ (42,454,353)</u>	<u>\$ (39,809,888)</u>

The City of Pico Rivera has elected to show only six years of data for this schedule.

Fiscal Year	
<u>2006-07</u>	<u>2007-08</u>
\$ 9,285,657	\$ 9,064,673
<u>7,359,548</u>	<u>7,648,759</u>
<u>\$ 16,645,205</u>	<u>\$ 16,713,432</u>
\$ 2,372,780	\$ 2,781,570
20,753,477	19,263,734
(35,256,066)	(34,960,091)
<u>(25,348,977)</u>	<u>(25,453,373)</u>
<u>\$(37,478,786)</u>	<u>\$(38,368,160)</u>

City of Pico Rivera
 Changes in Fund Balances of Governmental Funds
 Last Six Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Revenues:				
Taxes and assessment	\$ 14,730,716	\$ 18,393,189	\$ 19,803,148	\$ 24,446,972
Licenses and permits	3,010,067	3,086,469	2,929,773	2,942,873
Intergovernmental	18,677,499	22,582,301	17,062,455	15,882,113
Charges for services	1,373,296	1,706,209	1,012,157	1,274,261
Fines, forfeitures and penalties	686,266	715,997	1,022,768	1,164,730
Investment and rental	290,752	899,088	1,370,226	836,757
Miscellaneous	4,074,725	3,626,381	1,508,073	4,061,286
Gain on sale of land held for resale	1,108,909	-	-	-
Total revenues	43,952,230	51,009,634	44,708,600	50,608,992
Expenditures:				
General government	10,843,094	8,874,546	10,898,109	9,589,360
Public safety	6,699,379	7,147,968	7,619,608	8,112,907
Public works	4,223,797	5,387,103	5,549,480	7,080,544
Parks and recreation	4,861,246	4,868,313	4,909,394	3,679,445
Health and welfare	3,706,480	4,777,727	4,579,545	4,742,546
Community development	4,549,998	3,358,815	2,534,755	1,756,589
Pass through to other agencies	2,425,495	2,591,642	3,652,231	4,280,086
Loss on sale of land held for resale	1,215,653	-	-	-
Capital outlay	5,920,356	4,666,859	1,636,708	1,863,171
Debt service:				
Principal retirement	545,000	580,000	620,000	655,000
Interest and other charges	3,114,116	4,073,968	3,909,898	3,822,314
Total expenditures	48,104,614	46,326,941	45,909,728	45,581,962
Excess (deficiency) of revenues over (under) expenditures	<u>(4,152,384)</u>	<u>4,682,693</u>	<u>(1,201,128)</u>	<u>5,027,030</u>
Other Financing Sources (Uses):				
Transfers in	18,973,127	10,879,846	6,236,017	8,451,529
Transfers out	(17,774,615)	(9,778,940)	(5,500,107)	(8,237,004)
Sale of capital assets	-	956,791	(387,036)	156,156
Total other financing sources (uses)	1,198,512	2,057,697	348,874	370,681
Net change in fund balances	(2,953,872)	6,740,390	(852,254)	5,397,711
Fund balances - July 1	<u>(30,041,130)</u>	<u>(38,370,650)</u>	<u>(31,630,260)</u>	<u>(32,482,514)</u>
Fund balances - June 30	<u><u>\$(32,995,002)</u></u>	<u><u>\$(31,630,260)</u></u>	<u><u>\$(32,482,514)</u></u>	<u><u>\$(27,084,803)</u></u>
Debt service as a percentage of noncapital expenditures	8.24%	11.22%	10.36%	10.38%

The City of Pico Rivera has elected to show only six years of data for this schedule.

Source: City of Pico Rivera Finance Department

Fiscal Year	
2006-07	2007-08
\$ 25,390,342	\$ 24,717,432
3,205,116	2,703,598
17,574,898	19,369,533
1,264,016	1,142,260
1,075,736	1,291,782
1,286,520	1,282,570
2,637,285	326,999
-	-
<u>52,433,913</u>	<u>50,834,174</u>
7,926,701	8,124,262
9,100,192	10,270,119
8,002,066	8,794,803
5,183,213	4,729,902
4,747,082	5,112,014
1,350,389	1,526,345
4,293,764	4,577,189
-	-
2,270,376	5,608,105
-	-
<u>3,752,761</u>	<u>3,700,671</u>
<u>46,626,544</u>	<u>52,443,410</u>
<u>5,807,369</u>	<u>(1,609,236)</u>
12,061,005	11,603,646
(11,617,152)	(10,815,557)
-	-
<u>443,853</u>	<u>788,089</u>
6,251,222	(821,147)
<u>(27,084,803)</u>	<u>(20,833,581)</u>
<u><u>\$(20,833,581)</u></u>	<u><u>\$(21,654,728)</u></u>
8.70%	7.80%

City of Pico Rivera
 Revenue Base by Category
 Last Six Fiscal Years
 (rate per \$1,000 of assessed value)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other* Property
2002-03	\$ 1,639,574,995	\$ 210,129,498	\$ 313,617,113	\$ 197,644,124
2003-04	1,771,214,112	241,083,289	343,938,608	181,963,886
2004-05	1,908,411,611	262,653,931	377,091,268	214,516,223
2005-06	2,103,245,621	339,334,347	421,300,122	248,253,234
2006-07	2,361,150,840	360,166,313	463,978,838	245,037,282
2007-08	2,600,470,093	382,231,563	488,164,647	252,058,189

*Other property includes recreational, institutional, vacant, and miscellaneous property.

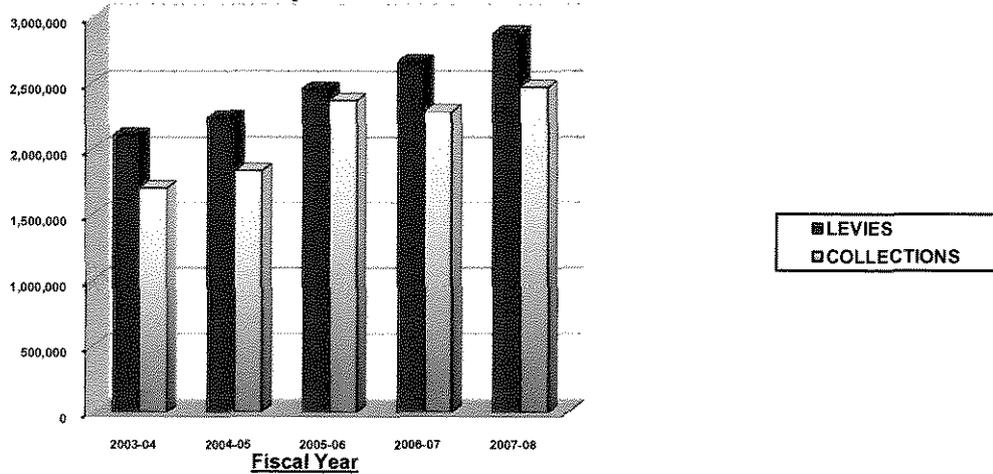
The City of Pico Rivera has elected to show only six years of data for this schedule.

	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$	1,007,414	\$ 2,361,973,144	1.00
	431,490	2,538,631,385	1.00
	733,094	2,763,406,127	1.00
	81,832	3,112,215,156	1.00
	83,467	3,430,416,740	1.00
	85,135	3,723,009,627	1.00

City of Pico Rivera
Property Tax Levies and Tax Collections
Last Five Fiscal Years

Fiscal Year	TAXES LEVIED	COLLECTED WITHIN THE FISCAL YEAR OF LEVY		COLLECTIONS IN Subsequent Year
		AMOUNT	PERCENT OF LEVY	
2003-04	\$ 2,108,321	\$ 1,707,733	81.00%	n/a
2004-05	2,241,965	1,835,774	81.88%	n/a
2005-06	2,457,179	2,370,309	96.46%	\$ 1,804
2006-07	2,661,678	2,281,049	85.70%	2,890
2007-08	2,882,716	2,466,213	85.55%	5,389

TAX COLLECTIONS & DELINQUENCY - LAST FIVE FISCAL YEARS



NOTE: Article XIII-A of the Constitution of the State of California adopted by the electorate in June 1978, precludes the City from a local property tax levy. All general-purpose property taxes are levied by the County and allocated to other governmental entities on a predetermined formula.

The City of Pico Rivera has elected to show only five years of data for this schedule. The data of delinquent taxes collected in subsequent years of 2003-04 and 2004-05 are not available.

TOTAL COLLECTIONS TO DATE	
AMOUNT	FINAL PERCENT OF LEVY
n/a	n/a
n/a	n/a
\$ 2,372,113	96.54%
2,283,939	85.81%
2,471,602	85.74%

City of Pico Rivera
 Direct and Overlapping Governments Property Tax Rates
 Last Six Fiscal Years

Fiscal Year	City Direct Rate	Overlapping Rates					Total Direct Rate
		El Rancho Unified School District	Los Angeles County	County Flood Control District	Metro. Water District	Rio Hondo Community College District	
2002-03	0.0169	0.0388	0.0010	0.000881	0.0067	-	0.21381%
2003-04	0.0071	0.0817	0.0009	0.000245	0.0058	0.021695	0.21408%
2004-05	-	0.0818	0.0008	0.000049	0.0052	0.018021	0.22001%
2005-06	-	0.0791	0.0007	0.000052	0.0047	0.014688	0.23085%
2006-07	-	0.0791	0.0007	0.000052	0.0047	0.014688	0.23825%
2007-08	-	0.0813	-	-	0.0045	0.0137	0.23624%

Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information. The percentages presented in the columns above do not sum across rows.

The City of Pico Rivera has elected to show only six years of data for this schedule.

City of Pico Rivera
Principal Property Tax Payers
Current Fiscal Year and Nine Fiscal Years Ago

Taxpayer	2007-08		1998-99	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Majestic AMB Pico Rivera Associates	\$ 38,795,484	1.04%		
Vestar California XXVI LLC	34,977,105	0.94%		
KH GP1 Limited Partnership	30,470,008	0.82%		
Wal Mart Real Estate Business Trust	27,947,638	0.75%		
General American Life Insurance Co	25,426,540	0.68%		
GGF Pico Rivera LLC	22,771,620	0.61%		
Rex Road LLC	20,378,057	0.55%		
TRF Crossroads LLC	19,872,547	0.53%		
Target Corporation	18,441,742	0.50%		
Lowes HIW Inc.	15,864,032	0.43%		
Northrop Grumman Corporation			\$ 203,204,934	9.76%
Crossroads Plaza Limited Partnership			16,581,329	0.80%
GGF Pico Rivera LLC			10,454,200	0.50%
Maryward Properties Corporation			9,748,274	0.47%
Bay Cities Container Corporation			7,220,554	0.35%
Albertsons Inc.			5,625,778	0.27%
Pico Rivera Plaza Company			4,444,732	0.21%
Comptes Die Service			4,417,758	0.21%
Jacmar Pico Rivera Partners			4,055,974	0.19%
Northstar Holdings			4,014,300	0.19%
	<u>\$ 254,944,773</u>	<u>6.85%</u>	<u>\$ 269,767,833</u>	<u>12.96%</u>

Excludes government and tax-exempt property owners

Total City Value for 1998-99	\$ 2,081,858,500
Total City Value for 2007-08	\$ 3,723,009,627

Source: Los Angeles County Assessor 1998-99 and 2007-08 Combined Tax Rolls

City of Pico Rivera
Ratios of Outstanding Debt by Type
Last Six Fiscal Years

Fiscal Year	Governmental Activities			
	County Deferral	General Obligation Bonds	Section 108 Loans	Compensated Absences
2002-03	\$ 29,982,135	\$ 1,060,000	\$ 795,000	\$ 650,609
2003-04	31,794,940	725,000	550,000	645,036
2004-05	33,724,853	375,000	280,000	702,819
2005-06	35,325,140	-	-	580,141
2006-07	36,623,324	-	-	560,603
2007-08	37,826,624	-	-	614,544

Note: Details regarding the outstanding debt can be found in the notes to the financial statements.

The City of Pico Rivera has elected to show only six years of data for this schedule.

<u>Business-Type Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Debt Per Capita</u>
<u>Revenue Bonds</u>	<u>Compensated Absences</u>			
\$ 62,035,000	\$ 103,407	\$ 94,626,151	10.45%	\$ 1,435
60,975,000	106,565	94,796,541	9.93%	1,436
60,126,116	108,457	95,317,245	9.66%	1,430
58,922,966	107,216	94,935,463	9.54%	1,410
57,674,816	111,474	94,970,217	9.50%	1,416
56,311,666	95,517	94,848,351	7.94%	1,418

City of Pico Rivera
Ratios of General Bonded Debt Outstanding
Last Six Fiscal Years
(amounts expressed in thousands, except per capita amounts)

Fiscal Year	General Obligation Bonds	Total Primary Government	Percent of Assessed Value	Per Capita
2002-03	\$ 1,060,000	\$ 1,060,000	0.045%	\$ 77.14
2003-04	725,000	725,000	0.031%	50.13
2004-05	375,000	375,000	0.016%	25.33
2005-06	-	-	0.000%	-
2006-07	-	-	0.000%	-
2007-08	-	-	0.000%	-

Note: Details regarding the outstanding debt can be found in the notes to the financial statements.

The City of Pico Rivera has elected to show only six years of data for this schedule.

City of Pico Rivera
Direct and Overlapping Debt
As of June 30, 2008

2007-08 Assessed Valuation:	\$ 3,723,009,627
Redevelopment Incremental Valuation:	<u>673,006,911</u>
Adjusted Assessed Valuation:	<u><u>\$ 3,050,002,716</u></u>

	Total Debt June 30, 2008	Percentage Applicable ⁽¹⁾	City's Share of Debt June 30, 2008
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Los Angeles County Flood Control District	\$ 99,210,000	0.350%	\$ 347,235
Metropolitan Water District	327,215,000	0.173%	566,082
Los Angeles Community College District	1,370,820,000	0.018%	246,748
Rio Hondo Community College District	57,817,244	13.240%	7,655,003
El Rancho Unified School District	47,891,374	99.996%	47,889,458
Montebello Unified School District	101,975,301	1.038%	1,058,504
Whittier Union High School District	93,857,133	0.532%	499,320
Whittier City School District	28,365,000	1.823%	517,094
City of Pico Rivera	-	100.000%	-
City of Pico Rivera 1915 Act Bonds	110,000	100.000%	110,000
Los Angeles County Regional Park & Open Space Assess. Distr.	269,995,000	0.347%	<u>936,883</u>
 Total Direct and Overlapping Tax and Assessment Debt			 <u>59,826,327</u>
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	1,019,552,788	0.347%	3,537,848
Los Angeles County Pension Obligations	352,255,398	0.347%	1,222,326
Los Angeles County Superintendent of Schools COP's	17,861,064	0.347%	61,978
Montebello Unified School District COP's	18,575,000	1.038%	192,809
Whittier City School District COP's	8,710,000	1.823%	158,783
Los Angeles County Sanitation District No. 2 Authority	38,160,452	8.203%	3,130,302
Los Angeles County Sanitation District No. 18 Authority	21,333,796	0.259%	<u>55,255</u>
 Total Overlapping General Fund Debt			 <u>8,359,301</u>
 Combined Total Debt (2)			 <u><u>\$ 68,185,628</u></u>

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2007-08 Assessed Valuation:

Direct Debt	0.00%
Total Overlapping Tax and Assessment Debt	1.61%

Ratios to Adjusted Assessed Valuation:

Combined Total Debt	2.24%
---------------------	-------

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/08: \$ 0

Source: California Municipal Statistics, Inc.

City of Pico Rivera
 Legal Debt Margin Information
 Last Six Fiscal Years

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Debt limit	\$ 384,168,650	\$ 418,822,326	\$ 472,378,421	\$ 520,125,810
Total net debt applicable to limit	<u>(1,375,000)</u>	<u>(725,000)</u>	<u>(375,000)</u>	<u>-</u>
Legal debt margin	<u>\$ 382,793,650</u>	<u>\$ 418,097,326</u>	<u>\$ 472,003,421</u>	<u>\$ 520,125,810</u>
Total net debt applicable to the limit as a percent of debt limit	0.36%	0.17%	0.08%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2007-2008:

Assessed value

Add back: exempt real property

Total assessed value

Debt limit (15% of total assessed value)

Debt applicable to limit

Legal debt margin

Note: Under state finance law, the City of Pico Rivera 's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

The City of Pico Rivera has elected to show only six years of data for this schedule.

Fiscal Year	
2006-07	2007-08
\$ 520,125,810	\$ 563,808,591
-	-
<u>\$ 520,125,810</u>	<u>\$ 563,808,591</u>

0.00%

0.00%

\$ 3,723,009,627
<u>35,714,311</u>
<u>\$ 3,758,723,938</u>
\$ 563,808,591
-
<u>\$ 563,808,591</u>

City of Pico Rivera
Pledged Revenue Bond Coverage

WATER AUTHORITY REVENUE BONDS - Last Ten Fiscal Years

Fiscal Year	Gross Revenue ⁽¹⁾	Rate Stabilization Fund ⁽²⁾	Gross Expenses ⁽³⁾	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
1998-99	\$ 4,744,554	\$ 600,000	\$ 2,725,892	\$ 2,618,662	\$ -	\$ 1,612,818	\$ 1,612,818	162.37%
1999-00	5,213,611	600,000	3,059,422	2,754,189	315,000	1,329,068	1,644,068	167.52%
2000-01	6,286,912	600,000	2,944,773	3,942,139	325,000	2,127,563	2,452,563	160.74%
2001-02	7,964,666	600,000	2,956,755	5,607,911	490,000	3,786,613	4,276,613	131.13%
2002-03	8,018,375	600,000	3,252,982	5,365,393	1,005,000	3,745,313	4,750,313	112.95%
2003-04	8,052,654	600,000	2,994,587	5,658,067	1,060,000	3,687,618	4,747,618	119.18%
2004-05	8,224,873	600,000	3,629,441	5,195,432	1,120,000	3,626,479	4,746,479	109.46%
2005-06	8,067,381	600,000	3,293,731	5,373,650	1,190,000	3,560,327	4,750,327	113.12%
2006-07	8,476,308	600,000	3,939,698	5,136,610	1,255,000	3,490,151	4,745,151	108.25%
2007-08	8,221,500	600,000	9,284,162	(462,662)	1,350,000	3,416,972	4,766,972	-9.71%

⁽¹⁾ Total Water Authority revenues

1989 TAX ALLOCATION BONDS - Two Fiscal Years

Fiscal Year	Gross Revenue ⁽¹⁾	Principal	Interest	Total	Coverage
1998-99	\$ 7,550,670	\$ 3,045,000	\$ 4,370,807	\$ 7,415,807	101.82%
1999-00	3,663,190	3,430,000	4,149,138	7,579,138	48.33%

⁽¹⁾ Total Redevelopment Agency revenues

2001 TAX ALLOCATION REFUNDING BONDS - Last Eight Fiscal Years

Fiscal Year	Gross Revenue ⁽¹⁾	Principal	Interest	Total	Coverage
2000-01	\$ 4,519,350	\$ -	\$ 957,816	\$ 957,816	471.84%
2001-02	2,522,182	150,000	2,844,450	2,994,450	84.23%
2002-03	4,147,748	545,000	2,820,125	3,365,125	123.26%
2003-04	4,998,535	585,000	2,780,575	3,365,575	148.52%
2004-05	6,243,546	625,000	2,738,225	3,363,225	185.64%
2005-06	6,678,153	670,000	2,692,900	3,362,900	198.58%
2006-07	6,485,741	715,000	2,644,425	3,359,425	193.06%
2007-08	6,710,233	765,000	2,592,625	3,357,625	199.85%

⁽¹⁾ Total Redevelopment Agency revenues

(2) On May 5, 1999, the Water Fund (Enterprise Fund) activities were transferred to the Pico Rivera Water Authority, a separate, legal entity managed by the City of Pico Rivera

(3) On January 30, 2001, the Pico Rivera Water Authority issued \$40,710,000 Revenue Bonds, 2001 Series A to purchase the Pico Rivera Redevelopment Project No. 1 Tax Allocation Refunding Bonds

Source: City of Pico Rivera Finance Department

City of Pico Rivera
Demographic and Economic Statistics
Last Six Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2002-03	65,925	\$ 905,875	\$ 13,741	6.60%
2003-04	66,003	954,469	14,461	6.10%
2004-05	66,663	986,879	14,804	4.70%
2005-06	67,330	994,935	14,777	4.10%
2006-07	67,074	999,939	14,908	4.10%
2007-08	66,867	1,194,311	17,861	4.60%

(1) Population projections are provided by the California Department of Finance Projections.

(2) Income data is provided by the United States Census Data and is adjusted for inflation. 2003-03 through 2006-07 data is based on Los Angeles County personal income data.

(3) Unemployment rate is provided by the EDD's Bureau of Labor Statistics Department.

The City of Pico Rivera has elected to show only six years of data for this schedule.

City of Pico Rivera
Principal Employers
Current Fiscal Year and Nine Fiscal Years Ago

Employer	Business Type	2007-08		1998-99	
		Employees	% of Total City Employment	Employees	% of Total City Employment
El Rancho Unified School District	Government	1,636	5.60%		
Wal-Mart Super Center	Retailer	600	2.05%		
BakeMark	Manufacturer	259	0.89%		
Target	Retailer	228	0.78%		
Pacific Coast Feather	Manufacturer	195	0.67%		
Cintas Corporation	Manufacturer	195	0.67%		
Bimbo Bakeries	Distribution Center	170	0.58%		
Feit Electric	Industrial	169	0.58%		
Los Angeles County Sheriff	Patrol Station	150	0.51%		
City of Pico Rivera	Government	129	0.44%		
Northrop Corp.	Manufacturer			1,900	6.96%
El Rancho Unified School District	Government			1,300	4.76%
City of Pico Rivera	Government			476	1.74%
Power Lift	Industrial			300	1.10%
BakeMark	Manufacturer			250	0.92%
Bay Cities Container Corp.	Industrial			185	0.68%
The Home Depot	Retailer			159	0.58%
Dynamic Electronics	Industrial			150	0.55%
Rush Truck Centers	Industrial			134	0.49%
Reeve Store Equipment Co.	Industrial			130	0.48%
	Total Top Employers	<u>3,731</u>	<u>12.78%</u>	<u>4,984</u>	<u>18.26%</u>
	Total City Employment (1)	29,200		27,300	

Results based on direct correspondence with City's local businesses.

(1) Based upon Employment Development Department's estimate of 29,200 residents employed in 2007-2008 and an estimate of 27,300 residents employed in 1998-1999.

Sources: City of Pico Rivera Finance Department
2007-08 MuniServices, LLC

City of Buena Park
 Full-Time Equivalent City Employees by Function
 Last Six Fiscal Years

Function	Fiscal Year					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
General Government	62.0	55.0	47.0	41.0	46.0	28.0
Public Safety	4.0	4.0	4.0	9.0	9.0	8.0
Public Works	46.0	45.0	47.0	42.0	54.0	48.0
Parks and Recreation	37.0	38.0	36.0	23.0	25.0	17.0
Community Development	18.0	18.0	18.0	26.0	18.0	17.0
Water	9.0	9.0	10.0	21.0	11.0	11.0
Total	176.0	169.0	162.0	162.0	163.0	129.0

The City of Pico Rivera has elected to show only six years of data for this schedule.

City of Pico Rivera
Operating Indicators by Function
Last Six Fiscal Years

Function	Fiscal Year					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Police:						
Calls dispatched	26,471	26,936	28,438	27,332	28,127	23,548
Crime reports	8,454	9,000	10,472	9,339	8,782	8,657
Moving citations	5,531	7,198	8,139	6,359	8,990	6,979
Parking citations	1,066	2,674	712	529	774	634
Streets and Highways:						
Asphalt repair (in tons)	(A)	(A)	(A)	1,600	1,248	360
Curb & gutter repair (lineal ft.)	(A)	(A)	(A)	1,000	15,456	2,550
Sidewalk repair (lineal ft.)	(A)	(A)	(A)	2,500	1,450	14,810
Traffic signals maintained	39	39	39	39	40	39
Water:						
Number of customer accounts	9,391	9,402	9,397	9,400	9,396	9,400
Average daily consumption (millions of gallons)	22,977	24,749	23,717	27,603	5	5
Water samples taken (annual)	841	867	895	919	520	767
Sewers:						
Feet of sewer mains root cut/chemically treated	11	11	11	11	11	11
Maintenance:						
Square ft. graffiti removal	(A)	(A)	(A)	950,000	431,715	23,425
Streetsweeping miles	1,174	1,174	1,174	1,174	1,200	1,174
Trees pruned per year	306	2,137	2,619	6,157	3,971	3,700
Culture and Recreation:						
Youth sports	900	907	861	478	855	685
Aquatics	18,123	15,003	17,027	15,597	38,879	35,964
Picnic rentals	-	-	-	-	-	-
Recreation classes	36,000	27,352	22,640	16,604	2,418	39,452
Senior Center participants	9,091	9,256	8,684	9,602	84,430	84,728

(A) Information is not available

The City of Pico Rivera has elected to show only six years of data for this schedule.

City of
Capital Asset Statistics by Function
Last Six Fiscal Years

Function	Fiscal Year					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Public Safety:						
Police stations	1	1	1	1	1	1
Number of patrol units	12	12	12	13	13	12
Highways and Streets:						
Miles of streets	115.2	115.2	115.2	115.2	115.2	137.0
Traffic Signals	39	39	39	39	40	40
Water:						
Number of active water wells	10	10	10	10	10	8
Number of reservoirs	3	3	3	3	3	3
Miles of lines & mains	98	98	98	98	98	98
Sewer:						
Miles of sanitary sewers	110	110	110	110	285	110
Miles of flood control channel	17	17	17	17	17	17
Culture and Recreation:						
Number of parks	7	7	7	7	7	7
Number of community centers	5	5	5	5	5	8

The City of Pico Rivera has elected to show only six years of data for this schedule.