



Comprehensive Annual Financial Report

*City of Pico Rivera, California
Fiscal Year Ended June 30, 2015*



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**CITY OF PICO RIVERA,
CALIFORNIA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared By

Finance Department

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CITY OF PICO RIVERA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

For the year ended June 30, 2015

	<u>Page Number</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	i
City Officials	vii
Organizational Chart	viii
Certificate of Achievement for Excellence in Financial Reporting	ix
FINANCIAL SECTION:	
Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Governmental Funds:	
Description of Major Funds	23
Balance Sheet	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	27
Statement of Revenues, Expenditures and Changes in Fund Balances	28
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	30
Proprietary Funds:	
Statement of Net Position	31
Statement of Revenues, Expenses and Changes in Net Position	32
Statement of Cash Flows	33
Fiduciary Funds:	
Description of Fiduciary Funds	35
Statement of Fiduciary Net Position	36
Statement of Changes in Fiduciary Net Position	37
Notes to Financial Statements	39

CITY OF PICO RIVERA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS
(CONTINUED)

For the year ended June 30, 2015

	<u>Page Number</u>
Required Supplementary Information:	97
Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous Employees Plan	98
Schedule of Contributions - Miscellaneous Employees Plan	99
Schedule of Changes in Net Pension Liability and Related Ratios - Council Plan	100
Schedule of Contributions - Council Plan	101
Schedules of Funding Progress - Other Post-Employment Benefits	102
Budgetary Comparison Schedules:	
General Fund	103
Housing Agency Section 8 Special Revenue Fund	104
Federal Grants Special Revenue Fund	105
Note to Required Supplementary Information	106
Supplementary Information:	107
Other Major Fund - Budgetary Comparison Schedule:	109
Capital Improvement Capital Projects Fund	110
Other Governmental Funds:	
Description of Other Governmental Funds	111
Combining Balance Sheet	114
Combining Statement of Revenues, Expenditures and Changes In Fund Balances	120
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Community Development Block Grant Special Revenue Fund	126
State Gas Tax Special Revenue Fund	127
Lighting Assessment District Special Revenue Fund	128
Park Development Special Revenue Fund	129
Prop A Special Revenue Fund	130
Prop C Special Revenue Fund	131
Measure R Special Revenue Fund	132
HOME Grant Special Revenue Fund	133
CalHOME Grant Special Revenue Fund	134

CITY OF PICO RIVERA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS
(CONTINUED)

For the year ended June 30, 2015

	<u>Page Number</u>
Supplementary Information (Continued):	
Other Governmental Funds (Continued):	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Continued):	
Air Quality Improvement Special Revenue Fund	135
County Grants Special Revenue Fund	136
State Grants Special Revenue Fund	137
Economic Development Assistance Grant Special Revenue Fund	138
Image Enhancement Special Revenue Fund	139
Sewer Maintenance Special Revenue Fund	140
Reach Grants Special Revenue Fund	141
Cable/PEG Support Special Revenue Fund	142
Transportation Development Act Special Revenue Fund	143
Paramount/Mines Landscape Maintenance Assessment Capital Projects Fund	144
Other Enterprise Funds:	
Description of Other Enterprise Funds	145
Combining Statement of Net Position	146
Combining Statement of Revenues, Expenses and Changes in Net Position	147
Combining Statement of Cash Flows	148
Internal Service Funds:	
Description of Internal Service Funds	149
Combining Statement of Net Position	150
Combining Statement of Revenues, Expenses and Changes in Net Position	151
Combining Statement of Cash Flows	152
Agency Fund:	
Description of Agency Fund	153
Combining Statement of Fiduciary Assets and Liabilities	154
Combining Statement of Changes in Assets and Liabilities	155

CITY OF PICO RIVERA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS
(CONTINUED)

For the year ended June 30, 2015

	<u>Page Number</u>
STATISTICAL SECTION (UNAUDITED):	157
Description of Statistical Section Contents	159
Financial Trends:	
Net Position by Component - Last Ten Fiscal Years	160
Change in Net Position - Expenses and Program Revenues - Last Ten Fiscal Years	162
Change in Net Position - General Revenues - Last Ten Fiscal Years	164
Fund Balances of Governmental Funds - Last Ten Fiscal Years	166
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	168
Revenue Capacity:	
Governmental Activities Tax Revenues by Sources - Last Ten Fiscal Years	170
Revenue Base by Category - Last Ten Fiscal Years	172
Property Tax Levies and Tax Collections - Last Ten Fiscal Years	174
Direct and Overlapping Governments Property Tax Rates - Last Ten Fiscal Years	176
Principal Property Taxpayers - Current Fiscal Year and Nine Fiscal Years Ago	177
Top 25 Sales Tax Producers - Current Fiscal Year and Nine Fiscal Years Ago	179
Debt Capacity:	
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	180
Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years	182
Direct and Overlapping Debt	183
Legal Debt Margin Information - Last Ten Fiscal Years	184
Pledged Revenue Bond Coverage:	
Water Authority Revenue Bonds - Last Ten Fiscal Years	186
2001 Tax Allocation Refunding Bonds - Last Ten Fiscal Years	186
2009 Lease Revenue Bonds - Last Six Fiscal Years	186
Demographic and Economic Information:	
Demographic and Economic Statistics - Last Ten Fiscal Years	187
Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago	188
Operating Information:	
Full-Time Equivalent City Employees by Function - Last Ten Fiscal Years	189
Operating Indicators by Function - Last Ten Fiscal Years	190
Capital Asset Statistics by Function - Last Ten Fiscal Years	192

INTRODUCTORY SECTION

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René Bobadilla, P.E.
City Manager

City of Pico Rivera

OFFICE OF THE CITY MANAGER

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City Council

David W. Armenta
Mayor

Bob J. Archuleta
Mayor Pro Tem

Gustavo V. Camacho
Councilmember

Gregory Salcido
Councilmember

Brent A. Tercero
Councilmember

January 21, 2016

Honorable Mayor and City Council
City of Pico Rivera, California

We are pleased to present the Comprehensive Annual Financial Report of the City of Pico Rivera for the fiscal year ended June 30, 2015. The purpose of this report is to provide the City Council, residents, general public and interested parties with a broad financial outlook of the City, as well as to comply with state law.

The Comprehensive Annual Financial Report is prepared using the guidelines set forth by the Government Accounting Standards Board and audited by White Nelson Diehl Evans LLP, Certified Public Accountants & Consultants. For the year ended June 30, 2015, these financial statements received an unmodified opinion by White Nelson Diehl Evans LLP. Their opinion is located at the beginning of the financial section of this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pico Rivera for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. Excluding 2007 (when there was significant management turnover), this was the 16th consecutive year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our Comprehensive Annual Financial Report for FY 2014-15 continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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. This combined presentation better represents the financial activities of the City of Pico Rivera.

See Management's Discussion and Analysis for additional information

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:

Pico Rivera Water Authority
Pico Rivera Housing Assistance Agency
Pico Rivera Public Financing 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, sewer, storm drainage, construction and maintenance of roads and highways, planning and zoning, recreation and cultural activities, and general administrative support. Police, fire (took out sewer and inserted above) and library services are provided by Los Angeles County. The services provided by the Pico Rivera Housing Assistance Agency include low-moderate income housing assistance.

Economic Condition and Outlook

The recent recession has been the longest in the United States since World War II and has represented the most significant economic challenge since the Great Depression. The City's vigorous economic development efforts continue to be funded in a manner that produces beneficial results. A key focus of the City's economic development strategy is to ensure that services and amenities are well balanced and targeted to maximize business opportunities throughout the community. As these previous years have seen the opening of various retailers and housing developments, the upcoming years will see an increased economic development activity that will include proposed and permitted infill housing development, hotel projects, and business expansions.

The City's top priority is to preserve and enhance the high quality of life Pico Rivera residents have come to expect. One of the keys to any community's quality of life is a vibrant and diversified economic base, with both a qualified workforce and quality jobs.

The City continues to be active in applying for federal and state grants as well as renewing existing grants. Knowing that some grant funding from the State and the Federal may face cuts, the City will still continue its efforts to boost revenue resources and recover costs more efficiently wherever possible.

For Fiscal Years 2012-13, 2013-14, and 2014-15, the General Fund had operating surpluses (before transfers in/out), of \$4,031,560, \$3,185,010, and \$4,763,592 respectively. There were also city-wide governmental activities surpluses of \$8,277,038, \$6,568,623 and \$5,161,117 (before extraordinary and special items), respectively. For FY 2015-16, the General Fund operating budget is balanced and mid-year adjustments are minimal. Even though pension costs are anticipated to rise in FY 2016-17, recent employee union negotiations are shifting more of the employee share of the pension cost to employees. It is anticipated that General Fund operating budgets will continue to have operating surpluses.

See Management's Discussion and Analysis for additional information

City Accomplishments and Initiatives

As one fiscal year finishes and we look ahead to the next fiscal year, the City of Pico Rivera accomplished and enjoyed a successful year of capital projects. A few of these capital projects are discussed below.

A notice of completion was issued in March 2015 for the Smith Park and Rio Vista Park Renovation projects. Project improvements included the construction of sports fields and grounds which include artificial turf football/soccer field, two artificial turf pee-wee soccer fields, five softball fields, four baseball fields, bullpens, two batting cages, two practice soccer fields, three concession/restroom buildings, two storage buildings, shade structures, group and individual picnic facilities, three children's playgrounds and additional parking spaces.

Ten traffic signals were upgraded, to: exclusive left-turn phasing, battery backup systems, pedestrian count-down modules, and LED traffic signal heads.

Approximately 400 residential water meters were replaced as part of the water meter upgrade program. These new meters meet the current water industry standards and are equipped with automated radio transmission devices which will reduce unaccounted for water, improve billing accuracy and facilitate faster meter reading.

The City took over the operation and maintenance of the sewer system within the City from the County of Los Angeles. After taking over the system, approximately 120,000 feet of sewer mains were cleaned and 1,400 sewer manholes were treated for roach control. The City has implemented an annual maintenance program for this system.

Projects currently in the design phase

The Rosemead Boulevard Hot Spot Project is currently in the design stage and is budgeted at \$8.48 million. The City is a member of the SR-91/I-605/I-405 Corridor Cities group. This project particular project will reduce congestion at intersections along Rosemead Blvd and crosses city boundaries. The Hot Spot Program funding is for the following intersections along Rosemead Boulevard: Beverly Boulevard (\$4,040,000), Whittier Boulevard (\$600,000) Washington Boulevard (\$40,000) and Slauson Avenue (\$1,700,000) and Telegraph Road (\$2,100,000).

Traffic safety improvements are currently in the design phase that includes the installation of two new signalized intersections, the installation of either flashing beacons near schools, 20,400 square feet of new sidewalk, 77 access ramps, and 60 new school crosswalks.

Durfee Avenue Railroad Underpass Project is currently in the design stage and has been funded by ACE Construction Authority to implement the project. This project objective is to mitigate the impacts of significant increases in light rail traffic over 70 miles of mainline railroad in the San Gabriel Valley.

See Management's Discussion and Analysis for additional information

GRANTS

The City of Pico Rivera actively pursues grants from all available sources and in FY 2014-15, has a combination of new awards and prior year unspent award carryovers totaling \$21,254,523. Of this amount, \$8,559,257(40%) are n federal grants, \$2,986,385 (14%) are state grants and \$9,708,881 (46%) are local grants.

A few of the larger Federal grant programs were: Section 8 Housing (\$4,449,676), Safe Route to Schools grant (\$1,276,600), Department of Transportation intersection improvement grant (\$899,100), and CDBG (\$653,362). Larger State grants were: CalHome Grant (\$1,000,000), REACH afterschool program grant (\$912,780), and CalGrip gang intervention and prevention grant (\$330,130). Larger Local grants were: Metropolitan Transportation Authority Intersection improvement grants (\$6,450,000), Proposition A transportation funding (\$1,095,000), Proposition C transportation funding (\$895,000), and Measure R transportation funding (\$640,000).

**CITY OF PICO RIVERA
SCHEDULE OF GRANT REVENUE & EXPENDITURES
As of June 30, 2015**

	Federal Grants	State Grants	Local Grants	Grand Total
GRANT ENTITLEMENT AMOUNT	\$ 8,559,257	\$ 2,986,385	\$ 9,708,881	\$ 21,254,523
Revenue Received in 2014-15	5,499,982	1,018,350	2,996,534	9,514,865
Plus Current Year Revenue Accrual	414,461	722,586	338,758	1,475,805
Ajusted 2014-15 Grant revenue	<u>5,914,443</u>	<u>1,740,936</u>	<u>3,335,291</u>	<u>10,990,670</u>
Detail of Program and Other Related Revenues				
Interest Income	54,355	5,533	20,299	80,187
Miscellaneous Revenues	35,804	-	-	35,804
Portability In Revenue	10,373	-	-	10,373
Sale of Real Or Personal Property	189,448	1,200	-	190,648
Cost Reimbursement		29,893	49,875	79,768
Total Program & Other Related Revenues	<u>289,980</u>	<u>36,627</u>	<u>70,173</u>	<u>396,780</u>
Total Grant Revenue from All Sources	<u>6,204,423</u>	<u>1,777,563</u>	<u>3,405,465</u>	<u>11,387,450</u>
Reimbursable Expenditures	6,261,223	1,680,414	2,816,244	10,757,882
Unreimbursed Expenses	-	75,146	-	
Adjusted 2014-15 Grant Expenditures	<u>6,261,223</u>	<u>1,755,560</u>	<u>2,816,244</u>	<u>10,833,028</u>
Revenues Over/(Under)Expenditures	<u>\$ (56,801)</u>	<u>\$ 22,003</u>	<u>\$ 589,220</u>	<u>\$ 554,422</u>

See Management's Discussion and Analysis for additional information

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 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 the cost of control should not exceed the benefits likely to be derived from the control. We believe that the City's current internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Financial Reporting

This is the thirteenth year the City's Comprehensive Annual Financial Report is prepared in conformance with the 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* and this is the second year for GASB Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 assets, including infrastructure, net of related depreciation. The Fund Statements are the traditional reporting of activity and balance sheet changes within each City Fund.

GASB 54 has altered the categories and terminology used to describe the components that make up a fund balance. The new fund balance components are non-spendable, restricted, committed, assigned and unassigned. Non-spendable is resources that are not in spendable form such as inventories, long-term receivables and non-financial assets held for resale. Restricted are resources that are subject to externally enforceable legal restrictions. Committed are resources that are constrained to specific purposes by formal action of the City Council. Assigned which are resources that are constrained by the City's intent to be used for a specific purpose but that are neither restricted for committed. Unassigned are resources either positive or negative, in excess of what are classified in one or more of the other fund balance categories.

See Management's Discussion and Analysis for additional information

GASB 68, which was implemented this year, required that the City recognize long-term unfunded pension debt on the government wide financial statements.

Budgetary Controls

As a general law city within the State of California, the City of Pico Rivera is required to adopt a budget. The City Council currently reviews and adopts an annual budget at the fund level with operating appropriations lapsing at year-end unless specific written approval is obtained from the City Manager. The City Council may also approve carryover appropriations into the next fiscal year.

Annual Audit

The accounting firm of White Nelson Diehl Evans LLP, Certified Public Accountants & Consultants 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 and accuracy 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.



René Bobadilla
City Manager

CITY OF PICO RIVERA

CITY OFFICIALS

June 30, 2015

City Council

Gregory Salcido, Mayor

David W. Armenta, Mayor Pro-Term

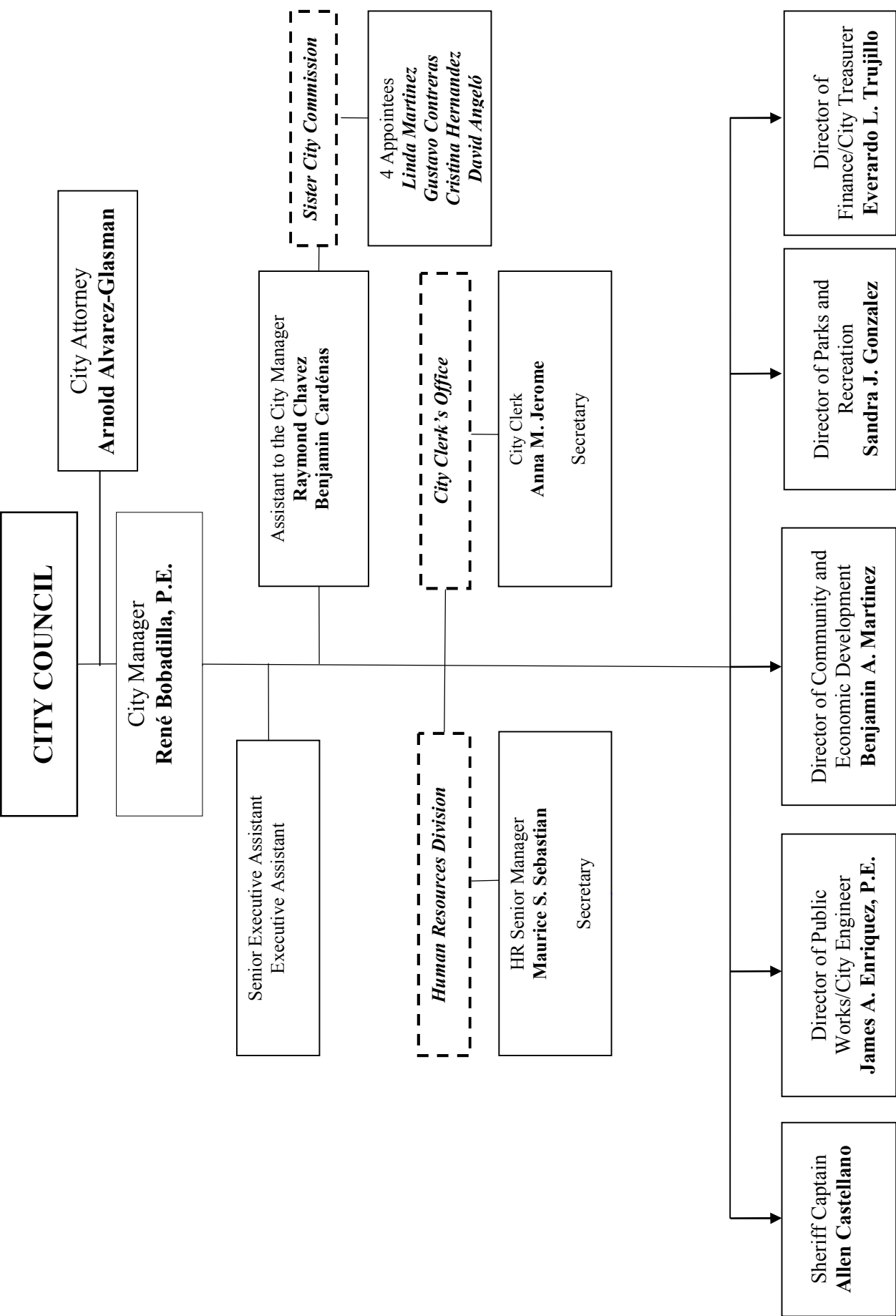
Bob J. Archuleta, Councilmember

Gustavo V. Camacho, Councilmember

Brent A. Tercero, Councilmember

Administration and Department Heads

City Manager	René Bobadilla, P.E.
City Clerk	Anna M. Jerome
Human Resources Senior Manager	Maurice S. Sebastian
Finance Director / City Treasurer	Everardo L. Trujillo
Public Works Director / City Engineer	James A. Enriquez, P.E.
Parks and Recreation Director	Sandra J. Gonzalez
Community & Economic Development Director	Benjamin A. Martinez





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Pico Rivera
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

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

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pico Rivera (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 basic financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the basic 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, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Notes 1D and 14 to the financial statements, the City adopted Governmental Accounting Standards Board's Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68"*. The adoption of these standards required retrospective application resulting in a \$26,458,379 and \$3,803,379 reduction of previously reported net position of the governmental activities and business-type activities, respectively, and a \$3,785,253 and \$18,126 reduction of previously reported net position of the water operations and other enterprise funds, respectively. Our opinions are not modified with respect to this matter.

As discussed in Note 3 to the financial statements, the outstanding advance from the City to the Water Authority did not change during the year since there were no surplus revenues, as defined by the agreement, available to make a payment on the advance. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Matters (Continued)

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

White Nelson Nick Evans LLP

Irvine, California
January 21, 2016

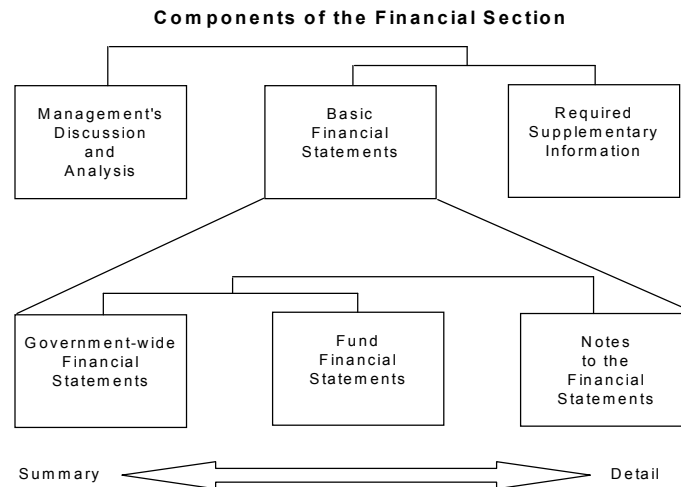
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CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

The Management Discussion and Analysis provides a narrative introduction, overview and analysis that will assist in understanding of the City's financial statements. We encourage readers to consider the information presented here in conjunction with the City's financial statements as of June 30, 2015, the transmittal letter and the notes to the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts --- The management discussion and analysis (this portion), the basic financial statements, notes to the financial statements and required supplementary information. In addition to the required parts, we have included the optional combining statements for other governmental funds, other enterprise funds, internal service funds and agency funds and a statistical section. This discussion and analysis is 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.



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 business in private-sector.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the assets/deferred outflows of resources and liabilities/deferred inflows of resources reported as net position. Net position is then shown as restricted or unrestricted. Over time, increases or decreases in the net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

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

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

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, parks and recreation, health and welfare, community development, 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 Public Financing Authority, the Pico Rivera Water Authority, and the Pico Rivera Housing Assistance Agency. 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 19 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.

Since 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 funds balance sheet and the governmental funds statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

This document reports twenty-six (26) governmental funds. Information is presented separately in the governmental funds balance sheet (pages 24 & 25) and in the governmental funds statement of revenues, expenditures and changes in fund balances (pages 28 & 29) for the General Fund, the Housing Agency Section 8 Special Revenue Fund, Federal Grants Special Revenue Fund, and the Capital Improvement Capital Projects Fund since these funds are considered major funds. Data from the additional twenty-two (22) other 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 which begins on page 111.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

The City adopts an annual appropriated budget for its General Fund as well as its other governmental, funds. Budgetary comparison statements are presented on pages 103 through 105, 110 and 126 through 144. The governmental funds financial statements can be found on pages 24 through 30 of this report.

Proprietary Funds - Proprietary funds use the accrual basis of accounting, which is the same method used by private businesses. The City maintains two different types of proprietary funds: enterprise funds and internal service funds. The City has three enterprise funds and they are the Water Enterprise Fund, the Golf Course Fund and the Sports Arena Fund. The three internal service funds are the OPEB (other post-employment benefit) Liability Fund, the Leave Liability Fund, and the Equipment Replacement Fund. The basic proprietary fund financial statements can be found beginning on pages 31 through 34 and pages 145 through 148 and 149 through 152 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City has three Fiduciary funds which are the Successor Agency to the City of Pico Rivera Redevelopment Agency Private-Purpose Trust Fund, the Assessment District 95-1 Improvement Agency Fund and the Southeast Water Coalition Joint Powers Authority Fund. These 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 the full accrual accounting method. The fiduciary fund financial statements can be found on pages 36 and 37 and pages 153 through 155 of this report.

Notes to Financial Statements

The notes to the 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 financial statements can be found beginning on page 39 of this report.

Required Supplementary Information

The required supplementary information further explains and supports the information in the financial statements. This section includes the schedules of the City's funding for its employee pension programs, other post-employment benefit program and the budgetary comparison for the general and major special revenue funds. The required supplementary information can be found on page 97 through 106 of this report.

Other Supplementary Information

Other supplementary information includes combining and individual budgetary comparison schedules for non major Governmental Funds, combining statements for other enterprise funds, internal services funds and agency funds. Other supplementary information can be found on pages 107 through 155 of this report.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

FINANCIAL HIGHLIGHTS

Citywide

- The City's total net position decreased from \$296.57 million to \$274.48 million. Of this amount, there was an increase in total assets of \$7.74 million to \$410.70 million, an increase in total liabilities of \$27.03 million to \$133.82 million, an increase of deferred outflows of resources of \$2.24 million and an increase of deferred inflows of resources of \$ 4.63 million. The increase in liabilities, deferred inflows of resources and deferred outflows of resources are all related to incorporating into the financial statements a net pension liability required under GASB 68.
- Citywide revenues totaled \$65.59 million, an increase of \$.766 million over the prior year. Expenses were \$58.48 million an increase of \$2.37 million over the prior year.
- Citywide capital assets, before depreciation, increased \$5.16 million to \$436.93 million. This increase includes street and park construction projects in progress, completion of street projects partially offset by the auction of obsolete vehicles and equipment.

Fund Level – Governmental Funds

- Governmental Fund revenues (excluding Other Financing Sources) increased \$2.96 million to \$54.05 million. This increase was primary due to nearly a million in new sewer fund assessment revenues and funding from outside agencies for construction projects.
- Governmental Fund expenditures (excluding Other Financing Sources) decreased \$3.06 million to \$46.80 million. This decrease was comprised of the following items a \$2.54 million reduction in capital outlay and small increases or decreases in department operating expenditures.
- General Fund revenues were \$37.67 million, an increase of \$1.19 million over the prior year. There were increases in taxes and assessments, licenses and permits, intergovernmental and miscellaneous revenue. These increases were partially offset by decreased in fines & forfeitures and charges for service. General Fund expenditures were \$32.90 million, a \$.38 million decrease from the prior year. The General Fund balance increased \$5.71 million at June 30, 2015 to \$50.94 million.

Fund Level – Proprietary Funds

The City has three Enterprise Funds and three Governmental Activities Internal Service Funds.

Business-type Activities – Enterprise Funds -- Overall, the total net position of these funds decreased \$1.85 million to \$12.91 million. Specifically, the net position for the Water Fund, the Golf Course Fund, and the Sports Arena Fund were \$13.09 million, a negative \$3,217 and a negative \$.181 million, respectively.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

- Total current and noncurrent assets decreased \$1.41 million to \$82.22 million.
- Total current and noncurrent liabilities increased \$1.35 million.
- Total operational revenues decreased \$.219 million to \$9.71 million and operating expenses increased \$.046 million to \$6.66 million.

Internal Service Funds – Governmental Activities –The three Internal Service Funds, OPEB, Leave Liability and Equipment Replacement, account for the financing of services provided to departments on a cost-reimbursement basis. The total net position increased \$.99 million to \$9.32 million.

- Total current assets ended the year at \$9.32 million, current liabilities were zero and the total net positions were \$9.32 million.

Fund Level – Fiduciary Funds

- The three Fiduciary Funds are discussed later in this document.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City of Pico Rivera is presenting its financial statements under the reporting models required by the Governmental Accounting Standard Board (GASB) pronouncements. The most recent pronouncement, GASB 68, requires the reporting of pension obligations on these financial statements. Shown below is the schedule of Statement of Net Position for the years ended June 30, 2015 and 2014.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Statement of Net position
Net Position
For the Years Ended June 30, 2015 and June 30, 2014
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
Assets:						
Current and other assets	\$ 55,139	\$ 46,143	\$ 6,440	\$ 6,239	\$ 61,579	\$ 52,382
Internal balances	19,639	20,851	(19,639)	(20,851)	-	-
Land held for resale	600	600			600	600
Receivables from Successor Agcy	14,842	14,825	28,379	29,517	43,221	44,342
Capital assets	257,900	257,763	47,396	47,870	305,296	305,633
Total Assets	\$ 348,120	\$ 340,182	\$ 62,576	\$ 62,775	\$ 410,696	\$ 402,957
Deferred Outflow of resources	\$ 1,959	\$ -	\$ 282	\$ -	\$ 2,241	\$ -
Liabilities:						
Current liabilities	\$ 12,621	\$ 12,237	\$ 1,429	\$ 1,537	\$ 14,050	\$ 13,774
Long-term liabilities	47,659	46,127	44,466	46,486	92,125	92,613
Net Pension liabilities	24,172		3,474		27,646	
Total Liabilities	\$ 84,452	\$ 58,364	\$ 49,369	\$ 48,023	\$ 133,821	\$ 106,387
Deferred Inflows of Resources	\$ 4,047	\$ -	\$ 583	\$ -	\$ 4,630	\$ -
Net Position:						
Net investment in capital assets	\$ 230,288	\$ 224,917	\$ 31,370	\$ 30,964	\$ 261,658	\$ 255,881
Restricted	11,904	13,017			11,904	13,017
Unrestricted	19,388	43,884	(18,465)	(16,212)	923	27,672
Total Net Position	\$ 261,580	\$ 281,818	\$ 12,905	\$ 14,752	\$ 274,485	\$ 296,570

* 2014 information has not been restated for implementation of GASB Statements 68 and 71.

Net position serves as an indicator of a government's financial position over time. As of June 30, 2015, the City's combined net position (governmental and business-type activities) totaled \$274.48 million, down \$22.08 million from the prior year. The decrease is mainly the result of the implementation of GASB 68, the \$27.65 million net pension liability on the financial statements.

Net position consists of three categories: net investment in capital assets, restricted and unrestricted assets. The largest amount of the net position, approximately \$261.66 million, is the City's investment in capital assets which includes land, buildings, infrastructure, furniture and equipment net of accumulated depreciation and related debt for acquiring these capital assets. Since the capital assets are used to provide services to citizens, these assets are not available to fund the City's day-to-day activities.

At June 30, 2015, the City's restricted net position was \$11.90 million or 4.34% of the total net position. These are assets subject to external restrictions, constitutional provisions, or enabling legislation that limit how these assets may be used. The restricted net position includes the Housing Agency Section 8 Special Revenue Fund and various other special revenue funds. The remaining balance of net position of \$.92 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Governmental Activities - Governmental assets increased \$7.94 million to \$348.12 million, liabilities increased \$26.09 million to \$84.45 million, and total net position decreased \$20.24 million to \$261.58 million when compared to the prior year.

- Current and other assets increased \$9.00 million.
- Internal balances decreased \$1.21 million.
- Long term liabilities, increased \$1.53 million. The largest component of this increase is the increase in post-employment health benefit liabilities.
- There was \$24.17 million in pension liabilities added to the financial statements along with deferred outflow of resources and deferred inflows of resources that are related to the implementation of GASB 68.
- Net Position decreased \$20.24 million but there was a decrease of \$1.11 million in restricted assets, an increase of \$5.37 million in net investment in capital assets and a decrease of \$24.50 million in unrestricted assets.

Business-Type Activities - Business-type activities assets decreased \$199,000 to \$62.58 million. Liabilities increased \$1.35 million to \$49.37 million and the total net position decreased \$1.85 million to \$12.91 million which was resulting from pension liability.

- Internal balances decreased \$1.21 million
- Current liabilities decreased \$0.11 million to \$1.43 million and long-term liabilities decreased \$2.02 million.
- There was \$3.47 million in pension liabilities added to the financial statements along with deferred outflow of resources and deferred inflows of resources that are related to the implementation of GASB 68.
- Total net position decreased \$1.847 million primarily due to recognition of pension obligation.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

The Statement of Activities for the Governmental Activities and Business-type Activities is shown below.

Statement of Activities
For the Years Ended June 30, 2015 and June 30, 2014
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
Revenues:						
Program revenues:						
Charges for services	\$ 5,142	\$ 4,045	\$ 9,707	\$ 9,831	\$ 14,849	\$ 13,876
Operating grants & contrib.	12,296	13,323			12,296	13,323
Capital Grants & contrib.	2,287	2,379			2,287	2,379
General Revenues:					-	-
Property taxes	9,611	9,270			9,611	9,270
Sales and use taxes	16,368	16,435			16,368	16,435
Franchise taxes	1,647	1,641			1,647	1,641
Utility users taxes	3,525	3,504			3,525	3,504
Other taxes	1,761	1,711			1,761	1,711
Investment earnings	152	40	2,226	2,308	2,378	2,348
Miscellaneous	871	244		96	871	340
Total Revenues	<u>\$ 53,660</u>	<u>\$ 52,592</u>	<u>\$ 11,933</u>	<u>\$ 12,235</u>	<u>\$ 65,593</u>	<u>\$ 64,827</u>
Expenses:						
General government	\$ 9,248	\$ 9,955	\$ -	\$ -	\$ 9,248	\$ 9,955
Public safety	10,458	11,203			10,458	11,203
Public works	14,545	10,499			14,545	10,499
Parks and recreation	5,601	5,422			5,601	5,422
Health and welfare	4,841	5,339			4,841	5,339
Community development	2,761	2,512			2,761	2,512
Interest and fiscal charges	1,657	1,742			1,657	1,742
Enterprise operations			9,365	9,441	9,365	9,441
Total Expenses	<u>\$ 49,111</u>	<u>\$ 46,672</u>	<u>\$ 9,365</u>	<u>\$ 9,441</u>	<u>\$ 58,476</u>	<u>\$ 56,113</u>
Increase/decrease in net position before transfers	\$ 4,549	\$ 5,920	\$ 2,568	\$ 2,794	\$ 7,117	\$ 8,714
Transfers	<u>612</u>	<u>649</u>	<u>(612)</u>	<u>(649)</u>		
Increase/(dec) in net position	5,161	6,569	1,956	2,145	7,117	8,714
Special Item	1,060	(9,075)				(9,075)
Adjustment to Beg Net Position	(26,459)		(3,803)		(30,262)	-
Net Position - Beg of year	<u>281,818</u>	<u>284,324</u>	<u>14,752</u>	<u>12,607</u>	<u>296,570</u>	<u>296,931</u>
Net Position - End of year	<u>\$ 261,580</u>	<u>\$ 281,818</u>	<u>\$ 12,905</u>	<u>\$ 14,752</u>	<u>\$ 274,485</u>	<u>\$ 296,570</u>

* 2014 information has not been restated for implementation of GASB Statements 68 and 71.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Overall, revenues exceeded expenses by \$7.52 million. However, due to a \$30.26 million net pension liability negative adjustment to beginning net position end of year, net position decreased \$21.69 million.

Governmental Activities – Total revenues increased \$1.07 million and expenses increased \$2.04 million when compared to the previous year.

- Program revenues increased \$22,000. The increase in charges for services was slightly more than the decrease in operating grants and contributions.
- General revenues increased \$1.09 million. There were small increases in property taxes, franchise taxes, utility user's tax, and miscellaneous revenues which were partially offset by a decrease of sales tax. The reduction in sales tax is primarily due to a temporary renovation closure of a large big box store.
- Expenses increased \$2.44 million. There was a \$4.04 million increase in public works and smaller increases in parks and recreation and community development. There were decreases in general government, public safety health and welfare and interest charges.

Business-Type Activities - The Water Fund is the primary enterprise fund and most variances relate to this fund.

- Revenue decreased \$302,000 primarily due to mandatory reduced water consumption and expenses decreased only \$76,000.

FUND FINANCIAL STATEMENTS

Governmental Funds - The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows and outflows during the fiscal year and balances of spendable resources at the end of the fiscal year. Such information may be useful in assessing City's financing requirements to meet the current needs. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for appropriation.

As of June 30, 2015 the City's governmental funds reported a combined ending fund balance of \$60.04 million as shown on page 25. The fund balance categories of governmental fund displayed \$25.82 million as nonspendable, \$13.73 million as restricted, \$9.32 million as committed, \$10.27 million as assigned, and \$.90 million as unassigned. (Please refer to Note 12 of the Notes to Financial Statements for detailed breakdown.)

There are four major governmental funds which are: the General Fund, the Special Revenue Housing Agency Section 8 Fund, Special Revenue Federal Grants Fund, and the Capital Projects Capital Improvement Fund which are described below. Major Funds are defined generally as having significant activities or balances in the current year. Other governmental individual funds may be found in the Supplemental section begins on page 111.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

General Fund - The General Fund is the chief operating fund of the City and is used for all the general revenues of the City not specifically levied or collected for other City funds and its related expenditures. At the end of the current fiscal year, the General Fund had a fund balance of \$50.94 million, an increase of \$5.71 million from previous year. Nearly all of the fund balance has been restricted, committed, assigned or considered nonspendable. The nonspendable amount is \$25.22 million, the restricted amount is \$2.36 million, the committed amount is \$9.32 million, the assigned amount is \$10.27 million and the unassigned amount is \$3.77 million.

- Revenue of \$37.67 million exceeded budget by \$2.13 million. There was a cost reimbursement of \$1.42 million from the Los Angeles County for excess library project funding that was unanticipated and taxes, license permits also came in over budget. The revenues that did not meet their respective budgets were fines, forfeitures and charges for service came in under their respective budgets. See page 103 for specific comparisons.
- Expenditures of \$32.90 million came in under budget by \$3.74 million. Please see page 103 which shows specific comparisons for expenditures.
- Total other financing sources (uses) had a variance of \$1.67 million. Transfers in were slightly under budget and Transfers out were \$2.03 million under budget.

Housing Agency Section 8 Special Revenue Fund – This Fund accounts for monies received from the U.S. Department of Housing and Urban Development for rental assistance for very low and low income families to meet their housing needs. During the year, \$4.50 million in revenue was received and \$4.80 million was spent. The ending fund balance was \$528,688.

Federal Grants Special Revenue Fund – The Federal Grants Special Revenue Fund accounts for monies received from the United States (federal) government for the rehabilitation of streets, intersections and parkway improvements. During the year, \$2.74 million was either received or billed and \$1.41 million was transferred to the Capital Improvement Fund where it was spent on capital projects. The ending fund balance was a negative \$915,549.

Capital Improvement Capital Projects Fund - The Capital Improvement Capital Projects Fund is a capital improvements fund that accounts for all governmental type fund capital expenditures. Monies are transferred in from other city funds and spent in this fund. The Capital Improvement Capital Projects Fund has an ending balance of a negative \$503,583 due to accrued but not funded retention payments to several vendors. During the year, \$5.18 million was spent.

Business-type Activities – Enterprise Funds

There is one major fund in enterprise fund; the Water Operations Enterprise fund which is discussed below.

Water Operations Enterprise Fund - The Water Operations Enterprise Fund accounts for the operation and maintenance of the City's water treatment, water transmission and distribution system. During the year, \$8.71 million was collected as charges for services and operating expenses were \$5.34 million. There were additional monies received as investment income as well as payments on bonded debt and transfers to other funds. Overall, there was a profit of \$2.56 million and the Water Fund's net position increased to \$13.09 million.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Please refer to pages 24 and 25 for the Balance Sheet of Governmental Funds, page 27 for the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position, pages 28 and 29 for the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds, and page 30 for the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities. For the Water Operations Enterprise Fund, see pages 31 through 34.

Capital Assets Administration

The City's investment in capital assets for its governmental activities at June 30, 2015 was \$304.24 million (net of accumulated depreciation of \$131.63 million). The investment in capital assets includes land, buildings, structures and improvements, infrastructure (roads, sidewalks, streetlights, etc.), furniture and equipment and construction in progress.

Capital Assets (Net of Accumulated Depreciation)
Fiscal Year ended June 30, 2015 and June 30, 2014
(In thousands)

	Governmental Activities		Business - Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 118,849	\$ 117,789	\$ 18,174	\$ 18,174	\$ 137,023	\$ 135,963
Structures & Improvements	21,445	21,445	5,014	5,014	26,459	26,459
Furniture & Equipment	6,519	7,072	1,006	1,029	7,525	8,101
Utility Plant	-	-	27,366	27,366	27,366	27,366
Infrastructure	207,195	146,611	13,172	12,613	220,367	159,224
Construction in progress	16,825	72,958	1,360	1,696	18,185	74,654
Total Capital Assets	\$ 370,833	\$ 365,875	\$ 66,092	\$ 65,892	\$ 436,925	\$ 431,767
Less depreciation	(112,933)	(108,112)	(18,696)	(18,022)	(131,629)	(126,134)
Net Capital Assets	\$ 257,900	\$ 257,763	\$ 47,396	\$ 47,870	\$ 305,296	\$ 305,633

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

Governmental activities

- Land increased \$1.06 million as a result of transfer from the Successor Agency (see note 15).
- The infrastructure increase of \$60.58 million is primary due to the completion of the Passons Blvd underpass project, Smith Park renovation, Rio Vista Park renovation, Residential Resurfacing Projects, construction of city entrance monuments sidewalk improvements, the Slauson Avenue street improvement project and the installation of the City Hall Backup Generator.
- Furniture & equipment decreased \$.55 million, which reflects the retirement of 12 vehicles, 4 pieces of parks equipment, various obsolete office furniture partially offset by the purchase of 3 vehicles, and the upgrade of conference room video equipment.
- Construction in process decreased \$56.13 million. During the year, \$60.58 million was reclassified from construction in progress to infrastructure for projects completed and there was the addition of work in progress of \$4.45 million.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Business-type activities - Business-type activities capital assets, before depreciation, increased during the year by only \$.200 million which is considered immaterial considering the assets held in the enterprise funds.

Additional information on the City's capital assets can be found in Note 5 of the notes to the financial statements on pages 59 and 60 of this report.

Debt Administration

As of June 30, 2015, the City had total debt outstanding of \$119.77 million, an increase of \$27.16 million. Debt includes bonded, pension obligation, post employment benefits and compensated absences. State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation. The current debt limitation for the City is \$644 million.

Outstanding Debt
Fiscal Year ended June 30, 2015 and June 30, 2014
(In thousands)

	Governmental Activities		Business - Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Bonded indebtedness:						
Revenue bonds	\$ 31,105	\$ 31,715	\$ 44,265	\$ 46,270	\$ 75,370	\$ 77,985
Bond premium	1,086	1,131	551	591	1,637	1,722
Bond discount	-	-	(411)	(438)	(411)	(438)
Other long-term debt:						
Net Pension Liabilities	24,172	-	3,474	-	27,646	-
Other post-employ'm't benefits	14,905	12,678			14,905	12,678
Compensated absences	563	603	61	63	624	666
Total Indebtedness	\$ 71,831	\$ 46,127	\$ 47,940	\$ 46,486	\$ 119,771	\$ 92,613

Governmental activities - Governmental activities outstanding debt increased during the year by \$25.71 million. Of this amount, \$24.17 million in net pension liabilities were added and there was a \$2.22 million increase in post-employment benefits. These increases were partially offset by reductions in revenue bond premiums and compensated absences debt. Overall, governmental debt at year end is \$71.83 million. Please refer to Note 6 beginning on page 61 for further detail.

Business-type activities - Business-type activities outstanding debt increased during the year by \$1.45 million. There was an addition of \$3.47 million in net pension liabilities added partially offset by decreases in revenue bond debt and compensated absence debt. Overall, business-type debt at year end is \$47.94 million. Please refer to Note 6 beginning on page 61 for further detail.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Citywide assessed valuations increased \$183.90 million or 4.5% to \$4.259 million and we are optimistic about the region's economic recovery. However, we continue to be conservative when projecting future revenues and the City faces increased annual pension and post-employment benefit costs.

The fiscal year 2015-16 City Budget is balanced and was prepared using Zero Based budgeting. Every department and function budget was analyzed and expenses justified. Management believes the City will continue improving its overall quality of service to our public and maximize business opportunities.

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, City of Pico Rivera, California.

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CITY OF PICO RIVERA

STATEMENT OF NET POSITION

June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and investments	\$ 41,211,321	\$ 635,499	\$ 41,846,820
Restricted cash and investments:			
Cash and investments with fiscal agents	2,358,946	4,402,646	6,761,592
Escrow deposits	19,925	-	19,925
Receivables, net			
Accounts	2,922,369	1,377,075	4,299,444
Taxes	3,186,115	-	3,186,115
Interest	18,913	774	19,687
Internal balances	19,639,189	(19,639,189)	-
Inventories	-	24,068	24,068
Long-term receivables	5,420,755	-	5,420,755
Land held for resale	600,000	-	600,000
Receivables from Successor Agency	14,842,357	28,378,841	43,221,198
Capital assets, not depreciated	135,673,641	19,534,174	155,207,815
Capital assets, depreciated, net	122,226,643	27,861,976	150,088,619
TOTAL ASSETS	348,120,174	62,575,864	410,696,038
DEFERRED OUTFLOWS OF RESOURCES:			
Amounts related to pension plans	1,958,650	282,112	2,240,762
LIABILITIES:			
Accounts payable	3,281,436	402,576	3,684,012
Accrued interest payable	633,395	292,693	926,088
Accrued liabilities	692,575	105,576	798,151
Deposits	875,547	572,760	1,448,307
Retention payable	1,111,497	55,683	1,167,180
Due to other agencies	6,026,454	-	6,026,454
Long-term liabilities:			
Due within one year	747,718	2,126,101	2,873,819
Due in more than one year	46,911,338	42,339,527	89,250,865
Net pension liability	24,172,149	3,474,478	27,646,627
TOTAL LIABILITIES	84,452,109	49,369,394	133,821,503
DEFERRED INFLOWS OF RESOURCES:			
Amounts related to pension plans	4,046,877	583,446	4,630,323
NET POSITION:			
Net investment in capital assets	230,288,295	31,370,373	261,658,668
Restricted for debt service	25,482	-	25,482
Restricted for community development	5,021,559	-	5,021,559
Restricted for transportation	3,735,532	-	3,735,532
Restricted for low and moderate income housing	2,554,331	-	2,554,331
Restricted for other purposes	566,588	-	566,588
Unrestricted	19,388,051	(18,465,237)	922,814
TOTAL NET POSITION	\$ 261,579,838	\$ 12,905,136	\$ 274,484,974

See accompanying notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF ACTIVITIES

For the year ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 9,248,597	\$ 574,846	\$ 1,754,503	\$ -
Public safety	10,457,770	1,125,660	127,920	-
Public works	14,545,183	1,821,210	3,785,172	2,287,187
Parks and recreation	5,600,669	743,400	1,007,665	-
Health and welfare	4,840,878	232,824	113,922	-
Community development	2,761,524	644,344	5,507,142	-
Interest and fiscal charges	1,656,613	-	-	-
Total governmental activities	<u>49,111,234</u>	<u>5,142,284</u>	<u>12,296,324</u>	<u>2,287,187</u>
Business-type activities:				
Water	8,044,302	8,710,623	-	-
Sports Arena	209,065	180,000	-	-
Golf	1,111,520	816,548	-	-
Total business-type activities	<u>9,364,887</u>	<u>9,707,171</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 58,476,121</u>	<u>\$ 14,849,455</u>	<u>\$ 12,296,324</u>	<u>\$ 2,287,187</u>

General revenues:

Taxes:

Property

Sales and use

Franchise

Utility users

Other

Unrestricted investment earnings

Miscellaneous

Gain on sale of property

Transfers

Total general revenues and transfers

Change in net position before special item

Special item:

Transfer of assets from Successor Agency (Note 15)

Change in net position

Net position - beginning of year, as restated

Net position - end of year

See accompanying notes to financial statements.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (6,919,248)	\$ -	\$ (6,919,248)
(9,204,190)	-	(9,204,190)
(6,651,614)	-	(6,651,614)
(3,849,604)	-	(3,849,604)
(4,494,132)	-	(4,494,132)
3,389,962	-	3,389,962
(1,656,613)	-	(1,656,613)
<u>(29,385,439)</u>	<u>-</u>	<u>(29,385,439)</u>
-	666,321	666,321
-	(29,065)	(29,065)
-	(294,972)	(294,972)
<u>-</u>	<u>342,284</u>	<u>342,284</u>
<u>(29,385,439)</u>	<u>342,284</u>	<u>(29,043,155)</u>
9,611,244	-	9,611,244
16,368,367	-	16,368,367
1,646,884	-	1,646,884
3,525,036	-	3,525,036
1,760,876	-	1,760,876
151,636	2,226,339	2,377,975
613,592	-	613,592
257,194	-	257,194
611,727	(611,727)	-
<u>34,546,556</u>	<u>1,614,612</u>	<u>36,161,168</u>
5,161,117	1,956,896	7,118,013
<u>1,059,577</u>	<u>-</u>	<u>1,059,577</u>
6,220,694	1,956,896	8,177,590
<u>255,359,144</u>	<u>10,948,240</u>	<u>266,307,384</u>
<u>\$ 261,579,838</u>	<u>\$ 12,905,136</u>	<u>\$ 274,484,974</u>

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CITY OF PICO RIVERA

DESCRIPTION OF MAJOR FUNDS

June 30, 2015

GOVERNMENTAL FUNDS

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.

Housing Agency Section 8 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.

Federal Grants Special Revenue Fund accounts for funds received from the United States (Federal) government for the rehabilitation of intersections and parkway improvements.

Capital Improvement Capital Projects Fund accounts for activity related to the City's capital projects other than those accounted for in the Enterprise Funds.

ENTERPRISE FUND

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

CITY OF PICO RIVERA

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2015

		Special Revenue Funds	
	General	Housing Agency Section 8	Federal Grants
ASSETS			
Cash and investments	\$ 21,003,445	\$ 450,806	\$ -
Restricted cash and investments:			
Cash and investments with fiscal agents	2,358,919	-	-
Escrow deposits	-	19,925	-
Receivables:			
Accounts	226,995	101,001	1,138,595
Taxes	3,129,133	-	-
Interest	8,131	176	-
Due from other funds	2,620,221	-	-
Advance to other funds	18,965,308	-	-
Long-term receivables	-	-	-
Land held for resale	-	-	-
Receivables from Successor Agency	12,831,201	-	-
TOTAL ASSETS	\$ 61,143,353	\$ 571,908	\$ 1,138,595
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 2,138,529	\$ 2,390	\$ -
Accrued liabilities	634,147	20,905	-
Due to other funds	-	-	1,119,437
Deposits	855,622	19,925	-
Retention payable	-	-	-
Due to other agencies	-	-	-
TOTAL LIABILITIES	3,628,298	43,220	1,119,437
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	6,571,116	-	934,707
FUND BALANCES (DEFICITS):			
Nonspendable	25,222,739	-	-
Restricted	2,358,919	528,688	-
Committed	9,316,732	-	-
Assigned	10,272,833	-	-
Unassigned	3,772,716	-	(915,549)
TOTAL FUND BALANCES (DEFICITS)	50,943,939	528,688	(915,549)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
	\$ 61,143,353	\$ 571,908	\$ 1,138,595

See accompanying notes to financial statements.

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,313,525	\$ 9,118,575	\$ 31,886,351
-	27	2,358,946
-	-	19,925
12,249	1,443,529	2,922,369
-	56,982	3,186,115
-	10,606	18,913
-	-	2,620,221
-	-	18,965,308
-	5,420,755	5,420,755
600,000	-	600,000
-	2,011,156	14,842,357
<u>\$ 1,925,774</u>	<u>\$ 18,061,630</u>	<u>\$ 82,841,260</u>

\$ 716,798	\$ 423,719	\$ 3,281,436
1,062	36,461	692,575
-	826,903	1,946,340
-	-	875,547
1,111,497	-	1,111,497
600,000	5,426,454	6,026,454
<u>2,429,357</u>	<u>6,713,537</u>	<u>13,933,849</u>

-	1,360,953	8,866,776
---	-----------	-----------

600,000	-	25,822,739
-	10,837,770	13,725,377
-	-	9,316,732
-	-	10,272,833
(1,103,583)	(850,630)	902,954
<u>(503,583)</u>	<u>9,987,140</u>	<u>60,040,635</u>

<u>\$ 1,925,774</u>	<u>\$ 18,061,630</u>	<u>\$ 82,841,260</u>
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CITY OF PICO RIVERA

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

June 30, 2015

Fund balances (deficits) for governmental funds	\$ 60,040,635
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

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

Governmental capital assets	\$ 370,833,472	
Less accumulated depreciation	<u>(112,933,188)</u>	257,900,284

Interest receivable on certain long-term loans and certain grants receivable are not
available to pay for current-period expenditures and, therefore, are deferred in the
governmental funds. In the Statement of Net Position, these receivables are
recognized as earned revenues.

8,866,776

Internal service funds were used by management to charge the costs of certain activities
to individual funds. The assets and liabilities of the internal service funds were included
in governmental activities in the Statement of Net Position.

OPEB liability	\$ 7,638,302	
Leave liability	563,588	
Equipment replacement	<u>1,123,080</u>	9,324,970

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

Compensated absences	\$ (563,588)	
Accrued interest payable	(633,395)	
Other post-employment benefits	(14,904,776)	
Revenue bonds payable	(32,190,692)	
Net pension liability	<u>(24,172,149)</u>	(72,464,600)

Pension related deferred outflows of resources, net of accumulated
amortization have not been reported in the governmental funds:

Employer contributions subsequent to the measurement date	1,958,650
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Pension related deferred inflows of resources, net of accumulated amortization,
have not been reported in the governmental funds:

Difference in projected and actual earnings on investments	<u>(4,046,877)</u>
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Net position of governmental activities	<u><u>\$ 261,579,838</u></u>
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See accompanying 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, 2015

		Special Revenue Funds	
	General	Housing Agency Section 8	Federal Grants
REVENUES:			
Taxes and assessments	\$ 29,942,939	\$ -	\$ -
Licenses and permits	2,363,477	-	-
Intergovernmental	311,973	4,449,676	2,742,034
Charges for services	1,723,440	-	-
Fines, forfeitures and penalties	1,134,906	-	-
Investment and rental	47,295	749	-
Miscellaneous	2,142,737	46,177	-
TOTAL REVENUES	<u>37,666,767</u>	<u>4,496,602</u>	<u>2,742,034</u>
EXPENDITURES:			
Current:			
General government	6,867,125	-	-
Public safety	10,435,184	-	-
Public works	7,588,159	-	-
Parks and recreation	3,825,479	-	-
Health and welfare	-	4,792,639	-
Community development	1,866,590	-	-
Capital outlay	-	-	-
Debt service:			
Principal	610,000	-	-
Interest and fiscal charges	1,710,638	-	-
TOTAL EXPENDITURES	<u>32,903,175</u>	<u>4,792,639</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,763,592</u>	<u>(296,037)</u>	<u>2,742,034</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	2,861,809	-	-
Transfers out	(1,914,629)	-	(1,412,966)
TOTAL OTHER FINANCING SOURCES (USES)	<u>947,180</u>	<u>-</u>	<u>(1,412,966)</u>
NET CHANGE IN FUND BALANCES	5,710,772	(296,037)	1,329,068
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	<u>45,233,167</u>	<u>824,725</u>	<u>(2,244,617)</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 50,943,939</u>	<u>\$ 528,688</u>	<u>\$ (915,549)</u>

See accompanying notes to financial statements.

Capital Projects Fund	Other	Total
Capital Improvement	Governmental Funds	Governmental Funds
\$ -	\$ 4,140,171	\$ 34,083,110
-	-	2,363,477
-	4,199,882	11,703,565
69,152	96,746	1,889,338
-	-	1,134,906
-	288,033	336,077
-	346,381	2,535,295
<u>69,152</u>	<u>9,071,213</u>	<u>54,045,768</u>
-	17,273	6,884,398
-	-	10,435,184
-	2,033,152	9,621,311
-	969,241	4,794,720
-	48,239	4,840,878
-	863,533	2,730,123
5,175,862	-	5,175,862
-	-	610,000
-	-	1,710,638
<u>5,175,862</u>	<u>3,931,438</u>	<u>46,803,114</u>
<u>(5,106,710)</u>	<u>5,139,775</u>	<u>7,242,654</u>
4,757,143	-	7,618,952
<u>-</u>	<u>(4,660,338)</u>	<u>(7,987,933)</u>
<u>4,757,143</u>	<u>(4,660,338)</u>	<u>(368,981)</u>
(349,567)	479,437	6,873,673
<u>(154,016)</u>	<u>9,507,703</u>	<u>53,166,962</u>
<u>\$ (503,583)</u>	<u>\$ 9,987,140</u>	<u>\$ 60,040,635</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, 2015

Net change in fund balances - total governmental funds	\$ 6,873,673
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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 expenses in the current period:

Capital expenditures	\$ 4,586,713	
Transfer of land from Successor Agency	\$ 1,059,577	
Depreciation expense	<u>(5,508,878)</u>	137,412

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

Adjustment to interest income on notes receivable and advances to other funds	\$ 23,686	
Grant revenue not available to pay for current-period expenditures	<u>(475,376)</u>	(451,690)

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:

Increase in net other post-employment obligation	\$ (2,226,416)	
Net change in compensated absences	<u>39,215</u>	(2,187,201)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

610,000

Interest expense on long-term liabilities was reported in the Statement of Activities, but it does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The following amount represents the change in accrued interest for the current period.

54,025

Internal service funds were used by management to charge the cost of certain activities to the individual funds. The net revenue of the internal service funds was reported with governmental activities.

986,472

Pension expense reported in the governmental funds includes the actual contributions made in the fiscal year. Pension expense reported in the Statement of Activities includes the changes in the net pension liability and pension related deferred outflows/inflows of resources.

Change in net pension liability	\$ 1,479,046	
Change in deferred outflows of resources related to pensions	(268,352)	
Change in deferred inflows of resources related to pensions	<u>(1,012,691)</u>	<u>198,003</u>

Change in net position of governmental activities	<u><u>\$ 6,220,694</u></u>
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See accompanying notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Operations	Other Funds	Total	Internal Service Funds
ASSETS:				
CURRENT ASSETS:				
Cash and investments	\$ 424,226	\$ 211,273	\$ 635,499	\$ 9,324,970
Receivables, net:				
Accounts	1,274,766	102,309	1,377,075	-
Interest	249	525	774	-
Inventories, at cost	-	24,068	24,068	-
TOTAL CURRENT ASSETS	<u>1,699,241</u>	<u>338,175</u>	<u>2,037,416</u>	<u>9,324,970</u>
NONCURRENT ASSETS:				
Restricted cash and investments with fiscal agent	4,402,646	-	4,402,646	-
Receivables from Successor Agency	28,378,841	-	28,378,841	-
Capital assets, not depreciated	19,491,861	42,313	19,534,174	-
Capital assets, depreciated, net	26,984,177	877,799	27,861,976	-
TOTAL NONCURRENT ASSETS	<u>79,257,525</u>	<u>920,112</u>	<u>80,177,637</u>	<u>-</u>
TOTAL ASSETS	<u>80,956,766</u>	<u>1,258,287</u>	<u>82,215,053</u>	<u>9,324,970</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Amount related to pensions	280,768	1,344	282,112	-
LIABILITIES:				
CURRENT LIABILITIES:				
Accounts payable	390,642	11,934	402,576	-
Accrued interest payable	292,693	-	292,693	-
Accrued liabilities	80,256	25,320	105,576	-
Due to other funds	-	673,881	673,881	-
Deposits	563,984	8,776	572,760	-
Retentions payable	55,683	-	55,683	-
Bonds payable - current portion	2,120,000	-	2,120,000	-
Compensated absences - current portion	6,101	-	6,101	-
TOTAL CURRENT LIABILITIES	<u>3,509,359</u>	<u>719,911</u>	<u>4,229,270</u>	<u>-</u>
NONCURRENT LIABILITIES:				
Advance from other funds	18,260,812	704,496	18,965,308	-
Bonds payable	42,284,618	-	42,284,618	-
Compensated absences	54,909	-	54,909	-
Net pension liability	3,457,919	16,559	3,474,478	-
TOTAL NONCURRENT LIABILITIES	<u>64,058,258</u>	<u>721,055</u>	<u>64,779,313</u>	<u>-</u>
TOTAL LIABILITIES	<u>67,567,617</u>	<u>1,440,966</u>	<u>69,008,583</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:				
Amount related to pensions	580,666	2,780	583,446	-
NET POSITION:				
Net investment in capital assets	30,450,261	920,112	31,370,373	-
Unrestricted	(17,361,010)	(1,104,227)	(18,465,237)	9,324,970
TOTAL NET POSITION	<u>\$ 13,089,251</u>	<u>\$ (184,115)</u>	<u>\$ 12,905,136</u>	<u>\$ 9,324,970</u>

See accompanying notes to financial statements.

CITY OF PICO RIVERA

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

For the year ended June 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Operations	Other Funds	Total	Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 8,698,444	\$ 996,548	\$ 9,694,992	\$ -
Miscellaneous	12,179	-	12,179	66,546
TOTAL OPERATING REVENUES	8,710,623	996,548	9,707,171	66,546
OPERATING EXPENSES:				
Salaries and benefits	1,447,088	25,849	1,472,937	-
Contractual services	509,117	432,534	941,651	-
Insurance claims and expenses	304,977	90,837	395,814	-
Administrative	2,022,224	308,053	2,330,277	-
Utilities	372,966	211,497	584,463	-
Repairs and maintenance	101,902	127,749	229,651	-
Depreciation	583,605	113,266	696,871	-
Capital outlay	-	-	-	60,782
TOTAL OPERATING EXPENSES	5,341,879	1,309,785	6,651,664	60,782
OPERATING INCOME (LOSS)	3,368,744	(313,237)	3,055,507	5,764
NONOPERATING REVENUES (EXPENSES):				
Investment income	2,223,901	2,438	2,226,339	-
Interest expense	(2,702,423)	(10,800)	(2,713,223)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(478,522)	(8,362)	(486,884)	-
INCOME (LOSS) BEFORE TRANSFERS	2,890,222	(321,599)	2,568,623	5,764
TRANSFERS IN	233	-	233	1,019,923
TRANSFERS OUT	(333,187)	(278,773)	(611,960)	(39,215)
CHANGES IN NET POSITION	2,557,268	(600,372)	1,956,896	986,472
NET POSITION - BEGINNING OF YEAR, AS RESTATED	10,531,983	416,257	10,948,240	8,338,498
NET POSITION - END OF YEAR	\$ 13,089,251	\$ (184,115)	\$ 12,905,136	\$ 9,324,970

See accompanying notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Operations	Other Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 8,816,889	\$ 1,036,625	\$ 9,853,514	\$ 66,546
Payments to suppliers	(3,393,252)	(1,216,585)	(4,609,837)	(65,782)
Payments to employees	(1,459,987)	(23,498)	(1,483,485)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,963,650	(203,458)	3,760,192	764
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Proceeds from receivable from Successor Agency	1,230,000	-	1,230,000	-
Transfers received from other funds	233	-	233	1,019,923
Transfers paid to other funds	(333,187)	(278,773)	(611,960)	(39,215)
Proceeds from (payments on) due to other funds	(1,365,508)	142,672	(1,222,836)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(468,462)	(136,101)	(604,563)	980,708
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(222,522)	-	(222,522)	-
Principal retired	(2,005,000)	-	(2,005,000)	-
Interest paid	(2,828,167)	-	(2,828,167)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(5,055,689)	-	(5,055,689)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	2,230,554	2,382	2,232,936	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	670,053	(337,177)	332,876	981,472
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	4,156,819	548,450	4,705,269	8,343,498
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,826,872	\$ 211,273	\$ 5,038,145	\$ 9,324,970

See accompanying notes to financial statements.

(Continued)

CITY OF PICO RIVERA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(CONTINUED)

For the year ended June 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Operations	Other Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USES) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 3,368,744	\$ (313,237)	\$ 3,055,507	\$ 5,764
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	583,605	113,266	696,871	-
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
(Increase) decrease in accounts receivables	101,422	41,877	143,299	-
(Increase) decrease in inventories	-	(13,654)	(13,654)	-
(Increase) decrease in deferred outflows of resources - amount from pension plans	39,024	187	39,211	-
Increase (decrease) in accounts payable	(97,176)	(57,660)	(154,836)	(5,000)
Increase (decrease) in accrued liabilities	16,959	16,677	33,636	-
Increase (decrease) in deposits payable	4,844	9,404	14,248	-
Increase (decrease) in retentions payable	15,110	-	15,110	-
Increase (decrease) in net pension liability	(647,126)	(3,098)	(650,224)	-
Increase (decrease) in compensated absences	(2,422)	-	(2,422)	-
Increase (decrease) in deferred inflows of resources - amount from pension plans	580,666	2,780	583,446	-
TOTAL ADJUSTMENTS	594,906	109,779	704,685	(5,000)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,963,650</u>	<u>\$ (203,458)</u>	<u>\$ 3,760,192</u>	<u>\$ 764</u>
NONCASH INVESTING AND FINANCING ACTIVITIES:				
Changes in advances related to accrued interest	<u>\$ -</u>	<u>\$ 10,800</u>	<u>\$ 10,800</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF PICO RIVERA

DESCRIPTION OF FIDUCIARY FUNDS

June 30, 2015

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governmental units.

Successor Agency to the City of Pico Rivera Redevelopment Agency Private Purpose Trust Fund accounts for the activities of the Successor Agency to the Pico Rivera Redevelopment Agency.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF PICO RIVERA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2015

	Successor Agency to the City of Pico Rivera Redevelopment Agency Private-Purpose Trust Fund	Agency Funds
ASSETS:		
Cash and investments	\$ 4,852,667	\$ 46,035
Restricted cash and investments:		
Cash and investments with fiscal agents	250,000	-
Interest receivable	3,911	64
Loans receivable	397,766	-
Land held for resale	587,610	-
Capital assets:		
Capital assets, not depreciated	258,023	-
Capital assets, depreciated, net	89,995	-
TOTAL ASSETS	6,439,972	\$ 46,099
LIABILITIES:		
Accounts payable	2,927	\$ -
Accrued liabilities	13,350	-
Payable to City of Pico Rivera	44,565,874	-
Payable to Pico Rivera Housing Assistance Agency	2,011,156	-
Payable to City of Pico Rivera Water Authority	28,439,315	-
Payable to the County of Los Angeles	39,867,675	-
Due to member cities	-	973
Due to bondholders	-	45,126
TOTAL LIABILITIES	114,900,297	\$ 46,099
NET POSITION:		
Held in Trust	\$ (108,460,325)	

See accompanying notes to financial statements

CITY OF PICO RIVERA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the year ended June 30, 2015

	Successor Agency to the City of Pico Rivera Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:	
Redevelopment Property Tax Trust Fund Distributions	\$ 3,488,957
Investment earnings	17,989
TOTAL ADDITIONS	<u>3,506,946</u>
DEDUCTIONS:	
Administration	208,892
Interest	2,287,561
Depreciation	4,761
Loss on sale of property	<u>1,059,577</u>
TOTAL DEDUCTIONS	<u>3,560,791</u>
CHANGE IN NET POSITION	(53,845)
NET POSITION - BEGINNING OF YEAR	<u>(108,406,480)</u>
NET POSITION - END OF YEAR	<u><u>\$ (108,460,325)</u></u>

See accompanying notes to financial statements

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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 Public Financing Authority (the Financing Authority) was formed as a joint powers authority between the City and the Pico Rivera Redevelopment Agency (the former RDA). Its purpose is to assist in the financing of public capital improvements or projects whenever there are significant public benefits.

The Pico Rivera Water Authority (the Water Authority) was formed as a joint powers authority between the City and the former 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 (the Agency) was formed to provide safe and sanitary dwelling accommodations in the City to low and moderate - income individuals.

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.

The Authorities and Agency 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 Authorities and Agency are reported within the funds of the City. The activities of the Financing Authority are included in the City's General Fund. Separate financial statements are not available. The activities of the Water Authority are reported in the Water Operations Enterprise Fund. Separate financial statements of the Water Authority may be obtained at City Hall. The activities of the Agency are reported in two special revenue funds (Section 8 and LMIHF). Separate financial statements are not available.

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

- The members of the City Council also act as the governing body of the Authorities and Agency.
- The Authorities and Agency are managed by employees of the City. A portion of the City's salary and overhead expenses are billed to the Agency each year.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

A. Description of the Reporting Entity (Continued):

The former Pico Rivera Redevelopment Agency was dissolved effective February 1, 2012 as a result of Assembly Bill x1 26 (the Dissolution Act). It is no longer considered to be a component unit of the City. On January 10, 2012, the City accepted a fiduciary role as the Successor Agency to serve as the custodian for the assets and to wind down the affairs of the former RDA. Successor Agency activity is reported in a fiduciary private-purpose trust fund. See Notes 15 and 16 for further details.

The City's financial statements have been prepared in accordance 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 position and statement activities (i.e., the government-wide financial statements) displays 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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. 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, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources".

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 long-term liabilities are reported as other financing sources.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

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

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. Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period. 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 fund balance. Long-term receivables in governmental funds are offset by due to other agencies since the collections will be ultimately distributed to other agencies that provided the initial funding for the loans.

The City’s fiduciary fund financial statements are comprised of a private-purpose trust fund and agency funds. The private-purpose trust fund is reported using the “economic resources measurement focus” and the “accrual basis of accounting”. The agency funds have no measurement focus but utilize the “accrual basis of accounting” for reporting their assets and liabilities.

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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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 the financial resources of the general government, except those required to be accounted for in another fund.

The Housing Agency Section 8 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 Federal Grants Special Revenue Fund accounts for funds received from the United States (Federal) government for the rehabilitation of streets and intersections, bridge construction, and parkway improvements.

The Capital Improvement Capital Projects Fund accounts for activity related to the City's capital projects other than those accounted for in the Enterprise Funds.

The City reports the following major enterprise fund:

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.

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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

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

Internal Service Funds account for the financing of services relating to OPEB liability, leave liability, and equipment replacement provided to one department from another on a cost-reimbursement basis.

Fiduciary Funds:

Private Purpose Trust Fund accounts for the county-auditor controller's semi-annual property tax distributions from the Redevelopment Property Tax Trust Fund of the Successor Agency of the former Pico Rivera Redevelopment Agency to pay amounts due on enforceable obligations of the former Pico Rivera Redevelopment Agency and to pay for specified administrative costs.

Agency Funds accounts for assets held by the City as an agent for a bonded assessment district and a joint powers authority.

D. New Accounting Pronouncements:

Current Year Standards:

In fiscal year 2014-2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pension plans, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accounting changes adopted to conform to the provisions of these statements should be applied retroactively. The result of the implementation of these standards decreased the net position of the governmental activities and business-type activities at July 1, 2014 by \$26,458,379 and \$3,803,379, respectively, and decreased the net position of the water operations and other enterprise funds at July 1, 2014 by \$3,785,253 and \$18,126, respectively.

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

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

D. New Accounting Pronouncements (Continued):

Pending Accounting Standards:

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

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

E. 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.

F. 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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

F. Property Taxes (Continued):

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.

G. Receivables:

The City extends credit to customers and accepts expense reimbursement-based grants in the normal course of operations. Uncollectible amounts are accounted for by the reserve method, which establishes an allowance for doubtful accounts based upon historical losses and review of past due accounts. Earned but unbilled revenue is recognized as revenue and accounts receivable in the enterprise funds.

H. 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 nonspendable fund balance 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.

I. 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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

I. Inventories and Prepaid Items (Continued):

When payments to vendors reflect costs applicable to future accounting periods, they are recorded as prepaid items.

Inventories and prepaid items are offset by nonspendable fund balance in governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

J. Restricted Assets:

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

K. 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. There was no capitalized interest recorded during the year ended June 30, 2015. 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 capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

L. Land Held for Resale:

Land held for resale is carried at the lower of acquisition cost or fair value.

M. Compensated Absences:

Employees accrue vacation, sick and holiday benefits. An employee may accumulate vacation time of up to 320 hours. Sick pay vests and may be accumulated up to 800 hours. 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 and proprietary 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.

N. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has one item that qualifies for reporting in this category for the fiscal year ended June 30, 2015. This item is the deferred outflow related to pensions which is equal to the employer contributions made after the measurement date of the net pension liability.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The first item, which is reported on the statement of net position, is a deferred inflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years. The second item is the *unavailable revenues*, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: taxes, investment income, and grants. These amounts are unavailable and will be recognized as an inflow of resources in the period that the amounts become available.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

O. Long-term Obligations:

In the government-wide financial statements and proprietary fund types fund financial statements, long-term debt and other long-term obligations are included as liabilities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, when paid. 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 an expense.

P. Pensions:

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

Q. Fund Balances:

Fund balance is the difference between the assets, deferred outflows of resources, liabilities and deferred inflows of resources reported in the City's governmental funds. There are generally limitations on the purpose for which all or a portion of the resources of a governmental fund may be used. The force behind these limitations can vary significantly, depending upon their source. Consequently, the fund balance reported in the annual financial statements is categorized into five components whereby each component identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

Q. Fund Balances (Continued):

The fund balances reported on the fund statements consist of the following categories:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed - This classification includes amounts that can be used only for the specific purposes determined by a the City Council through the adoption of a resolution prior to the end of the year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Assigned - This classification includes amounts to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Through the adoption of a resolution to approve the City's fund balance policy, the City Council has authorized the City Manager to assign fund balance. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Unassigned - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balance first.

When an expenditure is incurred for purposes for which committed, assigned or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

R. Net Position:

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is classified in the following categories:

Net investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position - This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied, however it is at the Council's discretion.

S. 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.

T. Reclassification:

The HOME Grant Special Revenue Fund, which was previously reported as a major fund, did not meet the criteria to be considered a major fund for the current year ended June 30, 2015. As a result, it is reported as part of the Other Governmental Funds in the current year financial statements.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

U. Use of Estimates:

The preparation of financial statements in accordance 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, deferred outflows of resources, liabilities and deferred inflows of resources and related disclosures. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS:

Cash and Investments:

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

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Fiduciary Net Position	Total
Unrestricted assets:			
Cash and investments	\$ 41,846,820	\$ 4,898,702	\$ 46,745,522
Restricted cash and investments:			
Cash and investments with fiscal agents	6,761,592	250,000	7,011,592
Escrow deposits	<u>19,925</u>	<u>-</u>	<u>19,925</u>
Total cash and investments	<u>\$ 48,628,337</u>	<u>\$ 5,148,702</u>	<u>\$ 53,777,039</u>

Cash and investments at June 30, 2015 consisted of the following:

Cash on hand	\$ 10,263
Deposits with financial institutions	9,421,372
Investments	<u>44,345,404</u>
Total cash and investments	<u>\$ 53,777,039</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. CASH AND INVESTMENTS (CONTINUED):

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.

<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	5 years	40%	None
U.S. Government Sponsored Agency Securities	5 years	40%	None
Banker's Acceptances Notes	180 days	30%	15%
Commercial Paper	270 days	25%	None
Certificates of Deposits	5 years	None	None
Money Market Mutual Funds	5 years	20%	10%
Repurchase Agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 50,000,000

* - Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

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 Agency 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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Interest Rate Risk:

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

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

Investment Type	Remaining Maturity (in Months) 12 Months or Less
Local Agency Investment Fund	\$ 37,331,483
Held by Bond Trustee - Money Market Mutual Funds	3,580,454
Held by Bond Trustee - Certificates of Deposit	3,433,467
	<u>\$ 44,345,404</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:

Investment Type	Total as of June 30, 2015	Minimum Legal Rating	AAA	Not Rated
Local Agency Investment Fund	\$ 37,331,483	N/A	\$ -	\$ 37,331,483
Held by Bond Trustee - Money Market Mutual Funds	3,580,454	A	3,580,454	-
Held by Bond Trustee - Certificates of Deposit	3,433,467	N/A	-	3,433,467
Total	<u>\$ 44,345,404</u>		<u>\$ 3,580,454</u>	<u>\$ 40,764,950</u>

N/A - Not Applicable

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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.

At June 30, 2015, the City and the Successor Agency deposits (bank balances) were insured by the Federal Deposit Insurance Corporation and the remaining balances were collateralized under California Law.

For investments identified herein as held by fiscal agent, the trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

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

Advances To/From Other Funds:

<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>	<u>Amount</u>
General Fund	Water Operations Enterprise Fund	\$ 18,260,812
	Other Enterprise Funds	704,496
		<u>\$ 18,965,308</u>

In 1999, the Water Authority received an advance from the City's General Fund in connection with the acquisition of water operation capital assets. The Water Authority is obligated to pay off this advance from surplus revenues over 50 years. No interest accrues on this advance. Payments will vary with the level of surplus revenues. No payments were made in fiscal year 2014-15. The balance of the advance at June 30, 2015 is \$18,260,812. The Authority's current outstanding revenue bonds will be paid in full by 2033. The debt service payments will be partially funded by receipts from the receivables due from the Successor Agency as well as operating income over the next 18 years. Management has estimated that cash flows from these sources will exceed the debt service requirements of the revenue bonds, and any excess cash flows will be used to pay down the advance from the City of Pico Rivera. Additionally, once the outstanding revenue bonds are paid in full in fiscal year 2033, the operating income will be available to pay down the advance from the City of Pico Rivera. Management believes that the Authority will have the ability to pay this obligation in full prior to the advance's original maturity date in 2049.

The General Fund advanced funds to the Sports Arena Enterprise Fund for operational and capital improvement needs. Interest accrues at a rate of 12%. There is no fixed payment schedule. No payments were made in fiscal year 2014-15. The balance of the advance at June 30, 2015 is \$704,496.

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

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Federal Grants Special Revenue Fund	\$ 1,119,437
	Other Governmental Funds	826,903
	Other Enterprise Funds	673,881
		<u>\$ 2,620,221</u>

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

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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

Transfers:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Capital Improvement Capital Projects Fund (1)	\$ 894,473
	Water Operations Enterprise Fund (4)	233
	Internal Service Funds (3)	1,019,923
Federal Grants Special Revenue Fund	Capital Improvement Capital Projects Fund (1)	1,412,966
Other Governmental Funds	General Fund (4)	2,537,494
	Capital Improvement Capital Projects Fund (1)	2,122,844
Water Operations Enterprise Fund	General Fund (2)	285,100
	Capital Improvement Capital Projects Fund (1)	48,087
Other Enterprise Funds	Capital Improvement Capital Projects Fund (1)	278,773
Internal Service Funds	General Fund (3)	39,215
		<u>\$ 8,639,108</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) cover other post-employment benefit, leave liability and equipment replacement, and (4) reimbursements to other funds for expenditures paid.

4. LONG-TERM RECEIVABLES:

- A. 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, 2015 is \$3,782,017 and are included in the HOME Grant special revenue fund. At June 30, 2015, the City has an allowance of \$780,887 against interest receivable related to these loans, as the City cannot ensure the collectability of this balance.
- B. Loans receivable consist of low interest and no interest home improvement loans made from the Community Development Block Grant Special Revenue Fund 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, 2015 totaled \$208,343. At June 30, 2015, the City has an allowance of \$43,540 against interest receivable related to these loans, as the City cannot ensure the collectability of this balance.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

4. LONG-TERM RECEIVABLES (CONTINUED):

- C. Loans receivable consist of low interest home improvement loans made from the CalHOME Grant Special Revenue Fund 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, 2015 is \$1,430,395. At June 30, 2015, the City has an allowance of \$131,458 against interest receivable related to these loans, as the City cannot ensure the collectability of this balance.
- D. Home Improvement Loans to low and moderate income households have been made from the Housing Agency LMIHF Special Revenue Fund. These loans are payable in ten years or when borrowers sell their property, whichever comes first. The outstanding balances, net of an \$87,337 allowance, at June 30, 2015 were zero. At June 30, 2015, the City has an allowance of \$29 against interest receivable related to these loans, as the City cannot ensure the collectability of this balance.
- E. Receivables from Successor Agency:

Description	General Fund	Other Governmental Funds	Water Operations Enterprise Fund
Long-term loans to finance improvements & operations related to and within the former Redevelopment Agency's project areas	\$ 17,108,269	\$ -	\$ 241,895
Sales tax deferral loan to allow former Redevelopment Agency to meet its debt service obligations	27,457,605	-	-
Loans to make payments to SERAF	-	2,011,156	-
Purchase of former Redevelopment Agency's Tax Allocation Bonds, Series 2001 treated as loan	-	-	28,197,420
Subtotal	44,565,874	2,011,156	28,439,315
Reserve on long-term loans	(4,277,068)	-	(60,474)
Reserve on sales tax deferral loan	(27,457,605)	-	-
Total	<u>\$ 12,831,201</u>	<u>\$ 2,011,156</u>	<u>\$ 28,378,841</u>

For further discussion of the receivables due from the Successor Agency, see Notes 16C, 16D and 16E.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

5. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2015 was as follows:

Governmental Activities:

	Balance at July 1, 2014	Additions	Deletions	Transfers of Construction In Progress	Balance at June 30, 2015
Capital assets, not being depreciated:					
Land	\$ 117,789,436	\$ 1,059,577	-	\$ -	\$ 118,849,013
Construction in progress	<u>72,957,637</u>	<u>4,451,529</u>	-	<u>(60,584,538)</u>	<u>16,824,628</u>
Total capital assets, not being depreciated	<u>190,747,073</u>	<u>5,511,106</u>	-	<u>(60,584,538)</u>	<u>135,673,641</u>
Capital assets, being depreciated:					
Structures and improvements	21,445,150	-	-	-	21,445,150
Furniture and equipment	7,072,157	144,126	(696,781)	-	6,519,502
Infrastructure	<u>146,610,641</u>	-	-	<u>60,584,538</u>	<u>207,195,179</u>
Total capital assets, being depreciated	<u>175,127,948</u>	<u>144,126</u>	<u>(696,781)</u>	<u>60,584,538</u>	<u>235,159,831</u>
Less accumulated depreciation for:					
Structures and improvements	(7,668,303)	(351,392)	-	-	(8,019,695)
Furniture and equipment	(5,744,600)	(214,558)	687,838	-	(5,271,320)
Infrastructure	<u>(94,699,245)</u>	<u>(4,942,928)</u>	-	-	<u>(99,642,173)</u>
Total accumulated depreciation	<u>(108,112,148)</u>	<u>(5,508,878)</u>	<u>687,838</u>	-	<u>(112,933,188)</u>
Total capital assets, being depreciated, net	<u>67,015,800</u>	<u>(5,364,752)</u>	<u>(8,943)</u>	<u>60,584,538</u>	<u>122,226,643</u>
Governmental activities capital assets, net	<u>\$ 257,762,873</u>	<u>\$ 146,354</u>	<u>\$ (8,943)</u>	<u>\$ -</u>	<u>\$ 257,900,284</u>

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

General government	\$ 345,957
Public safety	22,586
Public works	4,302,985
Parks and recreation	805,949
Community development	<u>31,401</u>
Total depreciation expense governmental activities	<u>\$5,508,878</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

5. CAPITAL ASSETS (CONTINUED):

Capital asset activity for the year ended June 30, 2015 was as follows:

Business-type Activities:

	Balance at <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Transfers of Construction <u>In Progress</u>	Balance at <u>June 30, 2015</u>
Capital assets, not being depreciated:					
Land and water rights	\$ 18,174,060	\$ -	\$ -	\$ -	\$ 18,174,060
Construction in progress	<u>1,696,665</u>	<u>222,522</u>	<u>-</u>	<u>(559,073)</u>	<u>1,360,114</u>
Total capital assets, not being depreciated	<u>19,870,725</u>	<u>222,522</u>	<u>-</u>	<u>(559,073)</u>	<u>19,534,174</u>
Capital assets, being depreciated:					
Structures and improvements	5,013,838	-	-	-	5,013,838
Utility plant in service	27,365,589	-	-	-	27,365,589
Equipment	1,028,846	-	(22,758)	-	1,006,088
Infrastructure	<u>12,613,091</u>	<u>-</u>	<u>-</u>	<u>559,073</u>	<u>13,172,164</u>
Total capital assets, being depreciated	<u>46,021,364</u>	<u>-</u>	<u>(22,758)</u>	<u>559,073</u>	<u>46,557,679</u>
Less accumulated depreciation for:					
Structures and improvements	(3,370,980)	(120,273)	-	-	(3,491,253)
Utility plant in service	(5,435,506)	(366,644)	-	-	(5,802,150)
Equipment	(978,514)	(15,071)	22,758	-	(970,827)
Infrastructure	<u>(8,236,590)</u>	<u>(194,883)</u>	<u>-</u>	<u>-</u>	<u>(8,431,473)</u>
Total accumulated depreciation	<u>(18,021,590)</u>	<u>(696,871)</u>	<u>22,758</u>	<u>-</u>	<u>(18,695,703)</u>
Total capital assets, being depreciated, net	<u>27,999,774</u>	<u>(696,871)</u>	<u>-</u>	<u>559,073</u>	<u>27,861,976</u>
Business-type activities capital assets, net	<u>\$ 47,870,499</u>	<u>\$ (474,349)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,396,150</u>

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

Water Operations	\$ 583,605
Sports Arena	78,673
Golf Course	<u>34,593</u>
Total depreciation expense- Business-type activities	<u>\$ 696,871</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

6. LONG-TERM LIABILITIES:

Changes in long-term liabilities activity for the year ended June 30, 2015, was as follows:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015	Due Within One Year	Due in More Than One Year
Governmental Activities:						
2009 lease revenue bonds	\$ 31,715,000	\$ -	\$ (610,000)	\$ 31,105,000	\$ 635,000	\$ 30,470,000
Bond premium	<u>1,130,617</u>	<u>-</u>	<u>(44,925)</u>	<u>1,085,692</u>	<u>-</u>	<u>1,085,692</u>
Subtotal revenue bonds payable	32,845,617	-	(654,925)	32,190,692	635,000	31,555,692
Other post-employment benefits (Note 10)	12,678,360	3,141,000	(914,584)	14,904,776	-	14,904,776
Compensated absences	<u>602,803</u>	<u>134,405</u>	<u>(173,620)</u>	<u>563,588</u>	<u>112,718</u>	<u>450,870</u>
Total governmental activities	<u>\$ 46,126,780</u>	<u>\$ 3,275,405</u>	<u>\$ (1,743,129)</u>	<u>\$ 47,659,056</u>	<u>\$ 747,718</u>	<u>\$ 46,911,338</u>
Business-type activities:						
Revenue bonds payable	\$ 46,270,000	\$ -	\$ (2,005,000)	\$ 44,265,000	\$ 2,120,000	\$ 42,145,000
Add (Less):						
Bond premium	591,229	-	(39,858)	551,371	-	551,371
Bond discount	<u>(438,461)</u>	<u>-</u>	<u>26,708</u>	<u>(411,753)</u>	<u>-</u>	<u>(411,753)</u>
Subtotal revenue bonds payable	46,422,768	-	(2,018,150)	44,404,618	2,120,000	42,284,618
Compensated absences	<u>63,432</u>	<u>8,256</u>	<u>(10,678)</u>	<u>61,010</u>	<u>6,101</u>	<u>54,909</u>
Total business-type activities	<u>\$ 46,486,200</u>	<u>\$ 8,256</u>	<u>\$ (2,028,828)</u>	<u>\$ 44,465,628</u>	<u>\$ 2,126,101</u>	<u>\$ 42,339,527</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

6. LONG-TERM LIABILITIES (CONTINUED):

Governmental Activities:

A. 2009 Lease Revenue Bonds:

In September 2009, the Pico Rivera Public Financing Authority issued \$32,860,000 of Lease Revenue Bonds, (Series 2009). The bonds were issued to provide funds to (a) finance public improvements, including library construction, street improvements, park renovations and other public improvements, (b) fund a deposit to the reserve account for the 2009 Bonds, (c) fund capitalized interest on the 2009 Bonds through September 1, 2010 and (d) pay for cost of issuance of the bonds. The bonds are due through September 1, 2039 and bear interest rates ranging from 4% to 5.25%. Interest is payable semiannually on September 1 and March 1 of each year, commencing on March 1, 2010. The Bonds are subject to optional redemption in whole or in part on any interest payment date due on or after September 1, 2019, by lot at a redemption price equal to the principal amount plus interest accrued thereon.

Annual debt service for the 2009 Revenue bonds follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 635,000	\$ 1,682,563	\$ 2,317,563
2017	665,000	1,650,063	2,315,063
2018	695,000	1,616,063	2,311,063
2019	730,000	1,579,525	2,309,525
2020	770,000	1,540,150	2,310,150
2021 - 2025	4,500,000	7,042,250	11,542,250
2026 - 2030	5,740,000	5,757,569	11,497,569
2031 - 2035	7,485,000	3,955,869	11,440,869
2036 - 2039	<u>9,885,000</u>	<u>1,484,794</u>	<u>11,369,794</u>
	<u>\$ 31,105,000</u>	<u>\$ 26,308,846</u>	<u>\$ 57,413,846</u>

B. Compensated Absences:

The City's policies relating to compensated absences are described in Note 1M. The liability amounts of \$563,588 at June 30, 2015 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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

6. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities:

C. Lease Revenue Bonds:

Revenue bonds were issued by the Pico Rivera Water Authority to finance the initial lease payment under the terms of a lease between the City and Water Authority and to purchase the former Redevelopment Agency's Tax Allocation Bonds.

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	\$ 15,700	May 2029
Water Authority	2001	5.75%-6.25%	<u>40,710</u>	<u>28,565</u>	December 2032
			<u>\$ 58,650</u>	<u>\$ 44,265</u>	

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

Water Authority Revenue Bonds, Series 1999 A

The Pico Rivera Water Authority issued \$17,940,000 of Revenue Bonds (Series A) 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 interest rates ranging from 3.25% to 5.5%. 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, 2015 is \$600,017.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

6. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities (Continued):

C. Lease Revenue Bonds (Continued):

Water Authority Revenue Bonds, Series 1999 A (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2016	\$ 775,000	\$ 863,500	\$ 1,638,500
2017	815,000	820,875	1,635,875
2018	860,000	776,050	1,636,050
2019	910,000	728,750	1,638,750
2020	960,000	678,700	1,638,700
2021 - 2025	5,645,000	2,542,375	8,187,375
2026 - 2029	5,735,000	809,600	6,544,600
	<u>\$ 15,700,000</u>	<u>\$ 7,219,850</u>	<u>\$ 22,919,850</u>

Water Authority Revenue Bonds, Series 2001

On January 30, 2001, the Water 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 former Redevelopment 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 bond indenture requires the Water Authority to maintain a bond reserve in the amount of \$3,134,762, which includes the required Water Rate Stabilization Fund 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, 2015 amounted to \$2,534,558 and \$599,082, respectively.

The 2001 Series revenue bond indenture also require the Water Authority to maintain rates sufficient to generate subordinate net water revenues, as defined by the bond indenture, equal to 125% of the current year's debt service requirement. The Water Authority's coverage ratio in fiscal year 2015 was 1.95, which is greater than the required 1.25.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

6. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities (Continued):

C. Lease Revenue Bonds (Continued):

Water Authority Revenue Bonds, Series 2001 (Continued)

Annual debt service for the 2001 Series revenue bonds follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,345,000	\$ 1,743,281	\$ 3,088,281
2017	1,430,000	1,656,563	3,086,563
2018	1,520,000	1,564,375	3,084,375
2019	1,615,000	1,466,406	3,081,406
2020	1,715,000	1,362,344	3,077,344
2021 - 2025	10,340,000	5,006,250	15,346,250
2026 - 2030	7,150,000	2,072,813	9,222,813
2031 - 2033	3,450,000	332,188	3,782,188
	<u>\$ 28,565,000</u>	<u>\$ 15,204,220</u>	<u>\$ 43,769,220</u>

A comparison of the pledged revenues recognized during the year to the principal and interest requirements for the 2001 Series revenue bonds is as follows:

Less:				Plus:	Plus:	Total Pledged		
				Secured	Rate	Subordinate		
Gross	Purchased	Less:	Less 1999	Revenue	Stabilization	Net Revenues	2001 Bonded	
Revenue	Security	Direct	Debt Service		Fund	and Security	Debt Service	
	Revenue (1)	Costs (2)	Payments	(3)		Revenues	Payments	Coverage
\$ 10,934,757	\$ (2,111,900)	\$ (5,118,898)	\$ (1,638,500)	\$ 3,342,650	\$ 600,000	\$ 6,008,109	\$ 3,088,281	1.95

(1) Interest earned on investment in 2001 Tax Allocation Refunding Bonds.

(2) Total expenditures less depreciation, amortization of bond premiums/discounts, and interest payments on 1999 and 2001 Bonds.

(3) Principal and interest received on the investment in 2001 Tax Allocation Refunding Bonds.

D. Compensated Absences:

The City's policies relating to compensated absences are described in Note 1M. The liability amount of \$61,010 at June 30, 2015 is expected to be paid in future years from future resources.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

7. COMMITMENTS AND CONTINGENCIES:

A. Litigation:

Claims and suits are filed against the City in the normal course of business. Based upon information received from the City's management, the estimated liability under any such claims would be adequately covered by deposits in a pooled insurance authority and insurance coverage. Other claims not covered by insurance involving substantial land use actions and inverse condemnation claims are not expected to have an adverse economic effect on the City.

As of June 30, 2015, \$400,000 has been accrued in the general fund for estimated amounts in excess of insurance coverage

B. Grant Audit Contingencies:

Under the terms of certain grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

8. DEFINED BENEFIT PENSION PLANS:

A. General Information about the Pension Plans:

Plan Descriptions:

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

The City of Pico Rivera also has available a supplemental retirement benefit plan for City council members ("Council Plan") on or after July 1, 2002. This plan is a single-employer defined benefit pension plan administered by Public Agency Retirement Services (PARS), who serves as the trustee for the Council Plan. As a result of PEPRAs amendments, the City has decided to close this plan to any new council members elected or appointed on or after January 1, 2013.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

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

Benefits Provided:

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Council Plan provides a benefit equal to 4% of final compensation times benefit service, capped at 10 years of service. This plan is a single-employer defined benefit plan. Eligibility for these benefits is defined as reaching age 55 and completing 5 years of continuous City council service. Employees terminating employment with the City after 5 years of service but prior to age 55 will receive a deferred retirement benefit to commence at age 55.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous		
	On or After May 9, 2012		
	Prior to May 9, 2012	Prior to January 1, 2013	On or After January 1, 2013
Hire date			
Benefit formula	2.5%@55	2%@60	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	22.43%	22.43%	6.25%

	Council Plan
	Prior to January 1, 2013
Hire date	
Benefit formula	4%@55
Benefit vesting schedule	5 years of service
Benefit payments	monthly for life
Retirement age	55
Monthly benefits, as a % of eligible compensation	1.67% to 3.33%
Required employee contribution rates	0.00%
Required employer contribution rates	32.41%

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

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

Benefits Provided (Continued):

Employees Covered:

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

	Miscellaneous	Council Plan
Inactive employees or beneficiaries currently receiving benefits	232	3
Inactive employees entitled to but not yet receiving benefits	120	-
Active employees	124	5
Total	476	8

Contributions:

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the CalPERS Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The Funding contribution for the Council Plan is determined every three years as allowed for plans is less than 100 members. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

B. Net Pension Liability:

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the CalPERS Plan is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The net pension liability of the Council Plan is measured as of June 30, 2015 using an actuarial valuation date of June 30, 2013. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions:

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

	Miscellaneous	Council Plan
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.50%	7.00%
Inflation	2.75%	3.00%
Payroll Growth	3.00%	4.00%
Projected Salary Increase	3.3% - 14.2% (1)	4.00%
Investment Rate of Return	7.5% (2)	7.00%
Mortality	(3)	(3)

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

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

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

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

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

B. Net Pension Liability (Continued):

Discount Rate:

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

The discount rate used to measure the total pension liability was 7.00% for the Council Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, the actuary stress tested the Council Plan. Based on the testing, the Council plan will not run out of assets. Therefore, the current 7.00% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.00% will be applied to the Council Plan.

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

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

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

B. Net Pension Liability (Continued):

Discount Rate (Continued):

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

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

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

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

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

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

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

B. Net Pension Liability (Continued):

Discount Rate (Continued):

The actuaries of the Council Plan determined that the best-estimate range for the long term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of January 1, 2015.

Asset Class	Target Allocation	Long-Term Expected Aritmetic Real Rate of Return (a)	Long-Term Expected Geometric Real Rate of Return (a)
Cash	10.13%	0.53%	0.53%
Core Fixed Income	45.36%	2.03%	1.90%
Broad US Equities	32.40%	5.64%	4.25%
Developing Foreign Equities	9.43%	6.31%	4.58%
Emerging Market Equities	2.68%	8.56%	5.11%
Total	100.00%		

(a) An expected inflation of 2.74% used in calculating the long-term expected rate of return

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

C. Changes in the Net Pension Liability:

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014	<u>\$ 89,875,344</u>	<u>\$ 57,113,607</u>	<u>\$ 32,761,737</u>
Changes in the Year:			
Service cost	1,447,138	-	1,447,138
Interest on the total pension liability	6,624,512	-	6,624,512
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	2,552,214	(2,552,214)
Contribution - employee (paid by employer)	-	653,770	(653,770)
Contribution - employee	-	17,528	(17,528)
Net investment income	-	10,012,754	(10,012,754)
Administrative expenses	-	-	-
Benefit payments, including refunds of employee contributions	(4,544,162)	(4,544,162)	-
Net Changes	<u>3,527,488</u>	<u>8,692,104</u>	<u>(5,164,616)</u>
Balance at June 30, 2015	<u>\$ 93,402,832</u>	<u>\$ 65,805,711</u>	<u>\$ 27,597,121</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

C. Changes in the Net Pension Liability (Continued):

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014	<u>\$ 152,384</u>	<u>\$ 100,149</u>	<u>\$ 52,235</u>
Changes in the Year:			
Service cost	6,329	-	6,329
Interest on the total pension liability	10,751	-	10,751
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	17,957	(17,957)
Contribution - employee (paid by employer)	-	-	-
Contribution - employee	-	-	-
Net investment income	-	2,392	(2,392)
Administrative expenses	-	(540)	540
Benefit payments, including refunds of employee contributions	(10,426)	(10,426)	-
Net Changes	<u>6,654</u>	<u>9,383</u>	<u>(2,729)</u>
Balance at June 30, 2015	<u>\$ 159,038</u>	<u>\$ 109,532</u>	<u>\$ 49,506</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

C. Changes in the Net Pension Liability (Continued):

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

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

	Miscellaneous	Council Plan
1% Decrease	6.50%	6.00%
Net Pension Liability	\$ 39,973,078	\$ 64,638
Current Discount Rate	7.50%	7.00%
Net Pension Liability	\$ 27,597,121	\$ 49,506
1% Increase	8.50%	8.00%
Net Pension Liability	\$ 17,358,571	\$ 36,431

Pension Plan Fiduciary Net Position:

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

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

For the year ended June 30, 2015, the City recognized pension expense of \$2,033,150. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,240,762	\$ -
Differences between actual and expected experience	-	-
Change in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	(4,630,323)
Total	<u>\$ 2,240,762</u>	<u>\$ (4,630,323)</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

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

\$2,240,762 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
<u>2016</u>	\$ (1,157,581)
2017	(1,157,581)
2018	(1,157,581)
2019	(1,157,580)

E. Payable to the Pension Plan:

At June 30, 2015, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

9. DEFINED CONTRIBUTION PENSION PLANS:

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, 2015, the City's payroll covered by the plan was \$1,686,356. The City made employer contributions of \$63,240 (3.75% of current covered payroll), and employees contributed \$63,240 (3.75% of current covered payroll).

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

9. DEFINED CONTRIBUTION PENSION PLANS (CONTINUED):

The City also 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. The assets are not the property of the City and, as such, are not subject to the claims of the City's general creditors. As a result, these assets are not reported in the financial statements.

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN:

A. Plan Description:

In addition to the retirement plans described in Note 8 and 9, the City provides health care insurance benefits for its full-time employees who retire subsequent to October 1, 1983, under a single-employer defined benefit plan.

The City pays 100 percent of the medical premium and 85 percent of the CalPERS Care premium for all CalPERS 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 CalPERS. The City is not 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.

For current employees, the City pays the medical premiums up to the Kaiser rate and when the employee retires, the City will continue to pay the premium through a third party at the Kaiser rate. For new employees, the City pays the medical premiums up to the Kaiser rate; however, when the employee retires, the City will only pay up to the PEMHCA minimum. The City has also changed its contract with CalPERS for retirees. All but \$122 per month, the PEMHCA minimum, is taken from the retiree's pension check, but then the City sends the difference to a third party to reimburse the retiree.

Eligible participants to the plan at June 30, 2015, the date of the latest actuarial valuations are as follows:

Retirees receiving benefits:	
Age 65 and above	65
Age below 65	41
Subtotal	106
Active/full-time employees	121
Total	<u>227</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED):

B. Authority Establishing the Plan and the City's Funding Policy:

City Council Resolution No. 2875 dated September 6, 1983 assigns the authority to establish the City's Plan. The contribution requirements of plan members and the City are established and may be amended by the City Council.

As of June 30, 2015, the City has not established a trust or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the plan and that are legally protected from creditors. The City's contribution is currently based on a projected pay-as-you-go funding method, that is, benefits are payable when due. The cost of retiree health care insurance benefits is recognized as expenditures as insurance premiums are paid. For the fiscal year ended June 30, 2015, those costs totaled \$914,584. To date, none of the Net OPEB Obligation has been liquidated. In the future, the General Fund will most likely be used to liquidate the Net OPEB Obligation.

C. Annual OPEB Cost and Net OPEB Obligation:

The City's annual OPEB cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years. The ARC for the fiscal year ended June 30, 2015 was \$3,734,000 and was determined as part of an actuarial valuation dated June 30, 2015.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 3,734,000
Interest on net OPEB obligation	507,000
Adjustment to annual required contribution	<u>(1,100,000)</u>
Annual OPEB cost (expense)	3,141,000
Contributions to irrevocable trust	-
Premium payments including benefit payments	<u>(914,584)</u>
Change in net OPEB obligation	2,226,416
Net OPEB Obligation - beginning of year	<u>12,678,360</u>
Net OPEB Obligation - end of year	<u>\$ 14,904,776</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED):

C. Annual OPEB Cost and Net OPEB Obligation (Continued):

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2013, 2014 and 2015, were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/13	\$ 3,106,000	42.82%	\$ 10,130,918
6/30/14	3,513,682	27.50%	12,678,360
6/30/15	3,141,000	29.12%	14,904,776

D. Funded Status and Funding Progress:

As of June 30, 2015, the most recent actuarial valuation date, the Plan was zero percent funded. The actuarial accrued liability for benefits was \$39,680,000, and the actuarial value of assets was zero, resulting in an unfunded accrued actuarial liability (UAAL) of \$39,680,000. The covered payroll (annual payroll of active employees covered by the plan) was \$8,162,000 and the ratio of the UAAL to the covered payroll was 486.2%.

The normal cost was \$1,467,000. The normal cost for the plan is the amount that the liabilities are expected to increase during the year based on increased eligibility and service. Normal cost is the value of benefits expected to be earned during the year, based on certain methods and assumptions.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED):

E. Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the entry age normal cost method was used to value liabilities. Wherever normal cost is stated, this cost method is assumed. The actuarial assumptions included a 4.00% discount rate (assuming the Plan will not be pre-funded), an annual non-Medicare eligible HMO medical cost trend rate which utilized actual premiums for 2015 and 2016 and a rate of 7.0% for 2017 (PPO rate of 7.2%) decreasing to 5.0% on year 2021, a 3% general inflation rate, and a 3.25% aggregate payroll increase. The UAAL is being amortized as a level percentage of projected payroll over 30 years on a closed group basis.

11. 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 (Insurance Authority). The Insurance Authority is composed of 118 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 lines of coverage. The Insurance Authority 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 nine-member Executive Committee.

B. Self-Insurance Programs of the Insurance Authority:

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

11. INSURANCE PROGRAM (CONTINUED):

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

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability - In the liability program claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2014-15 the Insurance Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Insurance Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) 50% of the \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, (b) 50% quota share of the \$3 million x/s \$2 million layer, and (c) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$30 million per occurrence.

Workers' Compensation - In the workers' compensation program claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

11. INSURANCE PROGRAM (CONTINUED):

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

For 2014-15 the Insurance Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance:

Pollution Legal Liability Insurance: The City of Pico Rivera participates in the pollution legal liability insurance program 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 of Pico Rivera. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Insurance Authority has a limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Insurance Authority has a \$10 million sub-limit during the 3-year term of the policy.

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. City of Pico Rivera property is currently insured according to a schedule of covered property submitted by the City of Pico Rivera to the Insurance Authority. City of Pico Rivera property currently has all-risk property insurance protection in the amount of \$42,578,411. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective 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. City of Pico Rivera property currently has earthquake protection in the amount of \$36,535,146. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective 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 retrospective adjustments.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

11. INSURANCE PROGRAM (CONTINUED):

E. Purchased Insurance (Continued):

Special Event Tenant User Liability Insurance: The City of Pico Rivera further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Pico Rivera according to a schedule. The City of Pico Rivera then pays for the insurance. The insurance is arranged by the Insurance Authority.

D. Adequacy of Protection:

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2014-15.

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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS:

The City's governmental fund balances at June 30, 2015 are tabulated below, followed by explanations as to the nature and purpose of each classification.

		Special Revenue Funds		Capital Projects Fund	Other Govt Funds	Total Govt Funds
	General	Housing Agency Section 8	Federal Grants	Capital Improvement Fund		
Nonspendable:						
Long term receivables/advances	\$25,222,739	\$ -	\$ -	\$ -	\$ -	\$25,222,739
Land held for resale	-	-	-	600,000	-	600,000
Restricted for:						
Debt service	2,358,919	-	-	-	-	2,358,919
Housing Agency	-	528,688	-	-	-	528,688
HOME	-	-	-	-	1,075,167	1,075,167
Park development	-	-	-	-	50,683	50,683
Prop A	-	-	-	-	1,274,448	1,274,448
Prop C	-	-	-	-	1,132,055	1,132,055
Measure R	-	-	-	-	1,017,729	1,017,729
AQMD	-	-	-	-	227,269	227,269
County Grants	-	-	-	-	21,546	21,546
State Grants	-	-	-	-	103,351	103,351
Economic Development						
Assistance Grant	-	-	-	-	2,310,319	2,310,319
Image enhancement	-	-	-	-	498,155	498,155
Sewer maintenance	-	-	-	-	501,706	501,706
Reach Grants	-	-	-	-	369,803	369,803
Cable/PEG support	-	-	-	-	226,461	226,461
Housing Agency LMIHF	-	-	-	-	2,025,643	2,025,643
Flossmoor Road Sewer						
Assessment District	-	-	-	-	3,408	3,408
2009 Bond capital projects	-	-	-	-	27	27
Committed to:						
Emergency Reserve/						
Economic stabilization/stimulus	9,316,732	-	-	-	-	9,316,732
Assigned to:						
Deposits	855,619	-	-	-	-	855,619
CRA contingency reserve	1,900,000	-	-	-	-	1,900,000
Debt service	155,055	-	-	-	-	155,055
Bond defeasance	5,518,384	-	-	-	-	5,518,384
Capital improvements	1,843,775	-	-	-	-	1,843,775
Unassigned	<u>4,172,716</u>	<u>-</u>	<u>(915,549)</u>	<u>(1,103,583)</u>	<u>(850,630)</u>	<u>1,302,954</u>
Total Fund Balances	<u>\$51,343,939</u>	<u>\$ 528,688</u>	<u>\$ (915,549)</u>	<u>\$ (503,583)</u>	<u>\$ 9,987,140</u>	<u>\$60,440,635</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS (CONTINUED):

A. Nonspendable Fund Balances:

Long-term receivables/advances and land held for resale cannot be spent since they are not in spendable form.

B. Committed Fund Balances:

On June 14, 2011, the City Council, as the City's highest level of decision-making authority, committed to the following:

Emergency Reserve and Economic Stabilization/Stimulus - This commitment was set-up to be used in the unusual instance of operational budget deficits and to mitigate the effects of major economic uncertainties resulting from unforeseen changes in revenues and or/expenditures. Monies may be used at the specific direction of the City Council to:

- Provide resources to make up for temporarily decreased revenues (e.g., State subventions),
- provide temporary resources in the event of an economic downturn while expenditure reductions are implemented, and
- provide resources to meet emergency expenditures in the case of flood, fire, earthquake, landslide, and other disasters.

The accumulated balance is targeted to be a minimum of 15% of the following year's budgeted operating expenditures of the General Fund. Additions to this balance will be determined during each budget process to reach or maintain the target balance. Whenever monies have been used whereby the balance falls below the target, the reserve shall be replenished as soon as possible. The amount of this reserve and/or the specific uses of these monies may be changed by the Council as part of the budget process or by a resolution. The fund balance at June 30, 2015 is \$9,316,732.

C. Assigned Fund Balances:

The City's Fund Balance Policy delegates authority to the Director of Finance to assign amounts, which are neither restricted nor committed, to be used for specific purposes for annual financial statement reporting. As of June 30, 2015, the General Fund had \$10,272,833 assigned to various purposes.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

13. OTHER REQUIRED DISCLOSURES:

Deficit Fund Balances or Net Position:

The following funds reported deficit fund balances or net position at June 30, 2015:

Major Funds:	
Federal Grants Special Revenue Fund	\$ 915,549
Capital Improvement Capital Projects Fund	503,583
Other Governmental Funds:	
Community Development Block Grant Special Revenue Fund	165,286
Lighting Assessment District Special Revenue Fund	39,199
CalHOME Grant Special Revenue Fund	617,713
Transportation Development Act Special Revenue Fund	26,061
Paramount/Mines Landscape Maintenance Assessment Capital Projects Fund	2,371
Other Proprietary Funds:	
Sports Arena Enterprise Fund	3,217
Golf Course Enterprise Fund	180,898

Management expects to eliminate the deficit with the collection of unavailable revenues or transfers from the General Fund. For the capital improvement capital projects fund, the deficit fund balance will be eliminated with either grant funds or the general fund when outstanding contract retentions are paid.

Excess of Expenditures over Appropriations:

Expenditures exceeded budgeted appropriations in the following fund:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Governmental Funds:			
Proposition C Special Revenue Fund	\$ 30,000	\$ 82,284	\$ (52,284)
County Grants Special Revenue Fund	-	2,491	(2,491)
Paramount/Mines Landscape Maintenance Assessment Capital Projects Fund	3,000	22,980	(19,980)

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

14. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS:

Restatements of the Government-Wide Financial Statements' net position as of July 1, 2014 are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net position at July 1, 2014, as originally reported	\$ 281,817,523	\$ 14,751,619	\$ 296,569,142
To record pension liability for the implementation of GASB Statement No. 68 and No. 71	<u>(26,458,379)</u>	<u>(3,803,379)</u>	<u>(30,261,758)</u>
Net position at July 1, 2014, as restated	<u>\$ 255,359,144</u>	<u>\$ 10,948,240</u>	<u>\$ 266,307,384</u>

Restatements of the Proprietary Funds' net position as of July 1, 2014 are as follows:

	<u>Enterprise Funds</u>		
	<u>Water Operations</u>	<u>Other Enterprise</u>	<u>Total</u>
Net position at July 1, 2014, as originally reported	\$ 14,317,236	\$ 434,383	\$ 14,751,619
To record pension liability for the implementation of GASB Statement No. 68 and No. 71	<u>(3,785,253)</u>	<u>(18,126)</u>	<u>(3,803,379)</u>
Net position at July 1, 2014, as restated	<u>\$ 10,531,983</u>	<u>\$ 416,257</u>	<u>\$ 10,948,240</u>

15. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES:

On June 28, 2011, Assembly Bills x1 26 (the "Dissolution Act") and x1 27 was enacted as part of the fiscal year 2011-12 state budget package which dissolved Redevelopment.

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

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

15. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (CONTINUED):

Under the Dissolution Act, each California redevelopment agency (each a “Dissolved RDA”) was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to serve as the Successor Agency. On January 10, 2012, the City became the Successor Agency of the former redevelopment agency by operation of law in accordance with the Bill.

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

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA’s housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The Housing Assistance Agency elected on January 27, 2012 to serve as the Housing Successor Agency.

The housing assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in the Housing Agency LMIHF Special Revenue Fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

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

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

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

15. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (CONTINUED):

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

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

As part of the dissolution process AB1484 required the Successor Agency to have due diligence reviews of both the low and moderate income housing funds and all other funds to be completed by October 15, 2012 and January 15, 2013 to compute the funds (cash) which were not needed by the Successor Agency to be retained to pay for existing enforceable obligations. These funds were to be remitted to the CAC after the DOF completed its review of the due diligence reviews. The former redevelopment agency (Successor Agency) did not have to remit any funds to the CAC as a result of the due diligence reviews.

The DOF issued a Finding of Completion on April 26, 2013 in which DOF concurred that the Successor Agency has made full payments of any payments required as a result of the due diligence reviews even though no payment was required.

The Successor Agency’s use and disposition of all properties held (Long Range Property Management Plan or LRPMP) was approved by the California Department of Finance on December 23, 2014. As a result, the Successor Agency transferred the properties designated for governmental purposes to the City in June 2015. This transfer of parkland totaling \$1,059,577 is reported as a special item on the government-wide statement of activities.

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

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

16. SUCCESSOR AGENCY DISCLOSURES:

The assets and liabilities of the former Redevelopment Agency were transferred to the Successor Agency to the City of Pico Rivera Redevelopment Agency on February 1, 2012 as a result of the dissolution of the former Redevelopment Agency. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to these assets and liabilities are as follows:

A. Capital Assets:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 1,317,600	\$ -	\$ (1,059,577)	\$ 258,023
Total capital assets, not being depreciated	<u>1,317,600</u>	<u>-</u>	<u>(1,059,577)</u>	<u>258,023</u>
Capital assets, being depreciated:				
Structures and improvements	162,237	-	-	162,237
Furniture and equipment	5,110	-	-	5,110
Infrastructure	<u>50,615</u>	<u>-</u>	<u>-</u>	<u>50,615</u>
Total capital assets, being depreciated	<u>216,962</u>	<u>-</u>	<u>-</u>	<u>217,962</u>
Less accumulated depreciation:				
Structures and improvements	(106,954)	(3,527)	-	(110,481)
Furniture and equipment	(5,110)	-	-	(5,110)
Infrastructure	<u>(11,142)</u>	<u>(1,234)</u>	<u>-</u>	<u>(12,376)</u>
Total accumulated depreciation	<u>(123,206)</u>	<u>(4,761)</u>	<u>-</u>	<u>(127,967)</u>
Total capital assets, being depreciated, net	<u>94,756</u>	<u>(4,761)</u>	<u>-</u>	<u>89,995</u>
Successor Agency activities capital assets, net	<u>\$ 1,412,356</u>	<u>\$ (4,761)</u>	<u>\$ (1,059,577)</u>	<u>\$ 348,018</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

16. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

B. Loans Receivable:

Two low-interest loans were issued by the former 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, 2015 is \$397,766.

C. Payable To The City of Pico Rivera:

(1) The City had an agreement with the former Redevelopment Agency providing for the advance of funds to finance improvements and operations relating to and within the former Redevelopment Agency's project areas. The former Redevelopment Agency had been accruing interest on the original advances at a rate of 12% per annum, which were adjusted retroactively to 7% in fiscal year 2011-12. In fiscal year 2012-13, the Department of Finance ruled that the rate for which interest was accrued on advances to the former Redevelopment Agencies could not exceed effective LAIF rates. Therefore, the City retroactively recalculated interest using existing LAIF rates. As a result, the balance of the advance was written down by \$3,916,128 during fiscal year 2012-13. At June 30, 2015, the net advance balance was \$17,108,269 which included accrued interest of \$7,945,699 and a 25% reserve against this balance totaling \$4,277,068 due to the estimated collectability by the General Fund as a result of the winding down of the affairs of the former Redevelopment Agency.

(2) Sales Tax Loan from City:

The City and former Redevelopment Agency entered into an agreement whereby the City will defer its portion of sales tax revenues (City Deferrals) generated within the project area and advance the monies to the former Redevelopment Agency, to allow the former Redevelopment Agency to meet its debt service obligations. The former Redevelopment Agency had been accruing interest on the original deferrals at a rate of 7%. In fiscal year 2012-13, the Department of Finance ruled that the rate for which interest was accrued on advances to the former Redevelopment Agencies could not exceed effective LAIF rates. Therefore, the City retroactively recalculated interest using existing LAIF rates. As a result, the balance of the advance was written down by \$6,463,413 during fiscal year 2012-13. At June 30, 2015, the balance of the City Deferrals including interest was \$27,457,605.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

16. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

C. Payable To The City of Pico Rivera (Continued):

(2) Sales Tax Loan from City (Continued):

In previous years, the Sales Tax Loan from the City was reported as a commitment with the interest rate and outstanding balance described in the footnotes, but the Sales Tax Loan was not recorded as a liability in the financial statements due to uncertainty as to the City's intent to enforce collection. In March 2011, the City Council took action and approved a resolution acknowledging the receivable owed by the former Redevelopment Agency and affirming the City's willingness to enforce collection of the amount. Accordingly, the liability of \$27,457,605 has been recorded in the statement of fiduciary net position. Under the terms of the agreement, payments are to be made by the Successor Agency to the City to the extent money is available. Due to the payment terms, the long-term nature of the loan, and management's expectation that repayment will not begin for some time, the City has fully reserved against the receivable on the statement of net position.

AB 1484 specifies the actions to be taken and the method of repayment for advances and loans between the Successor Agency and the City and Water Authority. Upon application and approval by the Successor Agency and approval by the oversight board, loan agreements (advances) entered into by former Redevelopment Agency and the City shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the advances were for legitimate redevelopment purposes.

The advances are to be repaid with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by the funds deposited into the Local Agency Investment Fund. The annual advance repayments are subject to certain limitations including the requirement that 20% of all advance repayments are to be transferred to the Housing Agency Low and Moderate Income Housing Special Revenue Fund to fund Housing Successor Agency activity. Additionally, repayments are subject to a formula distribution, and have a lower priority for repayment as described in AB 1484 (Health and Safety Code Section 34191.4(2)(A)). Management believes, in consultation with legal counsel, that the obligations of the Dissolved RDA due to the City are valid enforceable obligations payable by the Successor Agency under the requirements of the Dissolution Act and AB 1484. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would not be in favor of the City.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

16. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

D. Payable to the Pico Rivera Housing Assistance Agency:

Prior to dissolution, the former Redevelopment Agency had borrowed low and moderate income housing set-aside funds to make the payments to the Supplemental Education Revenue Augmentation Fund in accordance with the State of California mandate. These loans are to be repaid to the Agency in its capacity as the Successor Agency, as follows:

Loan #	Date	Interest	Loan	Repayment Terms
		Rate	Amount	
1	12/08/09	0%	\$ 1,667,788	By June 30, 2015
2	03/08/11	0%	<u>343,368</u>	By June 30, 2016
			<u>\$ 2,011,156</u>	

Although the repayment terms on these are due or becoming due in the current period, the City does not expect the Successor Agency to the former Redevelopment Agency to have enough residual for payment of these obligations, and as such this liability is considered long-term. Repayment funding availability is calculated by the Los Angeles County Auditor-Controller's Office twice a year and will be requested when substantial funds are available for the repayment of these loans.

E. Payable To the Pico Rivera Water Authority:

- (1) The Water Authority had an agreement with the former Redevelopment Agency dated January 15, 1990 providing for the advance of funds to finance improvements relating to and within the former Redevelopment Agency's project areas. Interest had been accrued on these advances at a rate of 7%. In fiscal year 2012-13, the Department of Finance ruled that the rate for which interest was accrued on advance to former Redevelopment Agency could not exceed effective LAIF rates. Therefore, interest has been retroactively recalculated using the LAIF rates. As a result, the balance of the advance was written down by \$89,272 during fiscal year 2012-13. At June 30, 2015, the net advance balance was \$241,895, which includes accrued interest of \$111,895, and a 25% reserve against this advance totaling \$60,474 due to the estimated collectability as a result of the winding down of the affairs of the former RDA.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

16. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

E. Payable To the Pico Rivera Water Authority (Continued):

- (2) In January 2001, the Water Authority used the proceeds of its Revenue Bonds, Series 2001 issue (Note 6) to purchase the former Redevelopment Agency's Tax Allocation Refunding Bonds, Series 2001 issue for \$38,020,100, which was recorded by the former Redevelopment 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, 2015, the Water Authority's advances to the Successor Agency to the Redevelopment Agency Private Purpose Trust Fund amounted to \$28,197,420 (including accrued interest of \$172,404).

The tax allocation refunding bonds are recorded as an advance from the Water Authority and the debt service requirements, which cover and coincide with the Water Authority's debt service requirements on its Revenue Bonds, Series 2001, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,320,000	\$ 2,022,650	\$ 3,342,650
2017	1,410,000	1,927,100	3,337,100
2018	1,510,000	1,824,900	3,334,900
2019	1,615,000	1,715,525	3,330,525
2020	1,730,000	1,598,450	3,328,450
2021 - 2025	10,635,000	5,928,825	16,563,825
2026 - 2030	7,525,000	2,518,425	10,043,425
2031 - 2033	<u>3,810,000</u>	<u>411,950</u>	<u>4,221,950</u>
Total	<u>\$ 29,555,000</u>	<u>\$ 17,947,825</u>	<u>\$ 47,502,825</u>

At June 30, 2015, the balance of the advance from the Water Authority to the Successor Agency to the Redevelopment Agency Private Purpose Trust Fund is comprised of the following:

Outstanding balance on revenue bonds	\$ 29,555,000
Less: Unamortized revenue bond discount	(1,529,984)
Plus: Accrued unpaid interest	<u>172,404</u>
	<u>\$ 28,197,420</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

16. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

F. Payable to County of Los Angeles:

County Deferral:

The former Redevelopment 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 Successor Agency to meet the former Redevelopment Agency's debt service obligations. The County Deferral accrues simple interest of equal to 5% of the current year's annual deferral amount. After that no additional interest accrues. The County Deferral is to be repaid with the excess of property tax revenues received by the Successor Agency in excess of its debt payment requirements. The County Deferral is recorded as revenue when received. At June 30, 2015, the balance of the County Deferral including interest was \$39,867,675. There is no fixed payment schedule for the repayment of the County Deferral.

17. SUBSEQUENT EVENTS:

The City has evaluated events subsequent to June 30, 2015 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through January 21, 2016, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

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CITY OF PICO RIVERA
REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PICO RIVERA

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

Last Ten Fiscal Years*

	<u>2015</u>
Total Pension Liability:	
Service cost	\$ 1,447,138
Interest on total pension liability	6,624,512
Differences between expected and actual experience	-
Changes in assumptions	-
Changes in benefits	-
Benefit payments, including refunds of employee contributions	<u>(4,544,162)</u>
Net Change in Total Pension Liability	3,527,488
Total Pension Liability - Beginning of Year	<u>89,875,344</u>
Total Pension Liability - End of Year (a)	<u><u>\$ 93,402,832</u></u>
Plan Fiduciary Net Position:	
Contributions - employer	\$ 2,552,214
Contributions - employee	671,298
Net investment income	10,012,754
Benefit payments	<u>(4,544,162)</u>
Net Change in Plan Fiduciary Net Position	8,692,104
Plan Fiduciary Net Position - Beginning of Year	<u>57,113,607</u>
Plan Fiduciary Net Position - End of Year (b)	<u><u>\$ 65,805,711</u></u>
Net Pension Liability - Ending (a)-(b)	<u><u>\$ 27,597,121</u></u>
Plan fiduciary net position as a percentage of the total pension liability	70.45%
Covered - employee payroll	\$ 8,586,318
Net pension liability as percentage of covered- employee payroll	321.41%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

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

CITY OF PICO RIVERA
SCHEDULE OF CONTRIBUTIONS
MISCELLANEOUS EMPLOYEES PLAN

Last Ten Fiscal Years*

	<u>2015</u>
Actuarially determined contribution	\$ 2,240,762
Contributions in relation to the actuarially determined contributions	<u>(2,240,762)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered - employee payroll	\$ 9,477,626
Contributions as a percentage of covered - employee payroll	23.64%

Notes to Schedule:

Valuation Date 6/30/2012

Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	25 years as of the valuation date
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service and type of employment
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	50 years (2%@55 and 2%@60), 52 years (2%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.

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

CITY OF PICO RIVERA

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

Last Ten Fiscal Years*

	2015
Total Pension Liability:	
Service cost	\$ 6,329
Interest on total pension liability	10,751
Differences between expected and actual experience	-
Changes in assumptions	-
Changes in benefits	-
Benefit payments, including refunds of employee contributions	(10,426)
Net Change in Total Pension Liability	6,654
Total Pension Liability - Beginning of Year	152,384
Total Pension Liability - End of Year (a)	\$ 159,038
Plan Fiduciary Net Position:	
Contributions - employer	\$ 17,957
Contributions - employee	-
Net investment income	2,392
Administrative expenses	(540)
Benefit payments	(10,426)
Net Change in Plan Fiduciary Net Position	9,383
Plan Fiduciary Net Position - Beginning of Year	100,149
Plan Fiduciary Net Position - End of Year (b)	\$ 109,532
Net Pension Liability - Ending (a)-(b)	\$ 49,506
Plan fiduciary net position as a percentage of the total pension liability	68.87%
Covered - employee payroll	\$ 57,622
Net pension liability as percentage of covered- employee payroll	85.92%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

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

CITY OF PICO RIVERA

SCHEDULE OF CONTRIBUTIONS - COUNCIL PLAN

Last Ten Fiscal Years*

	<u>2015</u>
Actuarially determined contribution	\$ 17,957
Contributions in relation to the actuarially determined contributions	<u>(17,957)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered - employee payroll	\$ 57,622
Contributions as a percentage of covered - employee payroll	31.16%

Notes to Schedule:

Valuation Date 6/30/2013

Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	9 year fixed.
Asset valuation method	Market
Inflation	3.00%
Salary increases	4.00%
Investment rate of return	7.00%
Retirement age	55 years
Mortality	Consistent with the Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.

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

CITY OF PICO RIVERA

SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS

For the year ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Payroll [(b)-(a)]/c]
06/30/11	\$ -	\$ 34,688,000	\$ 34,688,000	0.00%	\$ 8,977,000	386.4%
06/30/13	-	37,256,000	37,256,000	0.00%	7,985,000	466.6%
06/30/15	-	39,680,000	39,680,000	0.00%	8,162,000	486.2%

CITY OF PICO RIVERA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 29,074,000	\$ 29,074,000	\$ 29,942,939	\$ 868,939
Licenses and permits	2,096,900	2,096,900	2,363,477	266,577
Intergovernmental	405,000	290,000	311,973	21,973
Charges for services	1,760,900	1,760,900	1,723,440	(37,460)
Fines, forfeitures and penalties	1,349,000	1,349,000	1,134,906	(214,094)
Investment and rental	78,500	78,500	47,295	(31,205)
Miscellaneous	1,143,100	890,000	2,142,737	1,252,737
TOTAL REVENUES	<u>35,907,400</u>	<u>35,539,300</u>	<u>37,666,767</u>	<u>2,127,467</u>
EXPENDITURES:				
Current:				
General government	7,271,875	8,286,165	6,867,125	1,419,040
Public safety	11,630,900	10,948,183	10,435,184	512,999
Public works	8,027,525	8,765,418	7,588,159	1,177,259
Parks and recreation	4,544,000	4,293,398	3,825,479	467,919
Community development	1,467,300	2,032,039	1,866,590	165,449
Debt service:				
Principal	610,000	610,000	610,000	-
Interest and fiscal charges	1,709,500	1,709,500	1,710,638	(1,138)
TOTAL EXPENDITURES	<u>35,261,100</u>	<u>36,644,703</u>	<u>32,903,175</u>	<u>3,741,528</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>646,300</u>	<u>(1,105,403)</u>	<u>4,763,592</u>	<u>5,868,995</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,227,400	3,227,400	2,861,809	(365,591)
Transfers out	<u>(3,400,728)</u>	<u>(3,948,325)</u>	<u>(1,914,629)</u>	<u>2,033,696</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(173,328)</u>	<u>(720,925)</u>	<u>947,180</u>	<u>1,668,105</u>
NET CHANGE IN FUND BALANCE	472,972	(1,826,328)	5,710,772	7,537,100
FUND BALANCE - BEGINNING OF YEAR	<u>45,233,167</u>	<u>45,233,167</u>	<u>45,233,167</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 45,706,139</u>	<u>\$ 43,406,839</u>	<u>\$ 50,943,939</u>	<u>\$ 7,537,100</u>

See accompanying note to required supplementary information.

CITY OF PICO RIVERA

BUDGETARY COMPARISON SCHEDULE

HOUSING AGENCY SECTION 8 SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 5,500,000	\$ 5,500,000	\$ 4,449,676	\$ (1,050,324)
Investment and rental	1,000	1,000	749	(251)
Miscellaneous	6,500	6,500	46,177	39,677
TOTAL REVENUES	5,507,500	5,507,500	4,496,602	(1,010,898)
EXPENDITURES:				
Current:				
Health and welfare	5,780,300	5,780,300	4,792,639	987,661
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(272,800)	(272,800)	(296,037)	(23,237)
FUND BALANCE - BEGINNING OF YEAR	824,725	824,725	824,725	-
FUND BALANCE - END OF YEAR	\$ 551,925	\$ 551,925	\$ 528,688	\$ (23,237)

See accompanying note to required supplementary information.

CITY OF PICO RIVERA
BUDGETARY COMPARISON SCHEDULE
FEDERAL GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 4,469,953	\$ 3,940,474	\$ 2,742,034	\$ (1,198,440)
OTHER FINANCING USES:				
Transfers out	(4,469,953)	(4,112,461)	(1,412,966)	2,699,495
NET CHANGE IN FUND BALANCE	-	(171,987)	1,329,068	1,501,055
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(2,244,617)	(2,244,617)	(2,244,617)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (2,244,617)</u>	<u>\$ (2,416,604)</u>	<u>\$ (915,549)</u>	<u>\$ 1,501,055</u>

See accompanying note to required supplementary information.

CITY OF PICO RIVERA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2015

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.

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. There were no budgeted appropriations for the Housing Agency Low and Moderate Income Housing Special Revenue Fund, which is used to account for all successor agency housing activities, the Flossmoor Road Sewer Assessment District Capital Project Fund, which is used to account for funds received for the installation of sewers, nor the 2009 Lease Revenue Bond Capital Projects Fund, which is used to account for the proceeds of the 2009 Lease Revenue Bonds and all capital expenditures paid from proceeds of the bond. Accordingly, no budgetary comparison for these funds is presented in the financial statements. 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.

CITY OF PICO RIVERA
SUPPLEMENTARY INFORMATION

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**CITY OF PICO RIVERA
OTHER MAJOR FUND**

BUDGETARY COMPARISON SCHEDULE

CITY OF PICO RIVERA

BUDGETARY COMPARISON SCHEDULE

CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND - MAJOR FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ 69,152	\$ 69,152	\$ -
EXPENDITURES:				
Capital outlay	19,627,320	21,935,443	5,175,862	16,759,581
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,627,320)	(21,866,291)	(5,106,710)	16,759,581
OTHER FINANCING SOURCES (USES):				
Transfers in	39,195,540	41,503,664	4,757,143	(36,746,521)
Transfers out	(1,792,928)	(811,638)	-	811,638
TOTAL OTHER FINANCING SOURCES (USES)	37,402,612	40,692,026	4,757,143	(35,934,883)
NET CHANGE IN FUND BALANCE	17,775,292	18,825,735	(349,567)	(19,175,302)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(154,016)	(154,016)	(154,016)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 17,621,276	\$ 18,671,719	\$ (503,583)	\$(19,175,302)

CITY OF PICO RIVERA

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS

June 30, 2015

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.

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.

Measure R Fund accounts for monies received and expenditures relative to Measure R projects.

HOME Grant Fund accounts for funds received from the U.S. Department of Housing and Urban Development for the purpose of housing loans and rehabilitation.

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, 2015

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.

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

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

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.

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

Sewer Maintenance Fund accounts for direct assessments on property for annual and long-term maintenance of the sewer system.

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

Cable/PEG Support Fund accounts for fees received that are restricted to upgrades to the City's cable system.

Transportation Development Act Fund accounts for funds received from the State of California Department of Transportation for the development and support of public transportation needs.

Housing Agency Low and Moderate Income Housing Fund (LMIHF) accounts for assets received from dissolution of the former Pico Rivera Redevelopment Agency dedicated to low and moderate income housing activities pursuant to the California Health and Safety Code.

CITY OF PICO RIVERA

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2015

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:

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.

2009 Lease Revenue Bond Capital Projects Fund accounts for the proceeds of the 2009 Lease Revenue Bonds and all capital expenditures paid from the proceeds of the bond.

CITY OF PICO RIVERA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

June 30, 2015

	Special Revenue Funds		
	Community Development Block Grant	State Gas Tax	Lighting Assessment District
ASSETS			
Cash and investments	\$ 8,978	\$ -	\$ -
Restricted cash and investments with fiscal agents	-	-	-
Accounts receivable	165,285	-	-
Taxes receivable	-	-	29,187
Interest receivable	-	52	-
Long-term receivables	208,343	-	-
Receivables from Successor Agency	-	-	-
TOTAL ASSETS	<u>\$ 382,606</u>	<u>\$ 52</u>	<u>\$ 29,187</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 85,413	\$ -	\$ 4,975
Accrued liabilities	6,992	-	-
Due to other funds	81,859	52	63,411
Due to other agencies	208,343	-	-
TOTAL LIABILITIES	<u>382,607</u>	<u>52</u>	<u>68,386</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	<u>165,285</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):			
Restricted	-	-	-
Unassigned	<u>(165,286)</u>	<u>-</u>	<u>(39,199)</u>
TOTAL FUND BALANCES (DEFICITS)	<u>(165,286)</u>	<u>-</u>	<u>(39,199)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 382,606</u>	<u>\$ 52</u>	<u>\$ 29,187</u>

Special Revenue Funds (Continued)

Park Development	Prop A	Prop C	Measure R	HOME Grant	CalHOME Grant
\$ 50,611	\$ 1,389,251	\$ 1,137,213	\$ 1,016,146	\$ 1,074,370	\$ -
-	-	-	-	-	-
-	-	-	291,902	-	763,338
-	-	-	-	-	-
72	1,889	1,621	1,583	-	-
-	-	-	-	3,782,017	1,430,395
-	-	-	-	-	-
<u>\$ 50,683</u>	<u>\$ 1,391,140</u>	<u>\$ 1,138,834</u>	<u>\$ 1,309,631</u>	<u>\$ 4,856,387</u>	<u>\$ 2,193,733</u>
\$ -	\$ 111,027	2,265	\$ -	\$ -	\$ 82,857
-	5,665	4,514	-	-	-
-	-	-	-	-	534,856
-	-	-	-	3,781,220	1,430,395
<u>-</u>	<u>116,692</u>	<u>6,779</u>	<u>-</u>	<u>3,781,220</u>	<u>2,048,108</u>
-	-	-	291,902	-	763,338
50,683	1,274,448	1,132,055	1,017,729	1,075,167	-
-	-	-	-	-	(617,713)
<u>50,683</u>	<u>1,274,448</u>	<u>1,132,055</u>	<u>1,017,729</u>	<u>1,075,167</u>	<u>(617,713)</u>
<u>\$ 50,683</u>	<u>\$ 1,391,140</u>	<u>\$ 1,138,834</u>	<u>\$ 1,309,631</u>	<u>\$ 4,856,387</u>	<u>\$ 2,193,733</u>

(Continued)

CITY OF PICO RIVERA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2015

Special Revenue Funds (Continued)			
	Air Quality Improvement	County Grants	State Grants
ASSETS			
Cash and investments	\$ 206,182	\$ 25,973	\$ 172,221
Restricted cash and investments with fiscal agents	-	-	-
Accounts receivable	20,795	2,069	103,977
Taxes receivable	-	-	-
Interest receivable	292	-	211
Long-term receivables	-	-	-
Receivables from Successor Agency	-	-	-
TOTAL ASSETS	<u>\$ 227,269</u>	<u>\$ 28,042</u>	<u>\$ 276,409</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ -	\$ -	\$ 10,000
Accrued liabilities	-	-	-
Due to other funds	-	-	118,793
Due to other agencies	-	6,496	-
TOTAL LIABILITIES	<u>-</u>	<u>6,496</u>	<u>128,793</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	-	-	44,265
FUND BALANCES (DEFICITS):			
Restricted	227,269	21,546	103,351
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>227,269</u>	<u>21,546</u>	<u>103,351</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 227,269</u>	<u>\$ 28,042</u>	<u>\$ 276,409</u>

Special Revenue Funds (Continued)

Economic Development Assistance Grant	Image Enhancement	Sewer Maintenance	Reach Grants	Cable/PEG Support	Transportation Development Act
\$ 2,324,736	\$ 497,449	\$ 502,386	\$ 457,794	\$ 237,393	\$ -
-	-	-	-	-	-
-	-	-	70,102	-	26,061
-	-	19,321	-	8,474	-
3,363	706	-	794	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,328,099</u>	<u>\$ 498,155</u>	<u>\$ 521,707</u>	<u>\$ 528,690</u>	<u>\$ 245,867</u>	<u>\$ 26,061</u>
\$ 17,780	\$ -	\$ 15,868	\$ 73,628	\$ 19,406	\$ -
-	-	4,133	15,157	-	-
-	-	-	-	-	26,061
-	-	-	-	-	-
<u>17,780</u>	<u>-</u>	<u>20,001</u>	<u>88,785</u>	<u>19,406</u>	<u>26,061</u>
-	-	-	70,102	-	26,061
2,310,319	498,155	501,706	369,803	226,461	-
-	-	-	-	-	(26,061)
<u>2,310,319</u>	<u>498,155</u>	<u>501,706</u>	<u>369,803</u>	<u>226,461</u>	<u>(26,061)</u>
<u>\$ 2,328,099</u>	<u>\$ 498,155</u>	<u>\$ 521,707</u>	<u>\$ 528,690</u>	<u>\$ 245,867</u>	<u>\$ 26,061</u>

(Continued)

CITY OF PICO RIVERA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2015

		Special Revenue Funds (Continued)	
		Housing Agency LMIHF	Total Special Revenue Funds
ASSETS			
Cash and investments		\$ 14,469	\$ 9,115,172
Restricted cash and investments with fiscal agents		-	-
Accounts receivable		-	1,443,529
Taxes receivable		-	56,982
Interest receivable		18	10,601
Long-term receivables		-	5,420,755
Receivables from Successor Agency		2,011,156	2,011,156
TOTAL ASSETS		\$ 2,025,643	\$ 18,058,195
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable		\$ -	\$ 423,219
Accrued liabilities		-	36,461
Due to other funds		-	825,032
Due to other agencies		-	5,426,454
TOTAL LIABILITIES		-	6,711,166
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue		-	1,360,953
FUND BALANCES (DEFICITS):			
Restricted		2,025,643	10,834,335
Unassigned		-	(848,259)
TOTAL FUND BALANCES (DEFICITS)		2,025,643	9,986,076
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		\$ 2,025,643	\$ 18,058,195

Capital Projects Funds

Flossmoor Road Sewer Assessment District	Paramount/Mines Landscape Maintenance Assessment	2009 Lease Revenue Bond	Total Capital Projects Funds	Total Other Governmental Funds
\$ 3,403	\$ -	\$ -	\$ 3,403	\$ 9,118,575
-	-	27	27	27
-	-	-	-	1,443,529
-	-	-	-	56,982
5	-	-	5	10,606
-	-	-	-	5,420,755
-	-	-	-	2,011,156
<u>\$ 3,408</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 3,435</u>	<u>\$ 18,061,630</u>
\$ -	\$ 500	\$ -	\$ 500	\$ 423,719
-	-	-	-	36,461
-	1,871	-	1,871	826,903
-	-	-	-	5,426,454
<u>-</u>	<u>2,371</u>	<u>-</u>	<u>2,371</u>	<u>6,713,537</u>
-	-	-	-	1,360,953
3,408	-	27	3,435	10,837,770
-	(2,371)	-	(2,371)	(850,630)
<u>3,408</u>	<u>(2,371)</u>	<u>27</u>	<u>1,064</u>	<u>9,987,140</u>
<u>\$ 3,408</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 3,435</u>	<u>\$ 18,061,630</u>

CITY OF PICO RIVERA

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

For the year ended June 30, 2015

	Special Revenue Funds		
	Community Development Block Grant	State Gas Tax	Lighting Assessment District
REVENUES:			
Taxes and assessments	\$ -	\$ 1,681,248	\$ 1,424,376
Intergovernmental	341,652	-	-
Charges for services	-	-	-
Investment and rental	3,766	332	-
Miscellaneous	-	-	-
TOTAL REVENUES	345,418	1,681,580	1,424,376
EXPENDITURES:			
Current:			
General government	-	-	-
Public works	-	-	682,826
Parks and recreation	-	-	-
Health and welfare	-	-	-
Community development	489,201	-	-
TOTAL EXPENDITURES	489,201	-	682,826
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(143,783)	1,681,580	741,550
OTHER FINANCING USES:			
Transfers out	(21,503)	(1,681,629)	(755,400)
NET CHANGE IN FUND BALANCES	(165,286)	(49)	(13,850)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	-	49	(25,349)
FUND BALANCES (DEFICITS) - END OF YEAR	\$ (165,286)	\$ -	\$ (39,199)

Special Revenue Funds (Continued)

Park Development	Prop A	Prop C	Measure R	HOME Grant	CalHOME Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,123,617	934,494	790,170	-	-
21,250	-	-	-	-	-
197	6,085	7,597	5,577	239,287	1,750
-	49,874	-	-	-	1,200
<u>21,447</u>	<u>1,179,576</u>	<u>942,091</u>	<u>795,747</u>	<u>239,287</u>	<u>2,950</u>
-	-	-	-	-	-
-	680,605	82,284	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	52	308,902
<u>-</u>	<u>680,605</u>	<u>82,284</u>	<u>-</u>	<u>52</u>	<u>308,902</u>
21,447	498,971	859,807	795,747	239,235	(305,952)
<u>-</u>	<u>(30,000)</u>	<u>(1,212,067)</u>	<u>(632,905)</u>	<u>-</u>	<u>-</u>
21,447	468,971	(352,260)	162,842	239,235	(305,952)
<u>29,236</u>	<u>805,477</u>	<u>1,484,315</u>	<u>854,887</u>	<u>835,932</u>	<u>(311,761)</u>
<u>\$ 50,683</u>	<u>\$ 1,274,448</u>	<u>\$ 1,132,055</u>	<u>\$ 1,017,729</u>	<u>\$ 1,075,167</u>	<u>\$ (617,713)</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, 2015

	Special Revenue Funds (Continued)		
	Air Quality Improvement	County Grants	State Grants
REVENUES:			
Taxes and assessments	\$ -	\$ -	\$ -
Intergovernmental	79,248	-	34,674
Charges for services	-	-	-
Investment and rental	1,041	-	749
Miscellaneous	-	2,500	-
TOTAL REVENUES	80,289	2,500	35,423
EXPENDITURES:			
Current:			
General government	-	-	-
Public works	58,559	-	-
Parks and recreation	-	2,491	-
Health and welfare	-	-	48,239
Community development	-	-	-
TOTAL EXPENDITURES	58,559	2,491	48,239
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	21,730	9	(12,816)
OTHER FINANCING USES:			
Transfers out	(3,962)	-	(10,781)
NET CHANGE IN FUND BALANCES	17,768	9	(23,597)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	209,501	21,537	126,948
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 227,269	\$ 21,546	\$ 103,351

Special Revenue Funds (Continued)

Economic Development Assistance Grant	Image Enhancement	Sewer Maintenance	Reach Grants	Cable/PEG Support	Transportation Development Act
\$ -	\$ -	\$ 998,094	\$ 29,893	\$ -	\$ -
-	-	-	876,275	-	19,752
-	75,496	-	-	-	-
13,286	2,457	-	3,034	-	-
-	-	-	-	291,551	-
<u>13,286</u>	<u>77,953</u>	<u>998,094</u>	<u>909,202</u>	<u>291,551</u>	<u>19,752</u>
-	-	17,273	-	-	-
-	-	439,808	-	65,090	1,000
-	-	-	966,750	-	-
-	-	-	-	-	-
<u>65,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>65,378</u>	<u>-</u>	<u>457,081</u>	<u>966,750</u>	<u>65,090</u>	<u>1,000</u>
(52,092)	77,953	541,013	(57,548)	226,461	18,752
<u>(227,971)</u>	<u>-</u>	<u>(39,307)</u>	<u>-</u>	<u>-</u>	<u>(44,813)</u>
(280,063)	77,953	501,706	(57,548)	226,461	(26,061)
<u>2,590,382</u>	<u>420,202</u>	<u>-</u>	<u>427,351</u>	<u>-</u>	<u>-</u>
<u>\$ 2,310,319</u>	<u>\$ 498,155</u>	<u>\$ 501,706</u>	<u>\$ 369,803</u>	<u>\$ 226,461</u>	<u>\$ (26,061)</u>

CITY OF PICO RIVERA

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

For the year ended June 30, 2015

	Special Revenue Funds (Continued)	
	Housing Agency LMIHF	Total Special Revenue Funds
REVENUES:		
Taxes and assessments	\$ -	\$ 4,133,611
Intergovernmental	-	4,199,882
Charges for services	-	96,746
Investment and rental	2,806	287,964
Miscellaneous	1,256	346,381
TOTAL REVENUES	4,062	9,064,584
EXPENDITURES:		
Current:		
General government	-	17,273
Public works	-	2,010,172
Parks and recreation	-	969,241
Health and welfare	-	48,239
Community development	-	863,533
TOTAL EXPENDITURES	-	3,908,458
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,062	5,156,126
OTHER FINANCING USES:		
Transfers out	-	(4,660,338)
NET CHANGE IN FUND BALANCES	4,062	495,788
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	2,021,581	9,490,288
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 2,025,643	\$ 9,986,076

Capital Projects Funds

Flossmoor Road Sewer Assessment District	Paramount/Mines Landscape Maintenance Assessment	2009 Lease Revenue Bond	Total Capital Projects Funds	Total Other Governmental Funds
\$ -	\$ 6,560	\$ -	\$ 6,560	\$ 4,140,171
-	-	-	-	4,199,882
-	-	-	-	96,746
18	36	15	69	288,033
-	-	-	-	346,381
18	6,596	15	6,629	9,071,213
-	-	-	-	17,273
-	22,980	-	22,980	2,033,152
-	-	-	-	969,241
-	-	-	-	48,239
-	-	-	-	863,533
-	22,980	-	22,980	3,931,438
18	(16,384)	15	(16,351)	5,139,775
-	-	-	-	(4,660,338)
18	(16,384)	15	(16,351)	479,437
3,390	14,013	12	17,415	9,507,703
\$ 3,408	\$ (2,371)	\$ 27	\$ 1,064	\$ 9,987,140

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 892,362	\$ 341,652	\$ (550,710)
Investment and rental	-	3,766	3,766
TOTAL REVENUES	892,362	345,418	(546,944)
EXPENDITURES:			
Current:			
Community development	870,859	489,201	381,658
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	21,503	(143,783)	(165,286)
OTHER FINANCING USES:			
Transfers out	(21,503)	(21,503)	-
NET CHANGE IN FUND BALANCE	-	(165,286)	(165,286)
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ (165,286)	\$ (165,286)

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 1,788,600	\$ 1,681,248	\$ (107,352)
Investment and rental	-	332	332
TOTAL REVENUES	1,788,600	1,681,580	(107,020)
OTHER FINANCING USES:			
Transfers out	(1,788,600)	(1,681,629)	106,971
NET CHANGE IN FUND BALANCE	-	(49)	(49)
FUND BALANCE - BEGINNING OF YEAR	49	49	-
FUND BALANCE - END OF YEAR	\$ 49	\$ -	\$ (49)

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 1,292,000	\$ 1,424,376	\$ 132,376
EXPENDITURES:			
Current:			
Public works	684,000	682,826	1,174
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	608,000	741,550	133,550
OTHER FINANCING SOURCES (USES):			
Transfers in	200,000	-	(200,000)
Transfers out	(790,400)	(755,400)	35,000
TOTAL OTHER FINANCING SOURCES (USES)	(590,400)	(755,400)	(165,000)
NET CHANGE IN FUND BALANCE	17,600	(13,850)	(31,450)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(25,349)	(25,349)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (7,749)</u>	<u>\$ (39,199)</u>	<u>\$ (31,450)</u>

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for services	\$ -	\$ 21,250	\$ 21,250
Investment and rental	-	197	197
TOTAL REVENUES	-	21,447	21,447
OTHER FINANCING USES:			
Transfers out	(22,430)	-	22,430
NET CHANGE IN FUND BALANCE	(22,430)	21,447	43,877
FUND BALANCE - BEGINNING OF YEAR	29,236	29,236	-
FUND BALANCE - END OF YEAR	\$ 6,806	\$ 50,683	\$ 43,877

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,030,000	\$ 1,123,617	\$ 93,617
Investment and rental	500	6,085	5,585
Miscellaneous	65,000	49,874	(15,126)
TOTAL REVENUES	1,095,500	1,179,576	84,076
EXPENDITURES:			
Current:			
Public works	857,100	680,605	176,495
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	238,400	498,971	260,571
OTHER FINANCING USES:			
Transfers out	(186,500)	(30,000)	156,500
NET CHANGE IN FUND BALANCE	51,900	468,971	417,071
FUND BALANCE - BEGINNING OF YEAR	805,477	805,477	-
FUND BALANCE - END OF YEAR	\$ 857,377	\$ 1,274,448	\$ 417,071

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 890,000	\$ 934,494	\$ 44,494
Investment and rental	5,000	7,597	2,597
TOTAL REVENUES	895,000	942,091	47,091
EXPENDITURES:			
Current:			
Public works	30,000	82,284	(52,284)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	865,000	859,807	(5,193)
OTHER FINANCING USES:			
Transfers out	(3,667,151)	(1,212,067)	2,455,084
NET CHANGE IN FUND BALANCE	(2,802,151)	(352,260)	2,449,891
FUND BALANCE - BEGINNING OF YEAR	1,484,315	1,484,315	-
FUND BALANCE - END OF YEAR	<u>\$ (1,317,836)</u>	<u>\$ 1,132,055</u>	<u>\$ 2,449,891</u>

CITY OF PICO RIVERA

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

MEASURE R SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 7,097,000	\$ 790,170	\$ (6,306,830)
Investment and rental	5,000	5,577	577
TOTAL REVENUES	7,102,000	795,747	(6,306,253)
OTHER FINANCING USES:			
Transfers out	(7,738,046)	(632,905)	7,105,141
NET CHANGE IN FUND BALANCE	(636,046)	162,842	798,888
FUND BALANCE - BEGINNING OF YEAR	854,887	854,887	-
FUND BALANCE - END OF YEAR	\$ 218,841	\$ 1,017,729	\$ 798,888

CITY OF PICO RIVERA

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

HOME GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 150,000	\$ -	\$ (150,000)
Investment and rental	-	239,287	239,287
TOTAL REVENUES	150,000	239,287	89,287
EXPENDITURES:			
Current:			
Community development	800,000	52	799,948
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(650,000)	239,235	889,235
FUND BALANCE - BEGINNING OF YEAR	835,932	835,932	-
FUND BALANCE - END OF YEAR	\$ 185,932	\$ 1,075,167	\$ 889,235

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,330,000	\$ -	\$ (1,330,000)
Investment and rental	-	1,750	1,750
Miscellaneous	-	1,200	1,200
TOTAL REVENUES	1,330,000	2,950	(1,327,050)
EXPENDITURES:			
Current:			
Community development	611,392	308,902	302,490
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	718,608	(305,952)	(1,024,560)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(311,761)	(311,761)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 406,847	\$ (617,713)	\$ (1,024,560)

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 80,000	\$ 79,248	\$ (752)
Investment and rental	-	1,041	1,041
TOTAL REVENUES	80,000	80,289	289
EXPENDITURES:			
Current:			
Public works	92,000	58,559	33,441
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,000)	21,730	33,730
OTHER FINANCING USES:			
Transfers out	(50,000)	(3,962)	46,038
NET CHANGE IN FUND BALANCE	(62,000)	17,768	79,768
FUND BALANCE - BEGINNING OF YEAR	209,501	209,501	-
FUND BALANCE - END OF YEAR	\$ 147,501	\$ 227,269	\$ 79,768

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 295,646	\$ -	\$ (295,646)
Miscellaneous	552,311	2,500	(549,811)
TOTAL REVENUES	847,957	2,500	(845,457)
EXPENDITURES:			
Current:			
Parks and recreation	-	2,491	(2,491)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	847,957	9	(847,948)
OTHER FINANCING USES:			
Transfers out	(847,957)	-	847,957
NET CHANGE IN FUND BALANCE	-	9	9
FUND BALANCE - BEGINNING OF YEAR	21,537	21,537	-
FUND BALANCE - END OF YEAR	\$ 21,537	\$ 21,546	\$ 9

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 602,441	\$ 34,674	\$ (567,767)
Investment and rental	-	749	749
TOTAL REVENUES	602,441	35,423	(567,018)
EXPENDITURES:			
Current:			
Health and welfare	364,630	48,239	316,391
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	237,811	(12,816)	(250,627)
OTHER FINANCING USES:			
Transfers out	(182,811)	(10,781)	172,030
NET CHANGE IN FUND BALANCE	55,000	(23,597)	(78,597)
FUND BALANCE - BEGINNING OF YEAR	126,948	126,948	-
FUND BALANCE - END OF YEAR	\$ 181,948	\$ 103,351	\$ (78,597)

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment and rental	\$ 9,000	\$ 13,286	\$ 4,286
EXPENDITURES:			
Current:			
Community development	160,700	65,378	95,322
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(151,700)	(52,092)	99,608
OTHER FINANCING USES:			
Transfers out	(400,000)	(227,971)	172,029
NET CHANGE IN FUND BALANCE	(551,700)	(280,063)	271,637
FUND BALANCE - BEGINNING OF YEAR	2,590,382	2,590,382	-
FUND BALANCE - END OF YEAR	<u>\$ 2,038,682</u>	<u>\$ 2,310,319</u>	<u>\$ 271,637</u>

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for services	\$ 42,000	\$ 75,496	\$ 33,496
Investment and rental	5,000	2,457	(2,543)
TOTAL REVENUES	47,000	77,953	30,953
OTHER FINANCING USES:			
Transfers out	(180,585)	-	180,585
NET CHANGE IN FUND BALANCE	(133,585)	77,953	211,538
FUND BALANCE - BEGINNING OF YEAR	420,202	420,202	-
FUND BALANCE - END OF YEAR	\$ 286,617	\$ 498,155	\$ 211,538

CITY OF PICO RIVERA

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

SEWER MAINTENANCE SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 1,040,000	\$ 998,094	\$ (41,906)
EXPENDITURES:			
Current:			
General government	16,714	17,273	(559)
Public works	816,286	439,808	376,478
TOTAL EXPENDITURES	833,000	457,081	375,919
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	207,000	541,013	334,013
OTHER FINANCING USES:			
Transfers out	(200,000)	(39,307)	160,693
NET CHANGE IN FUND BALANCE	7,000	501,706	494,706
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE - END OF YEAR	\$ 7,000	\$ 501,706	\$ 494,706

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 36,000	\$ 29,893	\$ (6,107)
Intergovernmental	912,800	876,275	(36,525)
Investment and rental	1,000	3,034	2,034
TOTAL REVENUES	949,800	909,202	(40,598)
EXPENDITURES:			
Current:			
Parks and recreation	979,900	966,750	13,150
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(30,100)	(57,548)	(27,448)
OTHER FINANCING USES:			
Transfers out	(46,000)	-	46,000
NET CHANGE IN FUND BALANCE	(76,100)	(57,548)	18,552
FUND BALANCE - BEGINNING OF YEAR	427,351	427,351	-
FUND BALANCE - END OF YEAR	\$ 351,251	\$ 369,803	\$ 18,552

CITY OF PICO RIVERA

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

CABLE/PEG SUPPORT SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Miscellaneous	\$ 248,000	\$ 291,551	\$ 43,551
EXPENDITURES:			
Current:			
Public works	248,000	65,090	182,910
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	226,461	226,461
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ 226,461	\$ 226,461

CITY OF PICO RIVERA

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

TRANSPORTATION DEVELOPMENT ACT SPECIAL REVENUE FUND

For the year ended June 30, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 87,934	\$ 19,752	\$ (68,182)
EXPENDITURES:			
Current:			
Public works	1,000	1,000	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	86,934	18,752	(68,182)
OTHER FINANCING USES:			
Transfers out	(86,934)	(44,813)	42,121
NET CHANGE IN FUND BALANCE	-	(26,061)	(26,061)
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ (26,061)	\$ (26,061)

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, 2015

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 8,843	\$ 6,560	\$ (2,283)
Investment and rental	-	36	36
TOTAL REVENUES	8,843	6,596	(2,247)
EXPENDITURES:			
Current:			
Public works	3,000	22,980	(19,980)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,843	(16,384)	(22,227)
OTHER FINANCING USES:			
Transfers out	(23,500)	-	23,500
NET CHANGE IN FUND BALANCE	(17,657)	(16,384)	1,273
FUND BALANCE - BEGINNING OF YEAR	14,013	14,013	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (3,644)	\$ (2,371)	\$ 1,273

CITY OF PICO RIVERA

DESCRIPTION OF OTHER ENTERPRISE FUNDS

June 30, 2015

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 Fund accounts for funds received from the respective private concessionaires operating each facility.

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

CITY OF PICO RIVERA

COMBINING STATEMENT OF NET POSITION
OTHER ENTERPRISE FUNDS

June 30, 2015

	Sports Arena	Golf Course	Total
ASSETS:			
CURRENT ASSETS:			
Cash and investments	\$ 210,373	\$ 900	\$ 211,273
Receivables, net:			
Accounts	-	102,309	102,309
Interest	525	-	525
Inventories, at cost	-	24,068	24,068
TOTAL CURRENT ASSETS	210,898	127,277	338,175
NONCURRENT ASSETS:			
Capital assets, not depreciated	3,368	38,945	42,313
Capital assets, depreciated, net	507,742	370,057	877,799
TOTAL NONCURRENT ASSETS	511,110	409,002	920,112
TOTAL ASSETS	722,008	536,279	1,258,287
DEFERRED OUTFLOWS OF RESOURCES:			
Amount related to pensions	1,344	-	1,344
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	179	11,755	11,934
Accrued liabilities	2,555	22,765	25,320
Due to other funds	-	673,881	673,881
Deposits	-	8,776	8,776
TOTAL CURRENT LIABILITIES	2,734	717,177	719,911
NONCURRENT LIABILITIES:			
Advances from other funds	704,496	-	704,496
Net pension liability	16,559	-	16,559
TOTAL NONCURRENT LIABILITIES	721,055	-	721,055
TOTAL LIABILITIES	723,789	717,177	1,440,966
DEFERRED INFLOWS OF RESOURCES:			
Amount related to pensions	2,780	-	2,780
NET POSITION:			
Net investment in capital assets	511,110	409,002	920,112
Unrestricted	(514,327)	(589,900)	(1,104,227)
TOTAL NET POSITION	\$ (3,217)	\$ (180,898)	\$ (184,115)

CITY OF PICO RIVERA

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

For the year ended June 30, 2015

	Sports Arena	Golf Course	Total
OPERATING REVENUES:			
Charges for services	\$ 180,000	\$ 816,548	\$ 996,548
OPERATING EXPENSES:			
Salaries and benefits	25,849	-	25,849
Contractual services	-	432,534	432,534
Insurance claims and expenses	90,837	-	90,837
Administrative	-	308,053	308,053
Utilities	2,906	208,591	211,497
Repairs and maintenance	-	127,749	127,749
Depreciation	78,673	34,593	113,266
TOTAL OPERATING EXPENSES	198,265	1,111,520	1,309,785
OPERATING LOSS	(18,265)	(294,972)	(313,237)
NONOPERATING REVENUES (EXPENSES):			
Investment income	2,438	-	2,438
Interest expense	(10,800)	-	(10,800)
TOTAL NONOPERATING REVENUES (EXPENSES)	(8,362)	-	(8,362)
LOSS BEFORE TRANSFERS	(26,627)	(294,972)	(321,599)
TRANSFERS OUT	(278,773)	-	(278,773)
CHANGE IN NET POSITION	(305,400)	(294,972)	(600,372)
NET POSITION - BEGINNING OF YEAR, AS RESTATED	302,183	114,074	416,257
NET POSITION - END OF YEAR	\$ (3,217)	\$ (180,898)	\$ (184,115)

CITY OF PICO RIVERA

COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS

For the year ended June 30, 2015

	Sports Arena	Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 180,000	\$ 856,625	\$ 1,036,625
Payments to suppliers	(94,477)	(1,122,108)	(1,216,585)
Payments to employees	(23,498)	-	(23,498)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>62,025</u>	<u>(265,483)</u>	<u>(203,458)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Proceeds from due to/from other funds	-	142,672	142,672
Transfers paid to other funds	(278,773)	-	(278,773)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(278,773)</u>	<u>142,672</u>	<u>(136,101)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>2,382</u>	<u>-</u>	<u>2,382</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(214,366)</u>	<u>(122,811)</u>	<u>(337,177)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>424,739</u>	<u>123,711</u>	<u>548,450</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 210,373</u></u>	<u><u>\$ 900</u></u>	<u><u>\$ 211,273</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating loss	<u>\$ (18,265)</u>	<u>\$ (294,972)</u>	<u>\$ (313,237)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	78,673	34,593	113,266
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
(Increase) decrease in accounts receivables	-	41,877	41,877
(Increase) decrease in inventories	-	(13,654)	(13,654)
(Increase) decrease in deferred outflows of resources - amount from pension plans	187	-	187
Increase (decrease) in accounts payable	(734)	(56,926)	(57,660)
Increase (decrease) in accrued liabilities	2,482	14,195	16,677
Increase (decrease) in deposits payable	-	9,404	9,404
Increase (decrease) in net pension liability	(3,098)	-	(3,098)
Increase (decrease) in deferred inflows of resources - amount from pension plans	2,780	-	2,780
Increase (decrease) in compensated absences	-	-	-
TOTAL ADJUSTMENTS	<u>80,290</u>	<u>29,489</u>	<u>109,779</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 62,025</u></u>	<u><u>\$ (265,483)</u></u>	<u><u>\$ (203,458)</u></u>
NONCASH INVESTING AND FINANCING ACTIVITIES:			
Changes in advances related to accrued interest	<u><u>\$ 10,800</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,800</u></u>

CITY OF PICO RIVERA

DESCRIPTION OF INTERNAL SERVICE FUNDS

June 30, 2015

These funds account for the financing of services provided to one department to another on a cost-reimbursement basis.

OPEB Liability Fund accounts for funds accumulated to pay post-employment health benefit costs.

Leave Liability Fund accounts for funds accumulated to pay for vacation, sick, and comp time balances for current City employees.

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.

CITY OF PICO RIVERA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

June 30, 2015

	<u>OPEB Liability</u>	<u>Leave Liability</u>	<u>Equipment Replacement</u>	<u>Total</u>
ASSETS:				
CURRENT ASSETS:				
Cash and investments	<u>\$ 7,638,302</u>	<u>\$ 563,588</u>	<u>\$ 1,123,080</u>	<u>\$ 9,324,970</u>
NET POSITION:				
Unrestricted	<u>7,638,302</u>	<u>563,588</u>	<u>1,123,080</u>	<u>9,324,970</u>
TOTAL NET POSITION	<u><u>\$ 7,638,302</u></u>	<u><u>\$ 563,588</u></u>	<u><u>\$ 1,123,080</u></u>	<u><u>\$ 9,324,970</u></u>

CITY OF PICO RIVERA

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

For the year ended June 30, 2015

	<u>OPEB Liability</u>	<u>Leave Liability</u>	<u>Equipment Replacement</u>	<u>Total</u>
REVENUES:				
Miscellaneous	\$ -	\$ -	66,546	\$ 66,546
OPERATING EXPENSES:				
Capital outlay	<u>-</u>	<u>-</u>	<u>60,782</u>	<u>60,782</u>
OPERATING INCOME BEFORE TRANSFERS	-	-	5,764	5,764
TRANSFERS IN	1,000,000	-	19,923	1,019,923
TRANSFERS OUT	<u>-</u>	<u>(39,215)</u>	<u>-</u>	<u>(39,215)</u>
CHANGE IN NET POSITION	1,000,000	(39,215)	25,687	986,472
NET POSITION - BEGINNING OF YEAR	<u>6,638,302</u>	<u>602,803</u>	<u>1,097,393</u>	<u>8,338,498</u>
NET POSITION - END OF YEAR	<u><u>\$ 7,638,302</u></u>	<u><u>\$ 563,588</u></u>	<u><u>\$ 1,123,080</u></u>	<u><u>\$ 9,324,970</u></u>

CITY OF PICO RIVERA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the year ended June 30, 2015

	OPEB Liability	Leave Liability	Equipment Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from users	\$ -	\$ -	\$ 66,546	\$ 66,546
Payments to suppliers	-	-	(65,782)	(65,782)
NET CASH PROVIDED BY OPERATING ACTIVITIES	-	-	764	764
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers received from other funds	1,000,000	-	19,923	1,019,923
Transfers paid to other funds	-	(39,215)	-	(39,215)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	1,000,000	(39,215)	19,923	980,708
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	-	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,000,000	(39,215)	20,687	981,472
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	6,638,302	602,803	1,102,393	8,343,498
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,638,302</u>	<u>\$ 563,588</u>	<u>\$ 1,123,080</u>	<u>\$ 9,324,970</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ -	\$ -	\$ 5,764	\$ 5,764
Adjustments to reconcile operating income to net cash provided by operating activities:				
Changes in operating assets and liabilities:				
Increase (decrease) in accounts payable	-	-	(5,000)	(5,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 764</u>	<u>\$ 764</u>

CITY OF PICO RIVERA

DESCRIPTION OF AGENCY FUNDS

June 30, 2015

Agency Funds account for assets held by the City as an agent for bond assessment districts. The Agency Funds are as follows:

Assessment District 95-1 Improvement Agency 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.

Southeast Water Coalition Joint Powers Authority Fund accounts for activities in Southeast Water Coalition organized under a Joint Powers Agreement.

CITY OF PICO RIVERA

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

June 30, 2015

	Assessment District 95-1 Improvement Agency	Southeast Water Coalition Joint Powers Authority	Total
ASSETS:			
Cash and investments	\$ 45,062	\$ 973	\$ 46,035
Interest receivable	64	-	64
	<u>64</u>	<u>-</u>	<u>64</u>
TOTAL ASSETS	<u>\$ 45,126</u>	<u>\$ 973</u>	<u>\$ 46,099</u>
LIABILITIES:			
Due to member cities	\$ -	\$ 973	\$ 973
Due to bondholders	45,126	-	45,126
	<u>45,126</u>	<u>-</u>	<u>45,126</u>
TOTAL LIABILITIES	<u>\$ 45,126</u>	<u>\$ 973</u>	<u>\$ 46,099</u>

CITY OF PICO RIVERA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSESSMENT DISTRICT 95-1 IMPROVEMENT AGENCY				
ASSETS:				
Cash and investments	\$ 42,794	\$ 2,268	\$ -	\$ 45,062
Interest receivable	47	17	-	64
TOTAL ASSETS	<u>\$ 42,841</u>	<u>\$ 2,285</u>	<u>\$ -</u>	<u>\$ 45,126</u>
LIABILITIES:				
Due to bondholders	<u>\$ 42,841</u>	<u>\$ 2,285</u>	<u>\$ -</u>	<u>\$ 45,126</u>
SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY				
ASSETS:				
Cash and investments	<u>\$ 227,872</u>	<u>\$ 973</u>	<u>\$ (227,872)</u>	<u>\$ 973</u>
LIABILITIES:				
Accounts payable	\$ 20,537	\$ -	\$ (20,537)	\$ -
Due to member cities	207,335	973	(207,335)	973
TOTAL LIABILITIES	<u>\$ 227,872</u>	<u>\$ 973</u>	<u>\$ (227,872)</u>	<u>\$ 973</u>
TOTAL				
ASSETS:				
Cash and investments	\$ 270,666	\$ 3,241	\$ (227,872)	\$ 46,035
Interest receivable	47	17	-	64
TOTAL ASSETS	<u>\$ 270,713</u>	<u>\$ 3,258</u>	<u>\$ (227,872)</u>	<u>\$ 46,099</u>
LIABILITIES:				
Accounts payable	\$ 20,537	\$ -	\$ (20,537)	\$ -
Due to member cities	207,335	973	(207,335)	973
Due to bondholders	42,841	2,285	-	45,126
TOTAL LIABILITIES	<u>\$ 270,713</u>	<u>\$ 3,258</u>	<u>\$ (227,872)</u>	<u>\$ 46,099</u>

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**STATISTICAL SECTION
(UNAUDITED)**

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CITY OF PICO RIVERA

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2015

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 that may assist the reader in understanding the City's current financial performance by placing it in historical perspective.	160 - 168
<u>Revenue Capacity</u> - These schedules contain information that may help in assessing the viability of the City's most significant revenue sources - property taxes, transient occupancy tax (TOT) and sales tax.	170 - 179
<u>Debt Capacity</u> - These schedules present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	180 - 186
<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.	187 - 188
<u>Operating Information</u> - These schedules contain service and infrastructure indicators that may assist the reader in understanding how the information in the City's financial report relates to the services the City provides and the activities it performs.	189 - 193

City of Pico Rivera
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Governmental Activities:				
Net investment in capital assets	\$ 34,740,084	\$ 190,686,455	\$191,767,030	\$ 210,019,109
Restricted	12,304,490	13,724,579	12,009,671	16,582,070
Unrestricted	(56,778,135)	(53,182,715)	(52,353,854)	(56,761,367)
Total governmental activities net position	(9,733,561)	151,228,319	151,422,847	169,839,812
Business-type Activities:				
Net investment in capital assets	25,827,112	25,294,126	25,227,439	25,207,426
Restricted	4,171,209	3,991,884	-	-
Unrestricted	36,007	(30,234)	2,494,367	(20,380,408)
Total business-type activities net position	30,034,328	29,255,776	27,721,806	4,827,018
Primary Government:				
Net investment in capital assets	60,567,196	215,980,581	216,994,469	235,226,535
Restricted	16,475,699	17,716,463	12,009,671	16,582,070
Unrestricted	(56,742,128)	(53,212,949)	(49,859,487)	(77,141,775)
Total primary government net position	<u>\$ 20,300,767</u>	<u>\$ 180,484,095</u>	<u>\$179,144,653</u>	<u>\$ 174,666,830</u>

Source: City of Pico Rivera Finance Department

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$ 208,640,112	\$ 220,541,094	\$ 231,879,296	\$ 232,734,954	\$ 224,917,267	\$ 230,288,295
38,379,173	30,403,287	15,287,855	12,426,012	13,016,383	11,903,492
(60,689,563)	(61,677,209)	43,474,498	39,163,377	43,883,873	19,388,051
186,329,722	189,267,172	290,641,649	284,324,343	281,817,523	261,579,838
25,969,161	26,142,227	26,753,906	30,079,954	30,964,232	31,370,373
-	-	-	-	-	-
(20,380,408)	(17,300,491)	(17,352,760)	(17,473,063)	(16,212,613)	(18,465,237)
5,588,753	8,841,736	9,401,146	12,606,891	14,751,619	12,905,136
234,609,273	246,683,321	258,633,202	262,814,908	255,881,499	261,658,668
38,379,173	30,403,287	15,287,855	12,426,012	13,016,383	11,903,492
(81,069,971)	(78,977,700)	26,121,738	21,690,314	27,671,260	922,814
<u>\$ 191,918,475</u>	<u>\$ 198,108,908</u>	<u>\$ 300,042,795</u>	<u>\$ 296,931,234</u>	<u>\$ 296,569,142</u>	<u>\$ 274,484,974</u>

City of Pico Rivera
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Expenses:				
Governmental Activities:				
General government	\$ 9,895,699	\$ 8,250,292	\$ 8,519,371	\$ 8,300,976
Public safety	8,116,757	9,103,656	10,271,958	11,500,096
Public works	6,847,821	7,406,992	12,264,878	11,253,226
Parks and recreation	3,940,046	5,203,123	5,175,945	6,392,928
Health and welfare	4,742,546	4,747,082	5,176,082	5,782,085
Community development	6,051,055	5,633,839	6,115,717	7,628,250
Interest and fiscal charges	2,875,836	3,814,579	3,757,970	4,150,720
Total governmental activities net expenses	<u>42,469,760</u>	<u>44,159,563</u>	<u>51,281,921</u>	<u>55,008,281</u>
Business-type Activities:				
Water	7,812,309	7,903,722	8,752,874	8,350,672
Other enterprise funds	1,106,174	1,797,450	1,165,348	1,244,232
Total business-type activities net position	<u>8,918,483</u>	<u>9,701,172</u>	<u>9,918,222</u>	<u>9,594,904</u>
Total primary government expenses	<u>\$ 51,388,243</u>	<u>\$ 53,860,735</u>	<u>\$ 61,200,143</u>	<u>\$ 64,603,185</u>
Program Revenues:				
Governmental Activities:				
Charges for services:				
General government	\$ 500,226	\$ 547,418	\$ 463,454	\$ 378,258
Public safety	902,834	872,327	1,084,164	1,677,312
Public works	1,258,618	1,269,513	1,360,238	1,481,482
Parks and recreation	707,524	972,759	794,636	145,290
Health and welfare	476,841	516,313	511,812	498,341
Community development	1,053,680	1,189,941	818,959	442,497
Operating contributions and grants	12,315,594	14,815,016	14,292,679	15,843,154
Capital contributions and grants	2,874,000	533,290	630	16,790,897
Total governmental activities program revenues	<u>20,089,317</u>	<u>20,716,577</u>	<u>19,326,572</u>	<u>37,257,231</u>
Business-type Activities:				
Charges for services:				
Water utility	5,059,106	5,470,193	5,323,829	5,338,217
Other enterprise funds	934,726	930,271	906,771	1,103,241
Total business-type activities program revenues	<u>5,993,832</u>	<u>6,400,464</u>	<u>6,230,600</u>	<u>6,441,458</u>
Primary government program revenues	<u>\$ 26,083,149</u>	<u>\$ 27,117,041</u>	<u>\$ 25,557,172</u>	<u>\$ 43,698,689</u>
Net (Expense)/Revenue:				
Governmental activities	\$(22,380,443)	\$(23,442,986)	\$(31,955,349)	\$(17,751,050)
Business-type activities	<u>(2,924,651)</u>	<u>(3,300,708)</u>	<u>(3,687,622)</u>	<u>(3,153,446)</u>
Total primary government net expense	<u>\$ (25,305,094)</u>	<u>\$ (26,743,694)</u>	<u>\$ (35,642,971)</u>	<u>\$ (20,904,496)</u>

Source: City of Pico Rivera Finance Department

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$ 9,087,368	\$ 9,619,197	\$ 10,557,055	\$ 8,339,448	\$ 9,954,786	\$ 9,248,597
11,789,557	11,967,857	10,690,805	10,946,303	11,202,782	10,457,770
12,773,969	12,572,806	12,591,487	12,843,460	10,498,605	14,545,183
4,827,825	5,193,153	5,901,305	5,483,656	5,422,037	5,600,669
6,204,855	6,019,153	5,705,432	5,678,172	5,339,488	4,840,878
9,520,485	7,273,354	5,594,519	2,207,716	2,511,556	2,761,524
5,442,996	7,555,355	3,522,364	975,580	1,742,562	1,656,613
59,647,055	60,200,875	54,562,967	46,474,335	46,671,816	49,111,234
8,384,403	8,627,134	8,833,293	7,846,884	8,386,111	8,044,302
1,220,568	1,047,804	1,091,400	980,618	1,054,837	1,320,585
9,604,971	9,674,938	9,924,693	8,827,502	9,440,948	9,364,887
<u>\$ 69,252,026</u>	<u>\$ 69,875,813</u>	<u>\$ 64,487,660</u>	<u>\$ 55,301,837</u>	<u>\$ 56,112,764</u>	<u>\$ 58,476,121</u>
\$ 651,638	\$ 549,034	\$ 202,481	\$ 138,144	\$ 497,518	\$ 574,846
1,903,379	1,790,155	1,334,872	1,226,044	1,207,766	1,125,660
1,395,780	1,437,222	737,184	751,194	744,905	1,821,210
174,904	242,014	759,564	763,094	693,884	743,400
453,691	490,655	264,396	142,291	188,767	232,824
504,849	505,099	585,021	468,266	712,626	644,344
13,503,809	20,509,748	11,863,231	12,357,708	13,322,885	12,296,324
2,721,543	-	13,830,665	7,346,536	2,378,797	2,287,187
21,309,593	25,523,927	29,577,414	23,193,277	19,747,148	19,725,795
5,647,751	6,635,615	7,371,154	7,866,087	8,909,351	8,710,623
1,063,497	932,962	944,337	898,336	921,432	996,548
6,711,248	7,568,577	8,315,491	8,764,423	9,830,783	9,707,171
<u>\$ 28,020,841</u>	<u>\$ 33,092,504</u>	<u>\$ 37,892,905</u>	<u>\$ 31,957,700</u>	<u>\$ 29,577,931</u>	<u>\$ 29,432,966</u>
\$(38,337,462)	\$(34,676,948)	\$(24,985,553)	\$(23,281,058)	\$(26,924,668)	\$(29,385,439)
(2,893,723)	(2,106,361)	(1,609,202)	(63,079)	389,835	342,284
<u>\$(41,231,185)</u>	<u>\$(36,783,309)</u>	<u>\$(26,594,755)</u>	<u>\$(23,344,137)</u>	<u>\$(26,534,833)</u>	<u>\$(29,043,155)</u>

City of Pico Rivera
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Property taxes	\$ 13,574,447	\$ 13,999,296	\$ 14,892,493	\$ 15,544,899
Sales and use taxes	7,969,973	7,340,573	7,925,324	8,974,814
Franchise taxes	969,595	1,202,680	984,238	1,281,687
Utility users taxes	3,836,457	3,929,078	4,043,150	3,949,567
Other taxes	1,732,339	1,728,439	1,695,765	1,422,862
Unrestricted motor vehicle license in lieu	237,016	447,468	298,233	-
Investment earnings	455,006	1,731,877	1,703,963	1,744,699
Other	3,713	144,489	10,776	160,844
Transfers	214,525	443,853	788,089	856,287
Gain on sale of property	156,156	-	-	-
Extraordinary items/special items	-	-	-	-
Total governmental activities	<u>29,149,227</u>	<u>30,967,753</u>	<u>32,342,031</u>	<u>33,935,659</u>
Business-type Activities:				
Investment earnings	3,002,851	3,037,277	2,941,741	2,640,365
Other	-	-	-	(9,196)
Transfers	(214,525)	(443,853)	(788,089)	(856,287)
Extraordinary item	-	-	-	-
Total business-type activities	<u>2,788,326</u>	<u>2,593,424</u>	<u>2,153,652</u>	<u>1,774,882</u>
Total primary government	<u>\$ 31,937,553</u>	<u>\$ 33,561,177</u>	<u>\$ 34,495,683</u>	<u>\$ 35,710,541</u>
Change in Net Position:				
Governmental activities	\$ 6,768,784	\$ 7,524,767	\$ 386,682	\$ 16,184,609
Business-type activities	<u>(136,325)</u>	<u>(707,284)</u>	<u>(1,533,970)</u>	<u>(1,378,564)</u>
Total primary government	<u>\$ 6,632,459</u>	<u>\$ 6,817,483</u>	<u>\$ (1,147,288)</u>	<u>\$ 14,806,045</u>

Source: City of Pico Rivera Finance Department

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$ 15,116,791	\$ 15,783,650	\$ 8,468,881	\$ 8,941,441	\$ 9,269,468	\$ 9,611,244
13,074,986	13,492,573	13,589,387	15,028,866	16,435,053	16,368,367
1,155,951	1,180,286	1,212,463	1,683,174	1,641,171	1,646,884
3,669,717	3,455,256	3,365,218	3,397,538	3,504,363	3,525,036
1,331,305	1,324,669	1,510,718	1,595,125	1,710,630	1,760,876
-	-	3,538,844	-	-	-
1,372,901	1,393,205	1,399,894	209,340	39,582	151,636
241,124	269,191	130,451	125,691	139,486	613,592
460,309	(2,510,743)	136,520	371,165	648,626	611,727
-	-	162,675	205,756	104,912	257,194
-	3,227,121	124,908,663	(10,921,476)	(9,075,443)	1,059,577
36,423,084	37,615,208	158,423,714	20,636,620	24,417,848	35,606,133
2,591,363	2,847,404	2,449,432	2,367,181	2,308,060	2,226,339
4,696	-	-	4,898	95,459	-
(460,309)	2,511,939	(136,520)	(371,165)	(648,626)	(611,727)
-	-	-	(149,583)	-	-
2,135,750	5,359,343	2,312,912	1,851,331	1,754,893	1,614,612
\$ 38,558,834	\$ 42,974,551	\$ 160,736,626	\$ 22,487,951	\$ 26,172,741	\$ 37,220,745
\$ (1,914,378)	\$ 2,938,260	\$ 133,438,161	\$ (2,644,438)	\$ (2,506,820)	\$ 6,220,694
(757,973)	3,252,982	703,710	1,788,252	2,144,728	1,956,896
\$ (2,672,351)	\$ 6,191,242	\$ 134,141,871	\$ (856,186)	\$ (362,092)	\$ 8,177,590

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

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	9,856,378	9,285,657	9,064,673	35,849,151
Unreserved	<u>2,868,707</u>	<u>7,359,548</u>	<u>7,648,759</u>	<u>8,569,891</u>
Total general fund	<u>\$ 12,725,085</u>	<u>\$ 16,645,205</u>	<u>\$ 16,713,432</u>	<u>\$ 44,419,042</u>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	2,139,102	2,372,780	2,781,570	9,137,369
Unreserved, reported in:				
Special revenue funds	10,647,724	20,753,477	19,263,734	8,578,604
Debt service funds	(27,708,365)	(35,256,066)	(34,960,091)	(35,126,372)
Capital projects funds	<u>(24,888,349)</u>	<u>(25,348,977)</u>	<u>(25,453,373)</u>	<u>(27,696,411)</u>
Total all other governmental funds	<u>\$(39,809,888)</u>	<u>\$(37,478,786)</u>	<u>\$(38,368,160)</u>	<u>\$(45,106,810)</u>

Note: Implementation of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definition" beginning in fiscal year 2010-11 changed the nature of fund balance classifications.

Source: City of Pico Rivera Finance Department

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$ -	\$ 27,187,687	\$ 28,313,381	\$ 25,222,739	\$ 25,222,739	\$ 25,222,739
-	-	2,334,609	2,334,811	2,346,856	2,358,919
-	5,500,000	9,030,031	5,974,566	9,330,000	9,316,732
-	6,000,000	3,267,506	6,745,120	8,285,480	10,272,833
-	3,767,252	-	50,490	48,092	3,772,716
34,922,021	-	-	-	-	-
8,016,575	-	-	-	-	-
<u>\$ 42,938,596</u>	<u>\$ 42,454,939</u>	<u>\$ 42,945,527</u>	<u>\$ 40,327,726</u>	<u>\$ 45,233,167</u>	<u>\$ 50,943,939</u>
\$ -	\$ 6,232,910	\$ 2,523,366	\$ 600,000	\$ 600,000	\$ 600,000
-	30,425,516	26,063,969	14,808,900	10,669,538	11,366,458
-	452,101	1,435,352	-	-	-
-	-	-	-	-	-
-	(62,865,626)	(2,868,577)	(3,012,144)	(3,335,743)	(2,869,762)
35,797,844	-	-	-	-	-
13,132,481	-	-	-	-	-
(36,446,232)	-	-	-	-	-
(28,959,913)	-	-	-	-	-
<u>\$(16,475,820)</u>	<u>\$(25,755,099)</u>	<u>\$ 27,154,110</u>	<u>\$ 12,396,756</u>	<u>\$ 7,933,795</u>	<u>\$ 9,096,696</u>

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

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Revenues:				
Taxes and assessment	\$ 24,446,972	\$ 25,390,342	\$ 24,717,432	\$ 26,991,628
Licenses and permits	2,942,873	3,205,116	2,703,598	2,467,780
Intergovernmental	15,882,113	17,574,898	19,369,533	37,817,192
Charges for services	1,274,261	1,264,016	1,142,260	912,699
Fines, forfeitures and penalties	1,164,730	1,075,736	1,291,782	1,431,160
Investment income	836,757	1,286,520	1,282,570	649,870
Miscellaneous	4,061,286	2,637,285	326,999	406,793
Extraordinary item	-	-	-	-
Total revenues	50,608,992	52,433,913	50,834,174	70,677,122
Expenditures:				
General government	9,589,360	7,926,701	8,124,262	7,016,966
Public safety	8,112,907	9,100,192	10,270,119	11,310,373
Public works	7,080,544	8,002,066	8,794,803	7,669,990
Parks and recreation	3,679,445	5,183,213	4,729,902	5,927,669
Health and welfare	4,742,546	4,747,082	5,112,014	5,594,202
Community development	1,756,589	1,350,389	1,526,345	1,974,838
Pass through to other agencies	4,280,086	4,293,764	4,577,189	5,453,346
Capital outlay	1,863,171	2,270,376	5,608,105	22,156,323
Debt service:				
Principal retirement	655,000	-	-	-
Interest and other charges	3,822,314	3,752,761	3,700,671	4,099,386
Total expenditures	45,581,962	46,626,544	52,443,410	71,203,093
Excess (deficiency) of revenues over (under) expenditures	5,027,030	5,807,369	(1,609,236)	(525,971)
Other Financing Sources (Uses):				
Transfers in	8,451,529	12,061,005	11,603,646	36,860,403
Transfers out	(8,237,004)	(11,617,152)	(10,815,557)	(36,004,116)
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Sale of capital assets	156,156	-	-	-
Total other financing sources (uses)	370,681	443,853	788,089	856,287
Net change in fund balances	5,397,711	6,251,222	(821,147)	330,316
Fund balances - July 1	-	5,397,711	11,648,933	(1,018,084)
Fund balances - June 30	\$ 5,397,711	\$ 11,648,933	\$ 10,827,786	\$ (687,768)
Debt service as a percentage of noncapital expenditures	10.24%	8.46%	7.90%	8.36%

Source: City of Pico Rivera Finance Department

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$ 28,372,572	\$ 30,124,045	\$ 32,535,703	\$ 30,782,011	\$ 33,100,095	\$ 34,083,110
2,385,338	2,383,531	2,031,210	1,912,315	2,320,618	2,363,477
21,247,209	25,328,804	23,513,337	18,257,848	10,891,308	11,703,565
946,283	1,022,761	1,464,180	1,717,790	1,964,785	1,889,338
1,672,249	1,570,919	1,412,268	1,234,368	1,224,540	1,134,906
272,772	384,739	2,153,121	398,030	244,614	336,077
1,174,332	599,492	439,343	951,402	1,333,203	2,535,295
-	3,227,121	85,312,816	(5,029,315)	-	-
56,070,755	64,641,412	148,861,978	50,224,449	51,079,163	54,045,768
7,932,963	7,532,962	7,678,136	6,555,866	7,183,738	6,884,398
11,590,148	11,966,119	10,689,067	10,940,211	11,188,047	10,435,184
9,490,395	8,944,383	9,590,287	7,976,019	8,561,977	9,621,311
4,360,552	4,931,000	5,672,110	4,967,899	4,890,183	4,794,720
6,007,234	6,019,153	5,705,431	5,678,172	5,339,488	4,840,878
3,985,823	2,213,041	3,135,781	2,189,841	2,490,769	2,730,123
5,325,197	5,047,046	2,440,863	-	-	-
8,888,280	20,301,111	22,905,936	20,528,630	7,719,114	5,175,862
-	-	-	560,000	585,000	610,000
6,109,167	4,938,688	3,588,338	1,094,198	1,734,538	1,710,638
63,689,759	71,893,503	71,405,949	60,490,836	49,692,854	46,803,114
(7,619,004)	(7,252,091)	77,456,029	(10,266,387)	1,386,309	7,242,654
41,990,633	28,026,405	34,505,092	24,558,694	11,719,264	7,618,952
(41,428,840)	(30,537,148)	(34,368,572)	(31,667,462)	(12,118,893)	(7,987,933)
32,860,000	-	-	-	-	-
1,347,755	-	-	-	-	-
-	-	-	-	-	-
34,769,548	(2,510,743)	136,520	(7,108,768)	(399,629)	(368,981)
27,150,544	(9,762,834)	77,592,549	(17,375,155)	986,680	6,873,673
(687,768)	26,462,776	(7,492,912)	70,099,637	52,180,282	53,166,962
\$ 26,462,776	\$ 16,699,942	\$ 70,099,637	\$ 52,724,482	\$ 53,166,962	\$ 60,040,635
11.15%	9.57%	7.40%	4.14%	5.53%	5.57%

City of Pico Rivera
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Property Taxes	Sales Tax	Transient Occupancy Tax	Motor Vehicle In-Lieu Tax
2005-06	\$ 13,574,447	\$ 7,969,973	\$ 315,003	\$ 6,081,217
2006-07	13,999,296	7,340,573	406,959	5,399,306
2007-08	14,892,493	7,925,324	361,248	5,681,785
2008-09	15,544,899	8,974,814	359,567	5,909,671
2009-10	15,116,794	13,074,986	252,242	5,743,907
2010-11	15,783,650	13,492,573	303,971	5,792,818
2011-12	8,468,881	13,589,387	309,423	3,538,844
2012-13	8,941,441	15,028,866	333,243	12,842
2013-14	9,269,468	16,435,053	367,804	28,547
2014-15	9,611,244	16,368,367	390,666	27,575
Change from base year 2006	<u><u>-29.20%</u></u>	<u><u>105.38%</u></u>	<u><u>24.02%</u></u>	<u><u>-99.55%</u></u>

Source: City of Pico Rivera Finance Department

Franchise Tax	Utility Users Tax	Business License Tax	Total
\$ 969,595	\$ 3,836,457	\$ 1,414,806	\$ 34,161,498
1,202,680	3,929,078	1,321,480	33,599,372
984,238	4,043,150	1,334,517	35,222,755
1,281,687	3,949,567	1,253,563	37,273,768
1,155,951	3,669,717	1,171,003	40,184,600
1,180,286	3,455,256	1,195,847	41,204,401
1,212,463	3,365,218	1,201,295	31,685,511
1,683,174	3,397,538	1,249,040	30,646,144
1,641,171	3,504,363	1,342,826	32,589,232
1,646,884	3,525,036	1,370,210	32,939,982
<u>69.85%</u>	<u>-8.12%</u>	<u>-3.15%</u>	<u>-3.58%</u>

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

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other* Property</u>
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
2008-09	2,716,407,785	434,983,733	503,086,606	272,355,190
2009-10	2,576,039,499	476,070,257	520,722,691	260,933,259
2010-11	2,523,223,764	476,743,838	530,659,538	260,535,627
2011-12	2,556,723,405	507,725,955	537,870,643	257,515,511
2012-13	2,593,491,912	514,240,434	563,598,205	258,304,110
2013-14	2,698,550,967	528,061,894	591,638,354	245,353,016
2014-15	2,849,419,991	534,153,757	608,797,600	255,121,685

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

Tax-Exempt Property		Total Taxable Assessed Value	Total Direct Tax Rate
\$	81,832	\$ 3,112,215,156	0.23773
	83,467	3,430,416,740	0.24441
	85,135	3,723,009,627	0.24191
	1,820,837	3,928,654,151	0.24804
	1,857,252	3,835,622,958	0.26015
	1,852,848	3,793,015,615	0.26043
	1,866,797	3,861,702,311	0.26358
	1,904,130	3,931,538,791	0.26391
	1,942,210	4,065,546,441	0.09412
	1,951,026	4,249,444,059	0.09380

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

Fiscal Year	TAXES LEVIED	COLLECTED WITHIN THE FISCAL YEAR OF LEVY		COLLECTIONS IN Subsequent Year
		AMOUNT	PERCENT OF LEVY	
2005-06	\$ 2,457,179	\$ 2,370,309	96.46%	\$ 1,804
2006-07	2,661,678	2,281,049	85.70%	82,890
2007-08	2,882,716	2,466,213	85.55%	85,389
2008-09	2,209,373	2,075,685	93.95%	56,211
2009-10	2,500,000	2,000,000	80.00%	35,000
2010-11	2,245,949	2,157,293	96.05%	29,681
2011-12	2,250,274	2,037,518	90.55%	99,703
2012-13	2,313,210	2,240,076	96.84%	38,305
2013-14	2,388,030	2,311,646	96.80%	38,725
2014-15	2,511,683	2,425,171	96.56%	20,888

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.

TOTAL COLLECTIONS TO DATE		
AMOUNT		FINAL PERCENT OF LEVY
\$	2,372,113	96.54%
	2,363,939	88.81%
	2,551,602	88.51%
	2,131,896	96.49%
	2,035,000	81.40%
	2,186,974	97.37%
	2,137,221	94.98%
	2,278,381	98.49%
	2,350,371	98.42%
	2,446,059	97.39%

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

Fiscal Year	Overlapping Rates						Other School District Rate	City Redevelopment Rate	Total Direct Rate
	El Rancho Unified School District	Los Angeles County	County Flood Control District	Metro. Water District	Rio Hondo Community College District	City Share of 1% Levy Per Prop 13			
2005-06	0.08180	0.00070	0.00005	0.00520	0.01800	0.08920	-	1.00600	0.23773%
2006-07	0.07910	0.00070	0.00005	0.00470	0.01470	0.08920	-	1.00540	0.24441%
2007-08	0.08130	-	-	0.00450	0.01370	0.08920	-	1.00450	0.24191%
2008-09	0.08110	-	-	0.00430	0.02320	0.08920	-	1.00430	0.24804%
2009-10	0.08530	0.00330	-	0.00430	0.00130	0.08920	-	1.00430	0.26015%
2010-11	0.09160	-	-	0.00370	0.03440	0.08920	-	1.00370	0.26043%
2011-12	0.09800	-	-	0.00370	0.03420	0.08920	-	1.00370	0.26358%
2012-13	0.09985	-	-	0.00350	0.22812	0.08917	-	-	0.26391%
2013-14	0.09571	-	-	0.00350	0.02892	0.08917	-	-	0.09412%
2014-15	0.09910	-	-	0.00350	0.02820	0.08920	0.11060	-	0.09381%

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.

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

Taxpayer	2014-15		2005-06	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Vestar California XXVI LLC	\$ 69,202,196	1.63%	\$ 37,807,094	1.21%
Majestic AMB Pico Rivera Associates LLC	41,974,791	0.99%	37,279,408	1.20%
Walmart Real Estate Business Trust	33,254,649	0.78%	22,462,775	0.72%
Iron Mountain Information	30,548,286	0.72%		
Princeton Medical Holdings LLC	30,083,000	0.71%		
Showprop Pico Rivera	27,897,571	0.66%		
General American Life Insurance Company	27,789,609	0.65%	24,439,200	0.79%
GGF Pico Rivera LLC	24,754,158	0.58%	20,187,443	0.65%
Public Storage Inc	22,132,585	0.52%		
AGNL Pastry LP	21,803,917	0.51%		
Lubricating Specialties Company			35,929,184	1.15%
TRF Crossroads LLC			19,100,879	0.61%
Rex Road LLC			17,952,000	0.58%
Target Corporation			17,007,841	0.55%
Lowes HIW, Inc.			15,307,738	0.49%
	<u>\$ 329,440,762</u>	<u>7.75%</u>	<u>\$ 247,473,562</u>	<u>7.95%</u>

Excludes government and tax-exempt property owners

Total City Value for 2005-06	\$ 3,112,215,156
Total City Value for 2014-15	\$ 4,249,444,059

Source: Los Angeles County Assessor 2005-06 and 2014-15 Combined Tax Rolls

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City of Pico Rivera
Top 25 Sales Tax Producers
Current Fiscal Year and Nine Fiscal Years Ago

2014-15		2005-06	
Taxpayer	Business Type	Taxpayer	Business Type
1. Arco AM PM Mini Market	Service Stations	Arco AM PM Mini Market	Service Stations
2. Arco AM PM Mini Market	Service Stations	California Wholesale Supply	Contractors
3. Bay Cities Container	Light Industrial/Printers	Cintas	Business Services
4. Cal Wholesale Material Supply	Contractors	Circle K	Service Stations
5. Chevron	Service Stations	Dal Rae Restaurant	Fine Dining
6. Chevron	Service Stations	Home Depot	Lumber/Building Materials
7. Cintas	Business Services	Ionics Ultrapure Water	Heavy Industrial
8. Circle K	Service Stations	Kwik/Al Sal Oil	Service Stations
9. Dal Rae Restaurant	Fine Dining	Lowes	Lumber/Building Materials
10. Food 4 Less	Grocery Stores Liquor	Marshalls	Family Apparel
11. Home Depot	Lumber/Building Materials	McDonalds	Quick-Service Restaurants
12. Lowes	Lumber/Building Materials	McKinney Trailer Rentals	Trailers/Auto Parts
13. Marshalls	Family Apparel	Pico Rivera Gas and Carwash	Service Stations
14. McDonalds	Quick-Service Restaurants	Rivera Arco	Service Stations
15. Oxnard Building Materials	Contractors	Rivera Cash Wash	Service Stations
16. Pico Rivera Gas & Carwash	Service Stations	Ross	Family Apparel
17. Ross	Family Apparel	Rush Truck Center	New Motor Vehicle Dealers
18. Rush Truck Center	New Motor Vehicle Dealer	Saw Service of America	Heavy Industrial
19. Saw Service of America	Heavy Industrial	Shell/Texaco	Service Stations
20. Target	Discount Dept Stores	So Cal Material Handling	Repair Shop/Equip Rentals
21. Tesoro Refining & Marketing	Service Stations	Target	Discount Dept Stores
22. Unisource	Office Supplies/Furniture	Unisource	Office Supplies/Furniture
23. United Oil 5	Service Stations	United Oil	Service Stations
24. United Rentals	Repair Shop/Equip. Rentals	United Rentals	Repair Shop/Equip Rentals
25. Wal Mart	Discount Dept Stores	Wal Mart	Discount Dept Stores

% of Fiscal Year Total Paid by Top 25 Accounts =

2014-2015 63.33%

2005-2006 64.54%

NOTE: The names are listed in alphabetical order and not by sales tax volume.

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

Fiscal Year	Governmental Activities			Business-Type Activities	
	County Deferral	Net Pension Obligation	Finance Authority Revenue Bonds (1)	Revenue Bonds	Net Pension Obligation
2005-06	\$ 35,325,140	\$ -	\$ -	\$ 58,645,000	\$ -
2006-07	36,623,324	-	-	57,390,000	-
2007-08	37,826,624	-	-	56,060,000	-
2008-09	38,853,309	-	-	54,655,000	-
2009-10	29,130,975	-	34,170,317	53,165,000	-
2010-11	40,921,637	-	34,170,317	51,605,000	-
2011-12	- (2)	-	34,080,467	49,935,000	-
2012-13	- (2)	-	33,475,542	48,155,000	-
2013-14	- (2)	-	32,845,617	46,270,000	-
2014-15	- (2)	24,172,149 (3)	32,190,692	44,404,619	3,474,478 (3)

(1) The Finance Authority Revenue Bonds are backed by lease payments made from General Fund Revenues. These lease payments and long-term debt are included in the Statement of Net Position.

(2) Upon dissolution of the former redevelopment agency on February 1, 2012, the County deferral obligation was transferred to the Successor Agency and is no longer an obligation of the City.

(3) City implemented GASB 68 in fiscal year 2014-15 to recognize net pension obligation.

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Debt Per Capita</u>
\$ 93,970,140	9.10%	\$ 1,408
94,013,324	8.80%	1,412
93,886,624	8.72%	1,411
93,508,309	8.90%	1,403
116,466,292	10.69%	1,849
126,696,954	11.11%	2,007
84,015,467	7.36%	1,331
81,630,542	7.03%	1,295
79,115,617	6.67%	1,239
104,241,938	8.68%	1,631

City of Pico Rivera
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Finance Authority Revenue Bonds (1)	Total Primary Government	Percent of Assessed Value	Per Capita
2005-06	\$ -	\$ -	\$ -	0.000%	\$ -
2006-07	-	-	-	0.000%	-
2007-08	-	-	-	0.000%	-
2008-09	-	-	-	0.000%	-
2009-10	-	34,170,317	34,170,317	0.891%	493.02
2010-11	-	34,170,317	34,170,317	0.901%	541.35
2011-12	-	34,080,467	34,080,467	0.883%	540.51
2012-13	-	33,475,542	33,475,542	0.851%	530.91
2013-14	-	32,845,617	32,845,617	0.808%	514.23
2014-15	-	32,190,692	32,190,692	0.758%	503.75

(1) The Finance Authority Revenue Bonds are backed by lease payments made from General Fund Revenues. These lease payments and long-term debt are included in the Statement of Net Assets.

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

City of Pico Rivera
Direct and Overlapping Debt
As of June 30, 2015

2014-15 Assessed Valuation:	\$ 4,249,444,059		
Incremental Valuation:	834,277,800		
Adjusted Assessed Valuation:	<u>\$ 3,415,166,259</u>		
	Total Debt	Percentage Applicable ⁽¹⁾	City's Share of Debt
<u>DIRECT DEBT:</u>	<u>June 30, 2015</u>		<u>June 30, 2015</u>
City of Pico Rivera	\$ 32,190,692	100.000%	\$ 32,190,692
Total Direct Debt	<u>32,190,692</u>		<u>32,190,692</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	53,296,395	0.351%	187,070
Los Angeles Community College District	3,882,265,000	0.014%	543,517
Rio Hondo Community College District	160,990,160	13.058%	21,022,095
El Rancho Unified School District	54,966,452	99.997%	54,964,803
Montebello Unified School District	124,144,455	0.658%	816,871
Whittier Union High School District	129,930,795	0.479%	622,369
Los Nietos School District	25,050,132	0.060%	15,030
Whittier City School District	<u>60,315,000</u>	1.750%	<u>1,055,513</u>
Total Overlapping Tax and Assessment Debt	<u>4,490,958,389</u>		<u>79,227,267</u>
Total Direct and Overlapping Tax and Assessment Debt (2)			<u>\$ 111,417,959</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 2014-15 Assessed Valuation:

Direct Debt (\$32,190,692)	0.76%
Total Overlapping Tax and Assessment Debt	1.86%

Ratios to Adjusted Assessed Valuation:

Direct Debt (\$32,190,692)	0.94%
Total Overlapping Tax and Assessment Debt	2.32%
Combined Total Debt	3.26%

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

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Debt limit	\$ 466,832,273	\$ 520,125,810	\$ 563,808,591	\$ 595,025,845
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 466,832,273</u>	<u>\$ 520,125,810</u>	<u>\$ 563,808,591</u>	<u>\$ 595,025,845</u>
Total net debt applicable to the limit as a percent of debt limit	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation:	Data	Data		
Assessed value	Not	Not	\$ 3,723,009,627	\$ 3,928,654,151
Add back: exempt real property	Available	Available	<u>35,714,311</u>	<u>38,184,816</u>
Total assessed value	for	for	<u>\$ 3,758,723,938</u>	<u>\$ 3,966,838,967</u>
	Calculation	Calculation		
Debt limit (15% of total assessed value)			\$ 563,808,591	\$ 595,025,845
Debt applicable to limit			<u>-</u>	<u>-</u>
Legal debt margin			<u>\$ 563,808,591</u>	<u>\$ 595,025,845</u>

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.

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$ 581,318,695	\$ 573,980,277	\$ 585,365,738	\$ 602,284,951	\$ 618,519,977	\$ 643,657,163
-	-	-	-	-	-
<u>\$ 581,318,695</u>	<u>\$ 573,980,277</u>	<u>\$ 585,365,738</u>	<u>\$ 602,284,951</u>	<u>\$ 618,519,977</u>	<u>\$ 643,657,163</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 3,835,622,958	\$ 3,793,015,615	\$ 3,861,702,311	\$ 3,973,385,899	\$ 4,065,546,441	\$ 4,249,444,059
39,835,011	33,519,567	40,735,942	41,847,108	57,920,073	41,603,696
<u>\$ 3,875,457,969</u>	<u>\$ 3,826,535,182</u>	<u>\$ 3,902,438,253</u>	<u>\$ 4,015,233,007</u>	<u>\$ 4,123,466,514</u>	<u>\$ 4,291,047,755</u>
\$ 581,318,695	\$ 573,980,277	\$ 585,365,738	\$ 602,284,951	\$ 618,519,977	\$ 643,657,163
-	-	-	-	-	-
<u>\$ 581,318,695</u>	<u>\$ 573,980,277</u>	<u>\$ 585,365,738</u>	<u>\$ 602,284,951</u>	<u>\$ 618,519,977</u>	<u>\$ 643,657,163</u>

City of Pico Rivera
Pledged Revenue Bond Coverage

1999 WATER AUTHORITY REVENUE BONDS - Last Ten Fiscal Years

Fiscal Year	Gross Revenue ⁽¹⁾	Less: Direct Costs ⁽²⁾	Net Revenue Available for Debt Service	1999 Bonded Debt (P & I)	Coverage
1998-99	4,744,554	600,000		-	#REF!
1999-00	5,213,611	600,000		315,000	#REF!
2000-01	6,286,912	600,000		325,000	#REF!
2005-06	\$ 8,067,381	\$ (3,773,613)	\$ 4,293,768	\$ 1,637,558	2.62
2006-07	8,476,308	(5,033,849)	3,442,459	1,637,520	2.10
2007-08	8,221,500	(5,185,061)	3,036,439	1,635,776	1.86
2008-09	7,994,018	(4,814,036)	3,179,982	1,637,438	1.94
2009-10	8,235,109	(4,746,392)	3,488,717	1,637,175	2.13
2010-11	9,158,969	(5,150,332)	4,008,637	1,637,437	2.45
2011-12	9,819,509	(5,566,748)	4,252,761	1,635,400	2.60
2012-13	10,148,149	(4,638,606)	5,509,543	1,641,063	3.36
2013-14	11,311,659	(4,944,349)	6,367,310	1,638,925	3.89
2014-15	10,934,757	(4,785,711)	6,149,046	1,638,925	3.75

(1) Total Water Authority revenues

(2) Total expenditures less depreciation, amortization on issuance costs and allocated costs

2001 WATER AUTHORITY REVENUE BONDS (Subordinate to 1999 Water Bonds) - Last Ten Fiscal Years

Fiscal Year	Gross Revenue ⁽¹⁾	Less Purchased Security Revenue ⁽²⁾	Less: Direct Costs ⁽³⁾	Less: 1999 Debt Svce P & I Payments	Plus: Secured Revenues ⁽⁴⁾	Total Pledged Subordinate Net Revenues & Securites Revenues	2001 P & I Debt Service Payments	Coverage
1998-99	4,744,554	600,000	4,144,554	-	1,612,818		1,612,818	#REF!
1999-00	5,213,611	600,000	4,613,611	315,000	1,329,068		1,644,068	#REF!
2000-01	6,286,912	600,000	5,686,912	325,000	2,127,563		2,452,563	#REF!
2005-06	\$ 8,067,381	\$ (2,692,900)	\$ (3,773,613)	\$ (1,637,558)	\$ 3,362,900	\$ 3,326,210	\$ 3,112,769	1.07
2006-07	8,476,308	(2,644,425)	(5,033,849)	(1,637,520)	3,359,425	2,519,939	3,107,631	0.81
2007-08	8,221,500	(2,592,625)	(5,185,061)	(1,635,776)	3,357,625	2,165,663	3,109,906	0.70
2008-09	7,994,018	(2,537,150)	(4,814,036)	(1,637,438)	3,357,150	2,362,544	3,104,450	0.76
2009-10	8,235,109	(2,477,650)	(4,746,392)	(1,637,175)	3,357,650	2,731,542	3,106,119	0.88
2010-11	9,158,969	(2,413,950)	(5,150,332)	(1,637,437)	3,353,950	3,311,200	3,104,625	1.07
2011-12	9,819,509	(2,345,875)	(5,566,748)	(1,635,400)	3,350,875	3,622,361	3,099,969	1.17
2012-13	10,148,149	(2,273,075)	(4,638,606)	(1,641,062)	3,348,075	4,943,481	3,097,031	1.60
2013-14	11,311,659	(2,195,200)	(4,944,349)	(1,638,925)	3,341,900	5,875,085	3,095,000	1.90
2014-15	10,934,757	(2,111,900)	(5,118,898)	(1,638,500)	3,342,650	5,408,109	3,088,281	1.75

(1) Total Water Authority revenues

(2) This column is the interest earned on the 2001 Tax Allocation Refunding Bonds

(3) Total expenditures less depreciation, amortization on bond costs and interest payments on the 1999 & 2001 water fund bonds

(4) Principal & interest received on the 2001 Redevelopment Agency Tax Allocation Refunding Bonds

2009 LEASE REVENUE BONDS - Six Fiscal Years (2)

Fiscal Year	Gross Revenue ⁽¹⁾	Principal	Interest	Total	Coverage
2009-10	\$ 28,988,390	\$ -	\$ -	\$ -	n/a
2010-11	30,221,437	-	1,697,401	1,697,401	17.80
2011-12	32,595,768	-	1,768,638	1,768,638	18.43
2012-13	33,392,332	560,000.00	1,094,198	1,654,198	20.19
2013-14	34,651,841	585,000.00	1,734,537	2,319,537	14.94
2014-15	35,956,698	610,000.00	1,710,638	2,320,638	15.49

(1) Total General Fund revenues

(2) On September 1, 2009, the Pico Rivera Financing Authority issued \$32,860,000 In Lease Revenue Bonds

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2005-06	66,727	\$ 1,032,667	\$ 15,476	4.40%
2006-07	66,583	1,068,790	16,052	4.70%
2007-08	66,533	1,076,903	16,186	6.90%
2008-09	66,650	1,050,937	15,768	10.80%
2009-10	62,988	1,089,063	17,290	11.50%
2010-11	63,121	1,140,344	18,066	11.50%
2011-12	63,121	1,141,193	18,199	10.85%
2012-13	63,053	1,161,020	18,274	8.60%
2013-14	63,873	1,185,419	18,559	7.10%
2014-15	63,902	1,200,974	18,794	7.60%

(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.

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

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

Employer	Business Type	2014-15		2005-06	
		Employees	% of Total City Employment	Employees	% of Total City Employment
El Rancho Unified School District*	Government	819	2.85%	1,194	4.16%
Target	Retailer	186	0.65%	415	1.45%
Los Angeles County Sheriff	Patrol Station	153	0.53%		0.00%
Superior Grocers	Grocery Store	150	0.52%		0.00%
First Source LLC	Warehouse Storage	150	0.52%		0.00%
City of Pico Rivera	Government	137	0.48%	416	1.45%
Home Depot	Retailer	138	0.48%	145	0.51%
Northgate Market	Grocery Store	133	0.46%	-	0.00%
Bay Cities Container	Manufacturer	130	0.45%	125	0.44%
Lubricating Specialties Co.	Contractor	126	0.44%	-	0.00%
Rush Truck Center	New Motor Vehicles	112	0.39%	-	0.00%
Bimbo Bakeries	Distribution Center	110	0.38%	225	0.78%
Lowes	Retailer	105	0.37%	146	0.51%
Wal-Mart	Retailer	-	0.00%	500	1.74%
Bake Mark	Distribution Center	-	0.00%	250	0.87%
So. CA Material Handling, Inc.	Distribution Center	-	0.00%	195	0.68%
Cintas Corporation	Service	-	0.00%	200	0.70%
Total Top Employers		2,449	8.52%	3,811	13.28%

* - This count represents the entire school district not just employees located in Pico Rivera.

Total employment within the City based upon EDD estimation in 2014-15 was	28,750
Total employment within the City based upon EDD estimation in 2005-06 was	28,700

Sources: City of Pico Rivera Business License System

City of Pico Rivera
Full-Time Equivalent City Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
General Government	41.0	46.0	28.0	31.0	29.0	29.0	28.0	29.0	29.0	30.0
Public Safety	9.0	9.0	8.0	8.0	7.0	7.0	6.0	5.0	5.0	5.0
Public Works	42.0	54.0	48.0	56.0	57.0	57.0	57.0	47.0	47.0	54.0
Parks and Recreation	23.0	25.0	17.0	22.0	22.0	22.0	20.0	20.0	20.0	21.0
Community Development	26.0	18.0	17.0	19.0	22.0	22.0	17.0	16.0	16.0	16.0
Water	21.0	11.0	11.0	8.0	8.0	8.0	10.0	11.0	11.0	11.0
Total	<u>162.0</u>	<u>163.0</u>	<u>129.0</u>	<u>144.0</u>	<u>145.0</u>	<u>145.0</u>	<u>138.0</u>	<u>128.0</u>	<u>128.0</u>	<u>137.0</u>

Source: City of Pico Rivera Finance Department

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

Function	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Police:				
Calls dispatched	27,332	28,127	23,548	23,017
Crime reports	9,339	8,782	8,657	8,323
Moving citations	6,359	8,990	6,979	6,747
Parking citations	529	774	634	864
Parking citations issued by Public Safety	18,955	17,324	19,244	22,444
Streets and Highways:				
Asphalt repair (in tons)	1,600	1,248	360	707
Curb & gutter repair (lineal ft.)	1,000	15,456	2,550	1,890
Sidewalk repair (lineal ft.)	2,500	1,450	14,810	9
Traffic signals maintained	39	40	39	46
Water:				
Number of customer accounts	9,400	9,396	9,400	9,456
Average daily consumption (millions of gallons)	27,603	5	5	5
Water samples taken (annual)	919	520	767	780
Sewers:				
Feet of sewer mains root cut/chemically treated	11	11	11	11
Maintenance:				
Square ft. graffiti removal	#####	#####	23,425	#####
Streetsweeping miles	14,088	14,400	14,088	14,400
Trees pruned per year	6,157	3,971	3,700	4,592
Culture and Recreation:				
Youth sports	478	855	685	700
Aquatics	15,597	38,879	35,964	37,718
Recreation classes	16,604	2,418	39,452	10,184
Senior Center participants	9,602	84,430	84,728	90,664

(A) Information is not available

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
22,471	21,622	21,735	22,369	21,602	21,878
7,892	7,420	7,151	7,062	9,775	10,725
9,057	8,321	4,326	4,947	4,822	4,250
408	440	416	302	549	147
22,473	20,276	16,490	16,161	16,303	15,152
1,600	976	1,012	669	160	427
735	672	720	1,059	26	530
7,502	6,846	5,152	4,690	877	1,200
49	50	50	51	42	45
9,405	9,411	9,468	9,510	9,393	94,000
5	5	5	6	5	5
798	762	810	783	900	1,162
11	11	11	11	11	11
#####	#####	#####	#####	95,353	#####
14,400	14,400	21,285	21,285	21,285	21,285
4,669	4,041	4,621	4,543	4,258	4,998
659	856	825	835	856	856
16,720	12,163	11,479	17,800	16,179	16,179
10,082	10,660	15,601	14,983	16,415	16,415
#####	#####	#####	#####	#####	#####

City of Pico Rivera
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Public Safety:				
Police stations	1	1	1	1
Number of patrol units	13	13	12	14
Highways and Streets:				
Miles of streets	115.2	115.2	137.0	115.2
Traffic Signals	39	40	40	42
Water:				
Number of active water wells	10	10	8	8
Number of reservoirs	3	3	3	3
Miles of lines & mains	98	98	98	98
Sewer:				
Miles of sanitary sewers	110	285	285	285
Miles of flood control channel	17	17	17	17.2
Culture and Recreation:				
Number of parks	7	7	7	8
Number of community centers	5	5	8	6

Source: City of Pico Rivera Finance Department

Fiscal Year					
<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
1	1	1	1	1	1
14	12	12	12	12	12
115.2	115.2	115.2	115.2	115.2	115.2
42	43	43	43	43	43
8	8	8	8	8	8
3	3	3	3	3	3
98	98	98	98	98	98
285	285	285	285	285	285
17.2	17.2	17.2	17.0	17.0	17.0
8	8	8	8	8	8
6	6	6	6	6	6

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