

CITY OF PICO RIVERA, CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

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**CITY OF PICO RIVERA,
CALIFORNIA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared By

Finance Department

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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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 24, 2017

Honorable Mayor and City Council
City of Pico Rivera, California

SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF
PICO RIVERA FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Honorable Mayor and City Councilmembers,

I am pleased to present the Comprehensive Annual Financial Report of the City of Pico Rivera for the fiscal year ended June 30, 2016. 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. This transmittal letter will provide some highlights from Fiscal Year 2015-16, as well as explain ongoing efforts to maintain the City's sound financial footing.

The Comprehensive Annual Financial Report is prepared using the guidelines set forth by the Government Accounting Standards Board (GASB) and audited by White Nelson Diehl Evans LLP, Certified Public Accountants & Consultants. For the year ended June 30, 2016, 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, 2015. Excluding 2007 (when there was significant management turnover), this was the 17th 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 (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

See Management's Discussion and Analysis for additional information

A Certificate of Achievement is valid for a period of one year. We believe that our Comprehensive Annual Financial Report for Fiscal Year 2015-16 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.

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, construction and maintenance of roads and highways, planning and zoning, recreation and cultural activities, and general administrative support such as overall agency management, procurement of goods and services, payroll, and budgeting and accounting. Police, fire 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 (i.e., Section 8 program).

The paragraphs below present highlights from the financial statements, a discussion of significant accomplishments, a review of operational improvements made and an economic overview of the coming fiscal year. A fuller discussion of the financial aspects of the City's operations can be found in the Management Discussion and Analysis (MD&A) which follows this transmittal letter. In addition, the various schedules and Notes provide additional data related to the City's operations, obligations, investments, and other important components.

Financial Statement Highlights

The CAFR includes many financial schedules that provide information related to various aspects of the City's financial standing. The City's "Net Position" – a schedule showing assets net of liabilities across all of the City's operations – provides a broad overview of the entire organization's financial health. Pico Rivera's total net position as of June 30, 2016 was \$282.094 million, an increase from \$274.485 million as of June 30, 2015. The largest change was in the city's cash standing, an increase of \$3.538 million from the prior fiscal year.

Focusing on the General Fund, total fund balance – revenue net of expenses plus other financing uses (i.e., transfers in/out) – increased to \$64.306 million as of June 30, 2016. This was a \$13.362 million increase over Fiscal Year 2014-15. While the General Fund realized an operating surplus (i.e., ongoing revenues over ongoing expenditures) of \$4.834 million, the largest contributing factor to this fund balance increase was the re-classification of fund balance from two “Internal Service Funds.”

Not all of the \$64.306 million in fund balance is spendable (i.e., liquid): \$27.568 million is nonspendable or restricted, amounts related to the former Pico Rivera Redevelopment Agency and outstanding debt. Of the remaining \$36.738 million in spendable fund balance, \$9.480 million is committed to the Emergency Reserve, the City Council policy of setting aside 25% of prior year operating revenues for use in case of emergencies or other economic uncertainties. The other \$27.258 million of spendable fund balance is classified into various assigned reserves. See the section below on “Reserves and Fund Balance Policy” for a fuller discussion of the various reserves that have been set-aside according to the June 14, 2016 City Council adopted policy.

Significant City Accomplishments and Initiatives

The City of Pico Rivera can be proud of numerous significant accomplishments in Fiscal Year 2015-16. One of the many highlights was being named “Most Business Friendly” by the Los Angeles County Economic Development Corporation (LAEDC) at the annual Eddy Awards. This award was achieved after more than five years of efforts aimed at improving Pico Rivera’s abilities to assist local businesses, while improving the community for our residents. Receiving this acknowledgement is the culmination of efforts across the organization that included streamlining of planning and building permit processes, upgrading and improving our business license operation, and focusing economic development efforts in order to grow the City’s retail (i.e., sales tax) base.

In addition, the City also:

- Received a credit rating upgrade to “AA-“ from “A+”
- Refinanced over \$30 million in bonds, realizing almost \$400,000 in annual General Fund savings
- Initiated a new banking relationship with Commercial Bank of California, improving customer service and saving money by reducing banking fees
- Continued zero-based budgeting efforts by requiring departments to justify expenditure requests
- Transitioned financial software to a modern, state of the art system that allows for improved reporting and increases efficiency
- Approved updated General Fund reserve policies
- Undertook a revamp of purchasing policies and procedures to improve internal controls

These are just a few examples of the projects aimed at achieving and maintaining the City's long-term financial stability. In addition, initiatives were undertaken in FY 2015-16 and completed in FY 2016-17 that further improved the City's fiscal standing: approval of a budget with an operating surplus, establishing an irrevocable trust to address retiree medical liabilities, initiating a cost recovery/cost allocation plan study, reviewing telecommunication and utility billings to find cost savings, and other tasks and projects.

In addition, as part of the creation of an organization-wide vision statement, the Finance Department prepared a strategic plan, focusing on three areas of Financial Infrastructure:

- Financial Policies and Procedures
- Financial Sustainability
- Financial Literacy

Each of these tenets is reflected in the work pursued by the Finance Department, and supported by each operating department. Many of the prior year's accomplishments were driven by one of these strategic areas. The Finance Department is committed to supporting the City's overall strategic mission and vision through these strategic areas, setting department goals with one of these strategies in mind.

Economic Condition and Outlook

As can be seen in the following pages, the City's financial condition is sound. The General Fund realized a \$4.834 million surplus (operating revenues over operating expenditures) for Fiscal Year 2015-16. This surplus was a result of zero-based budgeting efforts – focusing attention on expenditures and ensuring departments are spending within their means. In addition, as part of the emphasis on economic development, the City's sales tax base continues to grow, providing revenue for daily operations. Overall, fund balance in the General Fund increased \$13.362 million. Further details of these and related financial statistics can be found in the MD&A and the Notes sections in the following pages.

The results for FY 2015-16 continue a trend over the last several fiscal years that point to renewed financial health in Pico Rivera. For Fiscal Years 2012-13, 2013-14 and 2014-15, the General Fund had operating surpluses (before transfers in/out), of \$4.032 million, \$3.185 million, and \$4.764 million respectively. There were also city-wide governmental activities surpluses of \$8.277 million, \$6.569 million and \$5.161 million, respectively. For Fiscal Year 2015-16, the city-wide governmental activities surplus was \$5.103 million.

Looking ahead, the City Council approved a FY 2016-17 General Fund operating budget with a \$340,000 surplus. This surplus has since been augmented with the refinancing of the 2009 Lease Revenue Bonds, providing an additional \$397,000 in annual savings to the General Fund.

The relative health of the City's finances can be attributed to recent efforts to better align ongoing expenditures with ongoing revenues. While Pico Rivera has enjoyed positive financial health, it is important that all efforts are made to gird against any future economic downturns which would impinge upon the City's main sources of revenue: sales and property tax. While the nation's economy continues to improve – albeit at a slower pace than in prior post-recession recoveries – no City is immune to any future slowdowns in the economy.

For this reason it is important that the City continues to develop responsible budgets that provide essential services to our residents and fulfills City Council priorities. The efforts to focus on Pico Rivera's fiscal health will continue as subsequent budgets are developed, keeping in mind the Financial Infrastructure strategic plan and its emphasis on creating, maintaining and ensuring Financial Sustainability.

Internal Control Improvements

Finance Department staff place an emphasis on effective internal controls. In the last fiscal year, Finance has improved the management of the City's purchasing card program, reviewed and audited petty cash, undertaken a comprehensive review of purchasing policies, reviewed telephone and utility usage, streamlined numerous Finance operations and addressed recommendations made by our auditors in previous annual audits.

The auditors recommendations from FY 2014-15 addressed the proper classification of "Internal Service Funds," the timeliness of fiscal year-end close processes, setting a reserve for uncollectible receivables (i.e., bad debt), improving the tracking of capital projects "construction in progress" status, monitoring affordable housing loans and tracking administrative costs to the Successor Agency. The June 30, 2016 year-end audit addresses and corrects all of these recommendations.

The June 30, 2016 financial statements include the closing out of "Internal Service Funds," transferring fund balance to the General Fund (as noted above). In addition, staff has worked diligently to resolve outstanding accounts receivable balances, properly making allowances for bad (uncollectable) debt that is now properly reflected in the financial statements. Capital projects "construction in progress" status has been properly updated and a new initiative will be put in place for regular (i.e., quarterly) monitoring of completed projects in order to account for them as part of the City's fixed asset inventory. The Successor Agency's administrative costs are being tracked more closely, which helps address this recommendation by our auditors. Finally, Finance Department staff are currently working with Community and Economic Development staff to develop a methodology for improved monitoring of housing loans.

The Finance Department is proud of these efforts to rectify the auditor's recommendations. In addition, many other processes are being reviewed and improved that directly impact daily operations. Staff is closely reviewing accounts payable and

purchasing to find ways to bring increased efficiency to these processes. For example, the City undertook an effort to enroll vendors in electronic (i.e., ACH) payment, minimizing printing of checks and speeding delivery of payment to our vendors.

One significant accomplishment that will further strengthen internal controls while providing management with improved access to financial data is the implementation of a new financial software system: New World Systems. This modern financial reporting software replaces an outdated and antiquated system and will provide staff across the organization with access to financial and operational data. In addition, the new software allows for streamlining of systems, moving the City away from paper-dependent processes by allowing for electronic approval of invoices, purchase orders, timesheets, planning and building permits and related items. It is anticipated that New World Systems will be fully functional by the end of Fiscal Year 2016-17.

Reserves and Fund Balance Policy

In an effort to further improve Pico Rivera's long-term financial health, the City Council adopted comprehensive reserve policies. The City formally adopted GASB 54 in 2011. However, these policies did not provide for a comprehensive treatment of General Fund reserves. In June 2016, The City Council adopted policies that further solidified the City's commitment to setting aside funds for economic uncertainty, while expanding the policy to allow for assignments of fund balance to capital projects, equipment replacement, leave accruals, and other related potential expenses.

As noted above, the General Fund realized a FY 2015-16 surplus of \$4.834 million. Coupled with the transition of fund balance from "Internal Service Funds," this surplus helped increase the total fund balance in the General Fund to \$64.306 million. Approximately half of this amount is classified as Nonspendable or Restricted (i.e., not liquid or available). However, as detailed in Note 12 of the CAFR, the remaining fund balance has been committed or assigned to various reserve categories, as outlined in the City's reserve policy adopted in June 2016.

The City is well-positioned to weather potential economic downturns, natural disasters or other calamities which might impinge upon operating revenue. The City's reserves, as governed by the adopted reserve policies, are set-aside to address any number of one-time uses. Future budgets will address these reserves, seeking to further strengthen the City's economic health by setting aside fund balance for anticipated uses.

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 and will be available by March 2017.

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 Department – with special thanks to Hazel De Guzman, Accountant III who was the lead in ensuring the accurate preparation of this CAFR – 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 and helping ensure its ongoing financial health.

Best regards,



René Bobadilla, P.E.
City Manager

RB:MS:ey



CITY OF PICO RIVERA

CITY OFFICIALS

June 30, 2016

City Council

David W. Armenta, Mayor

Bob J. Archuleta, Mayor Pro-Term

Gustavo V. Camacho, Councilmember

Gregory Salcido, Councilmember

Brent A. Tercero, Councilmember

Department Directors

City Manager

René Bobadilla, P.E.

Assistant City Manager

Benjamin Cárdenas

Public Works Director / City Engineer

James A. Enriquez, P.E.

City Clerk

Anna M. Jerome

Community & Economic Development Director

Benjamin A. Martinez

Parks and Recreation Director

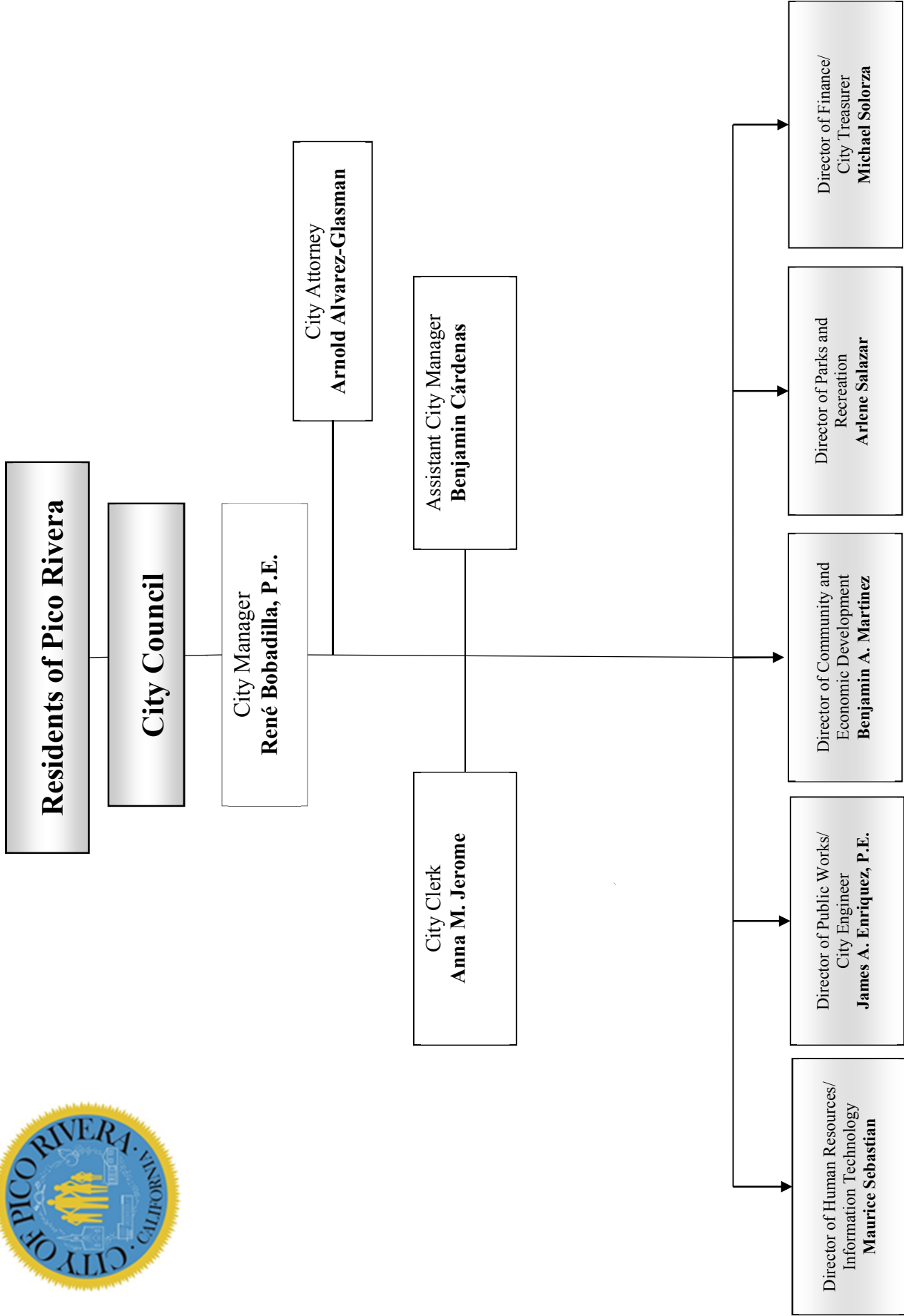
Arlene Salazar

Human Resources Director

Maurice S. Sebastian

Finance Director / City Treasurer

Michael Solorza





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, 2015

Executive Director/CEO

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, 2016, 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, 2016, 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.

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 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.

Other Matters (Continued)

Other Information (Continued)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

White Nelson Nick Evans LLP

Irvine, California
January 17, 2017

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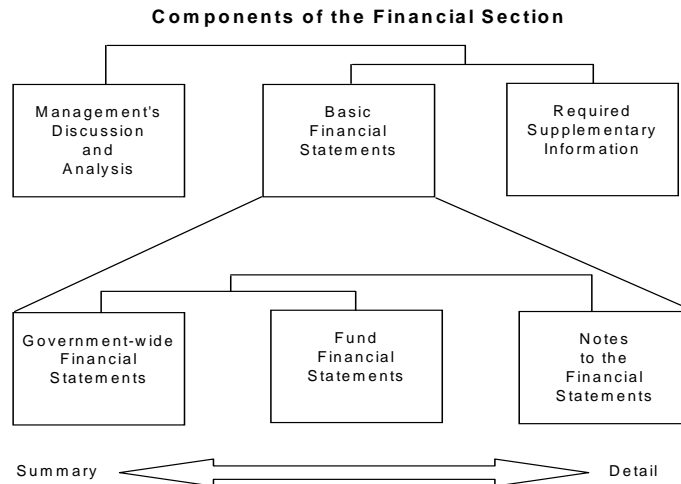
CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

The Management Discussion and Analysis provides a narrative introduction, overview and analysis that will assist in understanding 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, 2016, 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's discussion and analysis (this portion), the basic financial statements, notes to the basic 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, 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 the private sector.

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

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

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

The government-wide financial statements include not only the City itself (known as the primary government), but also three legally separate entities: the Pico Rivera 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 fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

This document reports twenty-seven (27) 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 Fund, Federal Grants Fund, and the Capital Improvement Fund since these funds are considered major funds. Data from the additional twenty-three (23) 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 118.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

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 107-109, 114 and 130-148. The governmental fund financial statements can be found on pages 24 through 29 of this report.

Proprietary Funds - Proprietary funds use the accrual basis of accounting, which is the same method used by private businesses. Proprietary funds can be classified as either "enterprise funds" or "internal service funds." The City maintains only one type of proprietary fund: enterprise funds. The City has three enterprise funds: the Water Enterprise Fund, the Golf Course Fund and the Sports Arena Fund. For the fiscal year ending June 30, 2016, the City re-classified funds that had been represented as internal service funds but were not functioning as such. The impact of this re-classification can be seen in the "transfer in" of fund balance to the General Fund (see Note 3). The basic proprietary fund financial statements can be found beginning on pages 31 through 34 and pages 150 through 152 and 154 through 156 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: 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 158 and 159 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 program, 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 102 through 109 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 and Agency Funds and Internal Service funds. Other supplementary information can be found on pages 114 through 159 of this report.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

FINANCIAL HIGHLIGHTS

Citywide

- Comparing fiscal year ending June 30, 2016 with June 30, 2015, the City's total net position increased from \$274.485 million to \$282.433 million. Of this amount, there was an increase in total assets of \$5.040 million to \$415.736 million, a decrease in total liabilities of \$395 thousand to \$133.427 million, an increase of deferred outflows of resources of \$112 thousand and a decrease of deferred inflows of resource of \$2.401 million.
- Citywide revenues totaled \$66.476 million, an increase of \$882 thousand over the prior year. Expenses were \$58.528 million, an increase of \$52 thousand over the prior year.
- Citywide capital assets, before depreciation, increased \$265 thousand to \$444.827 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 increased \$1.080 million to \$54.741 million (prior to any transfers). This increase was primary due to increases in sales and property tax of \$438 thousand and \$1.399 million respectively when compared to the prior year, offset by decreases in capital grants, utility users tax and other revenue sources.
- Governmental Fund expenditures decreased \$73 thousand to \$49.038 million. There were slight decreases in General Government, Public Works and Parks and Recreation, offset by an increase of \$425 thousand in Health and Welfare.
- General Fund revenues were \$37.928 million, an increase of \$261 thousand over the prior year. There were increases in the revenue categories of taxes and assessments, licenses and permits, charges for services, and investment and rental. These increases were partially offset by decreases in fines and forfeitures and miscellaneous.
- General Fund expenditures were \$33.094 million, a \$191 thousand increase from the prior year.
- The fund balance of the General Fund increased \$13.362 million at June 30, 2016 to \$64.306 million, primarily due to the transfer of assets from the internal service funds totaling \$8.307 million.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Fund Level – Proprietary Funds

The City had three Enterprise Funds and three Governmental Activities Internal Service Funds in Fiscal Year 2015-16.

Business-type Activities – Enterprise Funds -- Overall, the total net position of these funds increased \$2.471 million to \$15.376 million. Specifically, the net position for the Water Fund, the Golf Course Fund, and the Sports Arena Fund were \$15.280 million, negative \$384 thousand and \$480 thousand, respectively.

- Total current and noncurrent assets decreased \$479 thousand to \$81.736 million
- Total current and noncurrent liabilities decreased \$2.634 million, to \$66.375 million.
- Total operational revenues decreased \$100 thousand to \$9.607 million and operating expenses increased \$259 thousand to \$6.911 million.

Internal Service Funds – Governmental Activities –The three Internal Service Funds were set up to record activity related to Other Post Employment Benefits (OPEB), Leave Liability and Equipment Replacement expenses. In consultation with the City's auditors, it was determined that two of these funds were not functioning as Internal Service Funds (i.e., OPEB and Leave Liability). Therefore, the City closed out those two funds as of June 30, 2016. Because of this close-out action, total net position of the City's Internal Service Funds decreased \$8.411 million to \$914 thousand.

- Total current assets ended the year at \$914 thousand, current liabilities were zero and the total net position was \$914 thousand.

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, 2016 and 2015, covering Governmental Activities and Business-Type (i.e., enterprise) Activities.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

City of Pico Rivera
Net Position
Fiscal Year ended June 30, 2016 and June 30,2015

	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and Other Assets	59,977,388	55,138,344	7,703,209	6,440,062	67,680,597	61,578,406
Internal Balances	19,013,771	19,639,189	(19,013,771)	(19,639,189)	-	-
Land held for resale	600,000	600,000			600,000	600,000
Receivables from Successor Agency	14,876,652	14,842,357	27,150,919	28,378,841	42,027,571	43,221,198
Capital Assets	258,545,931	257,900,284	46,882,221	47,396,150	305,428,152	305,296,434
Total Assets	\$ 353,013,742	\$ 348,120,174	\$ 62,722,578	\$ 62,575,864	\$ 415,736,320	\$ 410,696,038
Deferred Outflow of resources	\$ 2,056,305	\$ 1,958,650	\$ 296,178	\$ 282,112	\$ 2,352,483	\$ 2,240,762
Liabilities:						
Current liabilities	11,618,404	12,620,904	1,348,534	1,429,288	12,966,938	14,050,192
Long-term liabilities	32,130,339	47,659,056	42,365,820	44,465,628	74,496,159	92,124,684
Net OPEB Obligation	16,950,425				16,950,425	
Net Pension Liabilities	25,366,413	24,172,149	3,646,800	3,474,478	29,013,213	27,646,627
Total Liabilities	\$ 86,065,581	\$ 84,452,109	\$ 47,361,154	\$ 49,369,394	\$ 133,426,735	\$ 133,821,503
Deferred Inflows of resources	\$ 1,947,461	\$ 4,046,877	\$ 281,617	\$ 583,446	\$ 2,229,078	\$ 4,630,323
Net Position:						
Net investment in capital assets	231,562,736	230,288,295	31,761,672	31,370,373	263,324,408	261,658,668
Restricted	11,854,987	11,903,492	-	-	11,854,987	11,903,492
Unrestricted	23,639,282	19,388,051	(16,385,687)	(18,465,237)	7,253,595	922,814
Total Net Position	\$ 267,057,005	\$ 261,579,838	\$ 15,375,985	\$ 12,905,136	\$ 282,432,990	\$ 274,484,974

Net position serves as an indicator of a government's financial position over time. As of June 30, 2016, the City's combined net position (governmental and business-type activities) totaled \$282.433 million, up \$7.948 million from the prior year. The increase is primarily from an increase in Unrestricted assets from \$932 thousand to \$6.916 million.

Net position consists of three categories: net investment in capital assets, restricted and unrestricted assets. The largest amount of the net position, approximately \$263.324 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.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

At June 30, 2016, the City's restricted net position was \$11.854 million or 4.20% 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 Section 8 Grant Fund, Home Grant Fund and various other special revenue funds. The remaining balance of net position of \$7.254 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities - Governmental activities' assets increased \$4.894 million to \$353.014 million, liabilities increased \$1.613 million to \$86.066 million, and total net position increased \$5.477 million to \$267.057 million when compared to the prior year.

- Cash and investments increased \$2.591 million.
- Long term liabilities, increased \$2.278 million. The largest component of this increase is the increase in liabilities related to net OPEB obligation.
- There was \$25.366 million in pension liabilities included in the financial statements along with deferred outflow of resources and deferred inflows of resources that are related to the implementation of GASB 68, which was first effective for fiscal years ending June 30, 2015 and was first reported in the financial statements for Fiscal Years 2014-15.

Business-Type Activities - Business-type activities assets increased \$147 thousand to \$62.723 million. Liabilities decreased \$2.008 million to \$47.361 million and the total net position increased \$2.471 million to \$15.376 million.

- Long-term liabilities decreased \$1.928 million to \$46.012 million.
- The share of Net pension liability (due to required GASB 68 reporting first effective for fiscal years ending June 30, 2015) was \$3.647 million.

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

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

City of Pico Rivera
Statement of Activities
Fiscal Year ended June 30, 2016 and June 30,2015

	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for services	4,945,197	5,142,284	9,606,892	9,707,171	14,552,089	14,849,455
Operating grants and contributions	12,817,403	12,296,324			12,817,403	12,296,324
Capital grants and contributions	1,620,798	2,287,187			1,620,798	2,287,187
					-	-
General Revenues:						
Property taxes	10,049,454	9,611,244			10,049,454	9,611,244
Sales and use taxes	17,766,538	16,368,367			17,766,538	16,368,367
Franchise taxes	1,654,275	1,646,884			1,654,275	1,646,884
Utility users taxes	3,385,361	3,525,036			3,385,361	3,525,036
Other taxes	1,850,151	1,760,875			1,850,151	1,760,875
Investment earnings	193,684	151,636	2,128,937	2,226,339	2,322,621	2,377,975
Miscellaneous	457,776	870,786			457,776	870,786
					-	-
Total Revenues	54,740,637	53,660,623	11,735,829	11,933,510	66,476,466	65,594,133
					-	-
Expenses						
General Government	8,790,816	9,248,597			8,790,816	9,248,597
Public safety	10,468,357	10,457,770			10,468,357	10,457,770
Public works	14,472,969	14,545,183			14,472,969	14,545,183
Parks and recreation	5,585,521	5,600,669			5,585,521	5,600,669
Health and welfare	5,266,352	4,840,878			5,266,352	4,840,878
Community development	2,827,231	2,761,524			2,827,231	2,761,524
Interest and fiscal charges	1,626,960	1,656,613			1,626,960	1,656,613
Enterprise operations			9,490,244	9,364,887	9,490,244	9,364,887
					-	-
Total Expenses	49,038,206	49,111,234	9,490,244	9,364,887	58,528,450	58,476,121
					-	-
Increase/Decrease in net position before transfers and special item	5,702,431	4,549,389	2,245,585	2,568,623	7,948,016	7,118,012
Transfers	479,232	611,727	(479,232)	(611,727)	-	-
Special item	(704,496)	1,059,577	704,496		-	1,059,577
					-	-
Increase/Decrease in net position	5,477,167	6,220,693	2,470,849	1,956,896	7,948,016	8,177,589
Change in net position:						
Net Position - Beginning of Year	261,579,838	255,359,144	12,905,136	10,948,240	274,484,974	266,307,384
Net Position - End of Year	267,057,005	261,579,837	15,375,985	12,905,136	282,432,990	274,484,973

Overall, governmental revenues (i.e., before transfers) exceeded expenses by \$5.702 million.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Governmental Activities – Total revenues increased \$1.080 million and expenses decreased \$73 thousand when compared to the previous year.

- Program revenues decreased \$342 thousand. There were decreases in Charges for Services and Capital Grants and Contributions revenue, offset by an increase in Operating Grants and Contributions.
- General revenues increased \$1.422 million. There were increases in sales and property taxes accounting for the majority of the increase in this revenue category. The overall increase in General Revenues was offset by a decrease in Utility Users Tax of \$140 thousand and other revenue by \$413 thousand.
- Expenses decreased \$73 thousand. There were decreases in the General Government, Public Works and Parks and Recreation areas, with an increase in Health and Welfare.

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

- Revenue decreased \$100 thousand primarily due to mandatory reduced water consumption and expenses increased \$125 thousand.

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 the 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, 2016 the City's governmental funds reported a combined ending fund balance of \$73.839 million as shown on page 25. The fund balance categories of governmental funds displayed \$25.199 million as nonspendable, \$13.443 million as restricted, \$9.480 million as committed, \$14.977 million as assigned, and \$10.741 million as unassigned. (Please refer to Note Number 12 of the Notes to Financial Statements for a detailed breakdown.)

The City chooses to report four major governmental funds: 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 118.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

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 \$64.306 million, an increase of \$13.362 million from the previous year. The nonspendable amount is \$25.199 million, the restricted amount is \$2.369 million, the committed amount is \$9.480 million, the assigned amount is \$14.377 million and the unassigned amount is \$12.882 million.

Housing Agency Section 8 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, \$4.808 million in revenue was received and \$4.882 million was spent. The ending fund balance was \$454 thousand.

Federal Grants Fund – The Federal Grants Fund accounts for monies received from the United States (federal) government for the rehabilitation of streets, intersections and parkway improvements. During the year, \$1.766 million was either received or billed and \$1.844 million was transferred to the Capital Improvement Fund where it was spent on capital projects. The ending fund balance was a negative \$993 thousand.

Capital Improvement Fund - The Capital Improvement 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 Fund has an ending balance of \$510 thousand. During the fiscal year, \$7.288 million was spent on various capital projects.

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, \$8.304 million was collected as charges for services and expenses were \$7.866 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 \$2.57 million and the Water Fund's net position increased to \$15.280 million.

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.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Capital Assets Administration

The City's investment in capital assets for its governmental activities at June 30, 2016 was \$258.546 million (net of accumulated depreciation of \$119.979 million). The investment in capital assets includes land, buildings, structures and improvements, infrastructure (roads, sidewalks, streetlights, etc.), furniture and equipment and construction in progress.

City of Pico Rivera
Capital Assets(Net of Accumulated Depreciation)
Fiscal Year ended June 30, 2016 and June 30,2015

	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 118,849,013	\$ 118,849,013	\$ 18,174,060	\$ 18,174,060	\$ 137,023,073	\$ 137,023,073
Structures & Improvements	21,445,150	21,445,150	5,013,838	5,013,838	26,458,988	26,458,988
Furniture & Equipment	6,519,502	6,519,502	1,006,088	1,006,088	7,525,590	7,525,590
Infrastructure	220,412,921	207,195,179	13,172,164	13,172,164	233,585,085	220,367,343
Construction in progress	11,298,311	16,824,628	1,571,044	1,360,114	12,869,355	18,184,742
Rights of Way			5,579,916			
Utility Plant			21,785,673	27,365,589	21,785,673	27,365,589
Total Capital Assets	\$ 378,524,897	\$ 370,833,472	\$ 66,302,783	\$ 66,091,853	\$ 444,827,680	\$ 436,925,325
Less depreciation	(119,978,966)	(112,933,188)	(19,420,562)	(18,695,703)	(139,399,528)	(131,628,891)
Net Capital Assets	\$ 258,545,931	\$ 257,900,284	\$ 46,882,221	\$ 47,396,150	\$ 305,428,152	\$ 305,296,434

Additional information on the City's capital assets can be found in note 5 to the basic financial statements on pages 62 and 63 of this report.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Debt Administration

As of June 30, 2016, the City had total debt outstanding of \$120.460 million, an increase of \$688 thousand. Debt includes bonded, pension obligation, post employment benefits, capital lease obligation 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.

**City of Pico Rivera
Outstanding Debt
Fiscal Year ended June 30, 2016 and June 30,2015**

	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Bonded Indebtedness:						
Revenue bonds	30,470,000	31,105,000	42,145,000	44,265,000	72,615,000	75,370,000
Bond premium	1,040,767	1,085,692	511,513	551,371	1,552,280	1,637,063
Bond discount			(385,045)	(411,753)	(385,045)	(411,753)
Other long-term debt:						
Net pension liabilities	25,366,413	24,172,149	3,646,800	3,474,478	29,013,213	27,646,627
Other post-employ. Benefits	16,950,425	14,904,776			16,950,425	14,904,776
Compensated absences	619,572	563,588	94,352	61,010	713,924	624,598
Total Indebtedness	74,447,177	71,831,205	46,012,620	47,940,106	120,459,797	119,771,311

Governmental activities - Governmental activities total indebtedness increased during the year by \$2.615 million. The increase is primarily due to the increase in net pension liability of \$1.194 million due to changes in actuarial assumptions as well as an increase in the OPEB obligation of \$2.046 million for annual required contributions. These increases were partially offset by reductions in revenue bond debt. Overall, governmental activities total indebtedness at year end is \$74.447 million. Please refer to note 6 beginning on page 64 for further detail.

Business-type activities - Business-type activities total indebtedness decreased during the year by \$1.9275 million. The decrease is primarily due to reductions in revenue bond debt. Overall, business-type debt at year end is \$46.013 million. Please refer to note 6 beginning on page 64 for further detail.

CITY OF PICO RIVERA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The General Fund realized a \$4.834 million surplus (operating revenues over operating expenditures) as of June 30, 2016. This surplus was a result of zero-based budgeting efforts – focusing attention on expenditures and ensuring departments are spending within their means. In addition, as part of the emphasis on economic development, the City's sales tax base continues to grow, providing revenue for daily operations. Overall, fund balance in the General Fund increased \$13.362 million.

The results for FY 2015-16 continue a trend over the last several fiscal years that point to renewed financial health in Pico Rivera. For Fiscal Years 2012-13, 2013-14 and 2014-15, the General Fund had operating surpluses (before transfers in/out), of \$4.032 million, \$3.185 million, and \$4.764 million respectively. There were also city-wide governmental activities surpluses of \$8.277 million, \$6.569 million and \$5.161 million, respectively. For Fiscal Year 2015-16, the city-wide governmental activities surplus was \$5.103 million.

Looking ahead, the City Council approved a FY 2016-17 General Fund operating budget with a \$340,000 surplus. This surplus has since been augmented with the refinancing of the 2009 Lease Revenue Bonds, providing an additional \$397,000 in annual savings to the General Fund.

The relative health of the City's finances can be attributed to recent efforts to better align ongoing expenditures with ongoing revenues. While Pico Rivera has enjoyed positive financial health, it is important that all efforts are made to gird against any future economic downturns which would impinge upon the City's main sources of revenue: sales and property tax. While the nation's economy continues to improve – albeit at a slower pace than in prior post-recession recoveries – no City is immune to any future slowdowns in the economy.

For this reason it is important that the City continues to develop responsible budgets that provide essential services to our residents and fulfills City Council priorities. The efforts to focus on Pico Rivera's fiscal health will continue as subsequent budgets are developed, keeping in mind the Financial Infrastructure strategic plan and its emphasis on creating, maintaining and ensuring Financial Sustainability.

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, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and investments	\$ 43,802,754	\$ 1,582,290	\$ 45,385,044
Restricted cash and investments:			
Cash and investments with fiscal agents	2,368,686	4,663,197	7,031,883
Escrow deposits	15,710	-	15,710
Receivables, net			
Accounts	3,255,524	1,425,580	4,681,104
Taxes	5,025,454	-	5,025,454
Interest	29,014	2,789	31,803
Internal balances	19,013,771	(19,013,771)	-
Inventories	-	29,353	29,353
Prepaid expenses	65,923	-	65,923
Long-term receivables	5,414,323	-	5,414,323
Land held for resale	600,000	-	600,000
Receivables from Successor Agency	14,876,652	27,150,919	42,027,571
Capital assets, not depreciated	130,147,324	25,325,020	155,472,344
Capital assets, depreciated, net	128,398,607	21,557,201	149,955,808
TOTAL ASSETS	353,013,742	62,722,578	415,736,320
DEFERRED OUTFLOWS OF RESOURCES:			
Amounts related to pension plans	2,056,305	296,178	2,352,483
LIABILITIES:			
Accounts payable	3,815,429	432,313	4,247,742
Accrued interest payable	622,718	278,583	901,301
Accrued liabilities	226,855	63,696	290,551
Deposits	817,060	573,717	1,390,777
Retention payable	11,372	225	11,597
Due to other agencies	6,124,970	-	6,124,970
Long-term liabilities:			
Due within one year	788,914	2,254,435	3,043,349
Due in more than one year	31,341,425	40,111,385	71,452,810
Net OPEB obligation	16,950,425	-	16,950,425
Net pension liability	25,366,413	3,646,800	29,013,213
TOTAL LIABILITIES	86,065,581	47,361,154	133,426,735
DEFERRED INFLOWS OF RESOURCES:			
Amounts related to pension plans	1,947,461	281,617	2,229,078
NET POSITION:			
Net investment in capital assets	231,562,736	31,761,672	263,324,408
Restricted for public safety	23,570	-	23,570
Restricted for debt service	35,163	-	35,163
Restricted for community development	5,586,556	-	5,586,556
Restricted for transportation	2,954,316	-	2,954,316
Restricted for low and moderate income housing	2,485,697	-	2,485,697
Restricted for other purposes	769,685	-	769,685
Unrestricted	23,639,282	(16,385,687)	7,253,595
TOTAL NET POSITION	\$ 267,057,005	\$ 15,375,985	\$ 282,432,990

See accompanying notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF ACTIVITIES

For the year ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 8,790,816	\$ 606,726	\$ 1,100,675	\$ -
Public safety	10,468,357	1,022,464	156,155	-
Public works	14,472,969	1,788,821	3,625,106	1,620,798
Parks and recreation	5,585,521	578,529	925,302	-
Health and welfare	5,266,352	202,262	116,433	-
Community development	2,827,231	746,395	6,893,732	-
Interest and fiscal charges	1,626,960	-	-	-
Total governmental activities	<u>49,038,206</u>	<u>4,945,197</u>	<u>12,817,403</u>	<u>1,620,798</u>
Business-type activities:				
Water	7,865,853	8,304,240	-	-
Sports Arena	180,830	61,862	-	-
Golf	1,443,561	1,240,790	-	-
Total business-type activities	<u>9,490,244</u>	<u>9,606,892</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 58,528,450</u>	<u>\$ 14,552,089</u>	<u>\$ 12,817,403</u>	<u>\$ 1,620,798</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:

Forgiveness of debt

Change in net position

Net position - beginning of year

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
\$ (7,083,415)	\$ -	\$ (7,083,415)
(9,289,738)	-	(9,289,738)
(7,438,244)	-	(7,438,244)
(4,081,690)	-	(4,081,690)
(4,947,657)	-	(4,947,657)
4,812,896	-	4,812,896
(1,626,960)	-	(1,626,960)
<u>(29,654,808)</u>	<u>-</u>	<u>(29,654,808)</u>
-	438,387	438,387
-	(118,968)	(118,968)
-	(202,771)	(202,771)
<u>-</u>	<u>116,648</u>	<u>116,648</u>
(29,654,808)	116,648	(29,538,160)
10,049,454	-	10,049,454
17,766,538	-	17,766,538
1,654,275	-	1,654,275
3,385,361	-	3,385,361
1,850,151	-	1,850,151
193,684	2,128,937	2,322,621
283,352	-	283,352
174,424	-	174,424
479,232	(479,232)	-
<u>35,836,471</u>	<u>1,649,705</u>	<u>37,486,176</u>
6,181,663	1,766,353	7,948,016
<u>(704,496)</u>	<u>704,496</u>	<u>-</u>
5,477,167	2,470,849	7,948,016
<u>261,579,838</u>	<u>12,905,136</u>	<u>274,484,974</u>
<u>\$ 267,057,005</u>	<u>\$ 15,375,985</u>	<u>\$ 282,432,990</u>

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CITY OF PICO RIVERA

DESCRIPTION OF MAJOR FUNDS

June 30, 2016

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, 2016

ASSETS	General	Special Revenue Funds	
		Housing Agency Section 8	Federal Grants
Cash and investments	\$ 32,686,136	\$ 479,758	\$ -
Restricted cash and investments:			
Cash and investments with fiscal agents	2,368,600	-	-
Escrow deposits	-	15,710	-
Receivables:			
Accounts	272,753	989	1,012,331
Taxes	4,968,921	-	-
Interest	16,989	210	-
Due from other funds	3,072,603	-	-
Advance to other funds	18,260,812	-	-
Long-term receivables	-	-	-
Prepaid expenses	65,923	-	-
Land held for resale	-	-	-
Receivables from Successor Agency	12,865,496	-	-
TOTAL ASSETS	\$ 74,578,233	\$ 496,667	\$ 1,012,331
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 3,273,951	\$ 16,593	\$ -
Accrued liabilities	206,125	8,321	-
Due to other funds	-	1,614	993,173
Deposits	801,350	15,710	-
Retention payable	-	-	-
Due to other agencies	-	-	-
TOTAL LIABILITIES	4,281,426	42,238	993,173
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	5,990,914	-	1,012,331
FUND BALANCES (DEFICIT):			
Nonspendable	25,198,662	-	-
Restricted	2,368,600	454,429	-
Committed	9,479,500	-	-
Assigned	14,376,800	-	-
Unassigned	12,882,331	-	(993,173)
TOTAL FUND BALANCES (DEFICIT)	64,305,893	454,429	(993,173)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 74,578,233	\$ 496,667	\$ 1,012,331

See accompanying notes to financial statements.

Capital Projects Fund Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 824,395	\$ 8,898,599	\$ 42,888,888
-	86	2,368,686
-	-	15,710
-	1,969,451	3,255,524
-	56,533	5,025,454
-	11,815	29,014
-	-	3,072,603
-	-	18,260,812
-	5,414,323	5,414,323
-	-	65,923
600,000	-	600,000
-	2,011,156	14,876,652
<u>\$ 1,424,395</u>	<u>\$ 18,361,963</u>	<u>\$ 95,873,589</u>
\$ 301,623	\$ 223,262	\$ 3,815,429
1,062	11,346	226,854
-	1,324,857	2,319,644
-	-	817,060
11,372	-	11,372
600,000	5,524,970	6,124,970
<u>914,057</u>	<u>7,084,435</u>	<u>13,315,329</u>
-	1,715,747	8,718,992
-	-	25,198,662
-	10,620,107	13,443,136
-	-	9,479,500
600,000	-	14,976,800
(89,662)	(1,058,326)	10,741,170
<u>510,338</u>	<u>9,561,781</u>	<u>73,839,268</u>
<u>\$ 1,424,395</u>	<u>\$ 18,361,963</u>	<u>\$ 95,873,589</u>

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CITY OF PICO RIVERA

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

June 30, 2016

Fund balances (deficits) for governmental funds		\$	73,839,268
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		\$	378,524,897
Less accumulated depreciation			<u>(119,978,966)</u>
			258,545,931
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.			
			8,718,992
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.			
			913,866
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		\$	(619,572)
Accrued interest payable			(622,718)
Other post-employment benefits			(16,950,425)
Revenue bonds payable			<u>(31,510,767)</u>
			(49,703,482)
Pension related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities:			
Deferred outflows of resources		\$	2,056,305
Deferred inflows of resources			(1,947,461)
Net pension liability			<u>(25,366,414)</u>
			(25,257,570)
Net position of governmental activities		\$	<u>267,057,005</u>

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, 2016

	General	Special Revenue Funds	
		Housing Agency Section 8	Federal Grants
REVENUES:			
Taxes and assessments	\$ 31,638,750	\$ -	\$ -
Licenses and permits	2,491,636	-	-
Intergovernmental	263,403	4,776,264	1,765,882
Charges for services	1,762,820	-	-
Fines, forfeitures and penalties	1,031,031	-	-
Investment and rental	79,673	682	-
Miscellaneous	660,558	31,241	-
TOTAL REVENUES	37,927,871	4,808,187	1,765,882
EXPENDITURES:			
Current:			
General government	6,778,791	-	-
Public safety	10,439,469	-	-
Public works	7,794,766	-	-
Parks and recreation	3,599,057	-	-
Health and welfare	-	4,882,446	-
Community development	2,164,000	-	-
Capital outlay	-	-	-
Debt service:			
Principal	635,000	-	-
Interest and fiscal charges	1,682,562	-	-
TOTAL EXPENDITURES	33,093,645	4,882,446	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,834,226	(74,259)	1,765,882
OTHER FINANCING SOURCES (USES):			
Transfers in	10,772,826	-	-
Transfers out	(2,155,098)	-	(1,843,506)
TOTAL OTHER FINANCING SOURCES (USES)	8,617,728	-	(1,843,506)
SPECIAL ITEM:			
Forgiveness of debt	(90,000)	-	-
NET CHANGE IN FUND BALANCES	13,361,954	(74,259)	(77,624)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	50,943,939	528,688	(915,549)
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 64,305,893	\$ 454,429	\$ (993,173)

See accompanying notes to financial statements.

Capital Projects Fund Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,895,391	\$ 35,534,141
-	-	2,491,636
-	5,408,951	12,214,500
-	108,189	1,871,009
-	-	1,031,031
-	261,391	341,746
-	93,372	785,171
-	9,767,294	54,269,234
-	27,019	6,805,810
-	-	10,439,469
-	1,913,057	9,707,823
-	955,667	4,554,724
-	383,906	5,266,352
-	623,070	2,787,070
7,287,913	-	7,287,913
-	-	635,000
-	-	1,682,562
<u>7,287,913</u>	<u>3,902,719</u>	<u>49,166,723</u>
<u>(7,287,913)</u>	<u>5,864,575</u>	<u>5,102,511</u>
8,301,834	200,000	19,274,660
-	(6,489,934)	(10,488,538)
<u>8,301,834</u>	<u>(6,289,934)</u>	<u>8,786,122</u>
-	-	(90,000)
1,013,921	(425,359)	13,798,633
<u>(503,583)</u>	<u>9,987,140</u>	<u>60,040,635</u>
<u>\$ 510,338</u>	<u>\$ 9,561,781</u>	<u>\$ 73,839,268</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, 2016

Net change in fund balances - total governmental funds		\$ 13,798,633
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	\$ 7,691,425	
Depreciation expense	<u>(7,045,778)</u>	645,647
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	\$ 34,294	
Adjustment to forgiveness of debt for unavailable interest income on notes receivable	(614,496)	
Grant revenue not available to pay for current-period expenditures	<u>432,418</u>	(147,784)
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	\$ (2,045,649)	
Net change in compensated absences	<u>(55,984)</u>	(2,101,633)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
		635,000
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.		
		55,602
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.		
		(8,411,104)
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	\$ (1,194,265)	
Change in deferred outflows of resources related to pensions	97,655	
Change in deferred inflows of resources related to pensions	<u>2,099,416</u>	<u>1,002,806</u>
Change in net position of governmental activities		<u>\$ 5,477,167</u>

See accompanying notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2016

	Business-type Activities - Enterprise Funds			Governmental
	Water Operations	Other Funds	Total	Internal Service Funds
ASSETS:				
CURRENT ASSETS:				
Cash and investments	\$ 1,518,195	\$ 64,095	\$ 1,582,290	\$ 913,866
Receivables, net:				
Accounts	1,299,653	125,927	1,425,580	-
Interest	2,652	137	2,789	-
Inventories, at cost	-	29,353	29,353	-
TOTAL CURRENT ASSETS	2,820,500	219,512	3,040,012	913,866
NONCURRENT ASSETS:				
Restricted cash and investments with fiscal agent	4,663,197	-	4,663,197	-
Receivables from Successor Agency	27,150,919	-	27,150,919	-
Capital assets, not depreciated	25,282,707	42,313	25,325,020	-
Capital assets, depreciated, net	20,791,718	765,483	21,557,201	-
TOTAL NONCURRENT ASSETS	77,888,541	807,796	78,696,337	-
TOTAL ASSETS	80,709,041	1,027,308	81,736,349	913,866
DEFERRED OUTFLOWS OF RESOURCES:				
Amount related to pensions	294,766	1,412	296,178	-
LIABILITIES:				
CURRENT LIABILITIES:				
Accounts payable	304,464	127,849	432,313	-
Accrued interest payable	278,583	-	278,583	-
Accrued liabilities	32,123	31,573	63,696	-
Due to other funds	-	752,959	752,959	-
Deposits	572,450	1,267	573,717	-
Retentions payable	225	-	225	-
Bonds payable - current portion	2,245,000	-	2,245,000	-
Compensated absences - current portion	9,435	-	9,435	-
TOTAL CURRENT LIABILITIES	3,442,280	913,648	4,355,928	-
NONCURRENT LIABILITIES:				
Advance from other funds	18,260,812	-	18,260,812	-
Bonds payable	40,026,468	-	40,026,468	-
Compensated absences	84,917	-	84,917	-
Net pension liability	3,629,420	17,380	3,646,800	-
TOTAL NONCURRENT LIABILITIES	62,001,617	17,380	62,018,997	-
TOTAL LIABILITIES	65,443,897	931,028	66,374,925	-
DEFERRED INFLOWS OF RESOURCES:				
Amounts related to pensions	280,275	1,342	281,617	-
NET POSITION:				
Net investment in capital assets	30,953,876	807,796	31,761,672	-
Unrestricted	(15,674,241)	(711,446)	(16,385,687)	913,866
TOTAL NET POSITION	\$ 15,279,635	\$ 96,350	\$ 15,375,985	\$ 913,866

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, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Operations	Other Funds	Total	Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 8,300,445	\$ 1,302,652	\$ 9,603,097	\$ -
Miscellaneous	3,795	-	3,795	4,691
TOTAL OPERATING REVENUES	8,304,240	1,302,652	9,606,892	4,691
OPERATING EXPENSES:				
Salaries and benefits	1,505,013	51,465	1,556,478	-
Contractual services	185,236	718,104	903,340	-
Insurance claims and expenses	343,786	48,436	392,222	-
Administrative	2,240,438	431,448	2,671,886	-
Utilities	310,179	170,981	481,160	-
Repairs and maintenance	89,136	91,641	180,777	108,905
Depreciation	612,543	112,316	724,859	-
TOTAL OPERATING EXPENSES	5,286,331	1,624,391	6,910,722	108,905
OPERATING INCOME (LOSS)	3,017,909	(321,739)	2,696,170	(104,214)
NONOPERATING REVENUES (EXPENSES):				
Investment income	2,128,140	797	2,128,937	-
Interest expense	(2,579,522)	-	(2,579,522)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(451,382)	797	(450,585)	-
INCOME (LOSS) BEFORE TRANSFERS	2,566,527	(320,942)	2,245,585	(104,214)
TRANSFERS OUT	(376,143)	(103,089)	(479,232)	(8,306,890)
INCOME (LOSS) BEFORE SPECIAL ITEM	2,190,384	(424,031)	1,766,353	(8,411,104)
SPECIAL ITEM:				
Forgiveness of debt	-	704,496	704,496	-
CHANGES IN NET POSITION	2,190,384	280,465	2,470,849	(8,411,104)
NET POSITION - BEGINNING OF YEAR	13,089,251	(184,115)	12,905,136	9,324,970
NET POSITION - END OF YEAR	\$ 15,279,635	\$ 96,350	\$ 15,375,985	\$ 913,866

See accompanying notes to financial statements.

CITY OF PICO RIVERA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2016

	Business-type Activities - Enterprise Funds			Governmental
	Water Operations	Other Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 8,287,819	\$ 1,279,034	\$ 9,566,853	\$ 4,691
Payments to suppliers	(3,310,410)	(1,349,959)	(4,660,369)	(108,905)
Payments to employees	(1,662,692)	(53,427)	(1,716,119)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,314,717	(124,352)	3,190,365	(104,214)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Proceeds from receivable from Successor Agency	1,320,000	-	1,320,000	-
Transfers paid to other funds	(376,143)	(103,089)	(479,232)	(8,306,890)
Proceeds from due to other funds	-	79,078	79,078	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	943,857	(24,011)	919,846	(8,306,890)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(210,930)	-	(210,930)	-
Principal retired	(2,120,000)	-	(2,120,000)	-
Interest paid	(2,706,024)	-	(2,706,024)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(5,036,954)	-	(5,036,954)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	2,132,900	1,185	2,134,085	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,354,520	(147,178)	1,207,342	(8,411,104)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	4,826,872	211,273	5,038,145	9,324,970
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,181,392	\$ 64,095	\$ 6,245,487	\$ 913,866

See accompanying notes to financial statements.

(Continued)

CITY OF PICO RIVERA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 (CONTINUED)

For the year ended June 30, 2016

	Business-type Activities - Enterprise Funds			Governmental
	Water Operations	Other Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 3,017,909	\$ (321,739)	\$ 2,696,170	\$ (104,214)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	612,543	112,316	724,859	-
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
(Increase) decrease in accounts receivables	(24,887)	(23,618)	(48,505)	-
(Increase) decrease in inventories	-	(5,285)	(5,285)	-
(Increase) decrease in deferred outflows of resources - amount related to pensions	(13,998)	(68)	(14,066)	-
Increase (decrease) in accounts payable	(86,178)	115,915	29,737	-
Increase (decrease) in accrued liabilities	(48,133)	6,253	(41,880)	-
Increase (decrease) in deposits payable	8,466	(7,509)	957	-
Increase (decrease) in retentions payable	(55,458)	-	(55,458)	-
Increase (decrease) in net pension liability	171,501	821	172,322	-
Increase (decrease) in compensated absences	33,342	-	33,342	-
Increase (decrease) in deferred inflows of resources - amounts related to pensions	(300,390)	(1,438)	(301,828)	-
TOTAL ADJUSTMENTS	296,808	197,387	494,195	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 3,314,717	\$ (124,352)	\$ 3,190,365	\$ (104,214)
NONCASH INVESTING AND FINANCING ACTIVITIES:				
Forgiveness of General Fund advance	\$ -	\$ 704,496	\$ 704,496	\$ -

See accompanying notes to financial statements.

CITY OF PICO RIVERA

DESCRIPTION OF FIDUCIARY FUNDS

June 30, 2016

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, 2016

	Successor Agency to the City of Pico Rivera Redevelopment Agency Private-Purpose Trust Fund	Agency Funds
	<u>Trust Fund</u>	<u>Agency Funds</u>
ASSETS:		
Cash and investments	\$ 5,022,730	\$ 45,417
Interest receivable	10,851	85
Loans receivable	385,454	-
Land held for resale	587,610	-
Capital assets:		
Capital assets, not depreciated	258,023	-
Capital assets, depreciated, net	85,233	-
TOTAL ASSETS	<u>6,349,901</u>	<u>\$ 45,502</u>
LIABILITIES:		
Accounts payable	14,673	\$ -
Accrued liabilities	6,908	-
Payable to City of Pico Rivera	44,729,361	-
Payable to Pico Rivera Housing Assistance Agency	2,011,156	-
Payable to City of Pico Rivera Water Authority	27,211,572	-
Payable to the County of Los Angeles	39,867,675	-
Due to bondholders	-	45,502
TOTAL LIABILITIES	<u>113,841,345</u>	<u>\$ 45,502</u>
NET POSITION:		
Held in Trust	<u>\$ (107,491,444)</u>	

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, 2016

	Successor Agency to the City of Pico Rivera Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:	
County deferral	\$ 3,484,593
Investment earnings	39,055
TOTAL ADDITIONS	<u>3,523,648</u>
DEDUCTIONS:	
Administration	271,611
Interest	2,278,394
Depreciation	4,762
TOTAL DEDUCTIONS	<u>2,554,767</u>
CHANGE IN NET POSITION	968,881
NET POSITION - BEGINNING OF YEAR	<u>(108,460,325)</u>
NET POSITION - END OF YEAR	<u><u>\$ (107,491,444)</u></u>

See accompanying notes to financial statements.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2016

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 14 and 15 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, 2016

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, with the exception of sales taxes, which are considered to be available if they are collected within 90 days of the end of the 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, 2016

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 in governmental funds are reported on the balance sheets in spite of their spending measurement focus. These long-term receivables relate to grant-funded revolving loan programs and are offset by amounts due to the granting agencies since the funding will revert back to them upon conclusion of the loan programs.

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, 2016

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, 2016

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. The OPEB Liability and Leave Liability internal service funds were closed during fiscal year 2015-16.

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 2015-2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, "*Fair Value Measurement and Application*". GASB Statement No. 72 requires the City to use valuation techniques, which are appropriate under the circumstances and are either a market approach, a cost approach or income approach. GASB Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB Statement No. 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements.

There was no material impact on the City's financial statements as a result of the implementation of GASB Statement No. 72.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

D. New Accounting Pronouncements (Continued):

Current Year Standards (Continued):

GASB Statement No. 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*”, was required to be implemented in the current fiscal year, except for those provisions that address employer and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, and is effective for periods beginning after June 15, 2016, and did not impact the City.

GASB Statement No. 76, “*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*”, was required to be implemented in the current fiscal year, and did not impact the City.

GASB Statement No. 79, “*Certain External Investment Pools and Pool Participants*”, was required to be implemented in the current fiscal year, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing, which are effective for periods beginning after December 15, 2015, and did not impact the City.

GASB Statement No. 82, “*Pension Issues an Amendment of GASB Statement No. 67, No. 68 and No. 73*”, changed the measurement of covered payroll reported in required supplementary information and has been early implemented.

Pending Accounting Standards:

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

- 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 77 - “*Tax Abatement Disclosure*”, effective for periods beginning after December 15, 2015.
- GASB 78 - “*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*”, effective for periods beginning after December 15, 2015.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

D. New Accounting Pronouncements (Continued):

Pending Accounting Standards (Continued):

- GASB 79 - "*Certain External Investment Pools and Pool Participants*", contains provisions on portfolio quality, custodial credit risk, and shadow pricing, effective for periods beginning after December 15, 2015.
- GASB 80 - "*Blending Requirements for Certain Component Units*", effective for periods beginning after June 15, 2016.
- GASB 81 - "*Irrevocable Split-Interest Agreements*", effective for periods beginning after December 15, 2016.
- GASB 82 - "*Pension Issues*", effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

E. Investments:

Investments are recorded at fair value (quoted market price or best available estimate thereof). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

G. Receivables:

The City extends credit to customers 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.

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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

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, 2016. 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.

L. Land Held for Resale:

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

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

M. Compensated Absences:

Employees accrue vacation and sick leave benefits. An employee may accumulate vacation leave up to 320 hours and sick leave up to 800 hours. Annual in June, an employee with accumulated sick leave may choose to take any or all of the fiscal year's accumulated sick leave as cash provided it does not exceed eighty-one (81) hours. Each year in December, employees may opt to cash out any or all vacation leave that exceeds one-hundred fifty (150) hours. Employees must maintain a balance of one-hundred fifty (150) hours on the books.

All leave pay (vacation and sick) 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 as a result of employee resignations and retirements. The recently updated and adopted reserve policies (See Note 12) provide for an Assignment of fund balance in the General Fund for overall "leave liability" above and beyond the liability recorded in the financial statements.

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 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, 2016. 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 four 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 and third items are also deferred inflows related to pensions resulting from the difference between actual and expected experience and changes in actuarial assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the plans, which is 2.6 to 8 years. The fourth 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, 2016

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) plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. 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, 2016

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, 2016

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. 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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

2. CASH AND INVESTMENTS:

Cash and Investments:

Cash and investments at June 30, 2016 are classified in the accompanying financial statements as follows:

	<u>Government- Wide Statement of Net Position</u>	<u>Fiduciary Funds Statement of Fiduciary Net Position</u>	<u>Total</u>
Unrestricted assets:			
Cash and investments	\$ 45,385,044	\$ 5,068,147	\$ 50,453,191
Restricted cash and investments:			
Cash and investments with fiscal agents	7,031,883	-	7,031,883
Escrow deposits	<u>15,710</u>	<u>-</u>	<u>15,710</u>
Total cash and investments	<u>\$ 52,432,637</u>	<u>\$ 5,068,147</u>	<u>\$ 57,500,784</u>

Cash and investments at June 30, 2016 consisted of the following:

Cash on hand	\$ 10,363
Deposits with financial institutions	18,234,420
Investments	<u>39,256,001</u>
Total cash and investments	<u>\$ 57,500,784</u>

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

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

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

2. CASH AND INVESTMENTS (CONTINUED):

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed *</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills, Bonds and Notes	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, 2016

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:

<u>Investment Type</u>	<u>Remaining Maturity (in Months) 12 Months or Less</u>
Local Agency Investment Fund	\$ 32,224,119
Held by Bond Trustee - Money Market Mutual Funds	<u>7,031,882</u>
	<u>\$ 39,256,001</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 & Poor's, as of year-end for each investment type:

<u>Investment Type</u>	<u>Total as of June 30, 2016</u>	<u>Minimum Legal Rating</u>	<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund	\$ 32,224,119	N/A	\$ -	\$ 32,224,119
Held by Bond Trustee - Money Market Mutual Funds	<u>7,031,882</u>	A	<u>7,031,882</u>	<u>-</u>
Total	<u>\$ 39,256,001</u>		<u>\$ 7,031,882</u>	<u>\$ 32,224,119</u>

N/A - Not Applicable

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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, 2016, 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, 2016

2. CASH AND INVESTMENTS (CONTINUED):

Fair Value Measurements:

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

The City's investments in LAIF and money market mutual funds are not subject to the fair value hierarchy.

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

The composition of interfund balances as of June 30, 2016, 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	<u>\$ 18,260,812</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 2015-16. The balance of the advance at June 30, 2016 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 accrued at a rate of 12%. The advance and accrued interest totaling \$704,496 was forgiven by the City Council's approval of Resolution No. 6865 during fiscal year 2015-16 and there was no balance outstanding at June 30, 2016.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

Due To/From Other Funds:

The composition of interfund balances as of June 30, 2016, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Housing Agency Section 8 Special Revenue Fund	\$ 1,614
	Federal Grants Special Revenue Fund	993,173
	Other Governmental Funds	1,324,857
	Other Enterprise Funds	<u>752,959</u>
		<u>\$ 3,072,603</u>

The amounts loaned from the General Fund are short-term loans to fund operations of the various funds.

Transfers:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Capital Improvement Capital Projects Fund (1)	\$ 1,955,098
	Other Governmental Funds (3)	200,000
Federal Grants Special Revenue Fund	Capital Improvement Capital Projects Fund (1)	1,843,506
Other Governmental Funds	General Fund (4)	2,245,936
	Capital Improvement Capital Projects Fund (1)	4,243,998
Water Operations Enterprise Fund	General Fund (2)	325,000
	Capital Improvement Capital Projects Fund (1)	51,143
Other Enterprise Funds	Capital Improvement Capital Projects Fund (1)	103,089
Internal Service Funds	General Fund (5)	8,201,890
	Capital Improvement Capital Projects Fund (6)	<u>105,000</u>
		<u>\$ 19,274,660</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

Transfers (Continued):

- (1) The City operates a single “Capital Improvement Projects Fund” that records the majority of capital improvement program activity. Transfers are made accordingly for various projects from certain funds (i.e., General Fund, Water Operations Enterprise Fund, special revenue funds, etc.) to the Capital Improvement Projects Fund once expenditures are made from the Capital Improvements Projects Fund, based on the funding sources of each project. These amounts represent the actual expenditures recorded in the Capital Improvements Projects Fund and the transfer from the various other funds for these expenditures.
- (2) This transfer from the Water Operations Enterprise Fund to the General Fund is made to reimburse the General Fund for fleet maintenance charges attributed to the operations of the Water Authority.
- (3) There are two lighting and maintenance assessment districts within the city limits. This transfer from the General Fund was made to eliminate a negative balance in the fund.
- (4) The General Fund receives transfer in of funds from several Other Governmental Funds related to reimbursement of expenses such as street maintenance (Gas Tax funds), graffiti removal (Proposition C and Lighting and Maintenance Assessment District funds) and utility and maintenance costs (Lighting and Maintenance Assessment District). This amount reflects the actual expenses related to these various operational costs.
- (5) This amount is related to the closing out of two funds that were previously categorized as “Internal Service Funds” (OPEB Liability and Leave Liability funds). Fund balances remaining were transferred to the General Fund according to the recently adopted, updated reserve policies (June 14, 2016).
- (6) There was a transfer from the Equipment Replacement Fund to the Capital Improvement Projects Fund related to fleet expenses.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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, 2016 is \$3,641,613 and are included in the HOME Grant special revenue fund. At June 30, 2016, the City has an allowance of \$808,146 against the outstanding 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, 2016 totaled \$203,909. At June 30, 2016, the City has an allowance of \$46,005 against the outstanding interest receivable related to these loans, as the City cannot ensure the collectability of this balance.
- 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, 2016 is \$1,568,801. At June 30, 2016, the City has an allowance of \$148,022 against the outstanding 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 \$84,525 allowance, at June 30, 2016 were zero. At June 30, 2016, the City has an allowance of \$43 against the outstanding 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, 2016

4. LONG-TERM RECEIVABLES (CONTINUED):

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	\$ 17,153,996	\$ -	\$ 242,610
Sales tax deferral loan to allow former Redevelopment Agency to meet its debt service obligations	27,575,365	-	-
Loans to make payments to SERAF	-	2,011,156	-
Purchase of former Redevelopment Agency's Tax Allocation Bonds, Series 2001 treated as loan	-	-	26,968,962
Subtotal	44,729,361	2,011,156	27,211,572
Reserve on long-term loans	(4,288,500)	-	(60,653)
Reserve on sales tax deferral loan	(27,575,365)	-	-
Total	<u>\$ 12,865,496</u>	<u>\$ 2,011,156</u>	<u>\$ 27,150,919</u>

For further discussion of the receivables due from the Successor Agency, see Notes 15C, 15D and 15E.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

5. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2016 was as follows:

Governmental Activities:

	<u>Balance at</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers of</u> <u>Construction</u> <u>In Progress</u>	<u>Balance at</u> <u>June 30, 2016</u>
Capital assets, not being depreciated:					
Land	\$ 118,849,013	\$ -	\$ -	\$ -	\$ 118,849,013
Construction in progress	<u>16,824,628</u>	<u>8,135,129</u>	<u>(443,704)</u>	<u>(13,217,742)</u>	<u>11,298,311</u>
Total capital assets, not being depreciated	<u>135,673,641</u>	<u>8,135,129</u>	<u>(443,704)</u>	<u>(13,217,742)</u>	<u>130,147,324</u>
Capital assets, being depreciated:					
Structures and improvements	21,445,150	-	-	-	21,445,150
Furniture and equipment	6,519,502	-	-	-	6,519,502
Infrastructure	<u>207,195,179</u>	<u>-</u>	<u>-</u>	<u>13,217,742</u>	<u>220,412,921</u>
Total capital assets, being depreciated	<u>235,159,831</u>	<u>-</u>	<u>-</u>	<u>13,217,742</u>	<u>248,377,573</u>
Less accumulated depreciation for:					
Structures and improvements	(8,019,695)	(1,712,066)	-	-	(9,731,761)
Furniture and equipment	(5,271,320)	(71,775)	-	-	(5,343,095)
Infrastructure	<u>(99,642,173)</u>	<u>(5,261,937)</u>	<u>-</u>	<u>-</u>	<u>(104,904,110)</u>
Total accumulated depreciation	<u>(112,933,188)</u>	<u>(7,045,778)</u>	<u>-</u>	<u>-</u>	<u>(119,978,966)</u>
Total capital assets, being depreciated, net	<u>122,226,643</u>	<u>(7,045,778)</u>	<u>-</u>	<u>13,217,742</u>	<u>128,398,607</u>
Governmental activities capital assets, net	<u>\$ 257,900,284</u>	<u>\$ 1,089,351</u>	<u>\$ (443,704)</u>	<u>\$ -</u>	<u>\$ 258,545,931</u>

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

General government	\$ 442,475
Public safety	28,888
Public works	5,503,457
Parks and recreation	1,030,797
Community development	<u>40,161</u>
Total depreciation expense governmental activities	<u>\$7,045,778</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

5. CAPITAL ASSETS (CONTINUED):

Capital asset activity for the year ended June 30, 2016 was as follows:

Business-type Activities:

	<u>Balance at July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers of Construction In Progress</u>	<u>Balance at June 30, 2016</u>
Capital assets, not being depreciated:					
Land and water rights	\$ 18,174,060	\$ -	\$ -	\$ -	\$ 18,174,060
Rights of way	-	-	-	5,579,916	5,579,916
Construction in progress	<u>1,360,114</u>	<u>210,930</u>	<u>-</u>	<u>-</u>	<u>1,571,044</u>
Total capital assets, not being depreciated	<u>19,534,174</u>	<u>210,930</u>	<u>-</u>	<u>5,579,916</u>	<u>25,325,020</u>
Capital assets, being depreciated:					
Structures and improvements	5,013,838	-	-	-	5,013,838
Utility plant in service	27,365,589	-	-	(5,579,916)	21,785,673
Equipment	1,006,088	-	-	-	1,006,088
Infrastructure	<u>13,172,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,172,164</u>
Total capital assets, being depreciated	<u>46,557,679</u>	<u>-</u>	<u>-</u>	<u>(5,579,916)</u>	<u>40,977,763</u>
Less accumulated depreciation for:					
Structures and improvements	(3,491,253)	(120,273)	-	-	(3,611,526)
Utility plant in service	(5,802,150)	(367,625)	-	-	(6,169,775)
Equipment	(970,827)	(14,122)	-	-	(984,949)
Infrastructure	<u>(8,431,473)</u>	<u>(222,839)</u>	<u>-</u>	<u>-</u>	<u>(8,654,312)</u>
Total accumulated depreciation	<u>(18,695,703)</u>	<u>(724,859)</u>	<u>-</u>	<u>-</u>	<u>(19,420,562)</u>
Total capital assets, being depreciated, net	<u>27,861,976</u>	<u>(724,859)</u>	<u>-</u>	<u>(5,579,916)</u>	<u>21,557,201</u>
Business-type activities capital assets, net	<u>\$ 47,396,150</u>	<u>\$ (513,929)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,882,221</u>

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

Water Operations	\$ 612,543
Sports Arena	78,673
Golf Course	<u>33,643</u>
Total depreciation expense- Business-type activities	<u>\$ 724,859</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

6. LONG-TERM LIABILITIES:

Changes in long-term liabilities activity for the year ended June 30, 2016, was as follows:

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016	Due Within One Year	Due in More Than One Year
Governmental Activities:						
2009 lease revenue bonds	\$ 31,105,000	\$ -	\$ (635,000)	\$ 30,470,000	\$ 665,000	\$ 29,805,000
Bond premium	<u>1,085,692</u>	<u>-</u>	<u>(44,925)</u>	<u>1,040,767</u>	<u>-</u>	<u>1,040,767</u>
Subtotal revenue bonds payable	32,190,692	-	(679,925)	31,510,767	665,000	30,845,767
Compensated absences	<u>563,588</u>	<u>134,405</u>	<u>(78,421)</u>	<u>619,572</u>	<u>123,914</u>	<u>495,658</u>
Total governmental activities	<u>\$ 32,754,280</u>	<u>\$ 134,405</u>	<u>\$ (758,346)</u>	<u>\$ 32,130,339</u>	<u>\$ 788,914</u>	<u>\$ 31,341,425</u>
Business-type activities:						
Revenue bonds payable	\$ 44,265,000	\$ -	\$ (2,120,000)	\$ 42,145,000	\$ 2,245,000	\$ 39,900,000
Add (Less):						
Bond premium	551,371	-	(39,858)	511,513	-	511,513
Bond discount	<u>(411,753)</u>	<u>-</u>	<u>26,708</u>	<u>(385,045)</u>	<u>-</u>	<u>(385,045)</u>
Subtotal revenue bonds payable	44,404,618	-	(2,133,150)	42,271,468	2,245,000	40,026,468
Compensated absences	<u>61,010</u>	<u>41,598</u>	<u>(8,256)</u>	<u>94,352</u>	<u>9,435</u>	<u>84,917</u>
Total business-type activities	<u>\$ 44,465,628</u>	<u>\$ 41,598</u>	<u>\$ (2,141,406)</u>	<u>\$ 42,365,820</u>	<u>\$ 2,254,435</u>	<u>\$ 40,111,385</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

6. LONG-TERM LIABILITIES (CONTINUED):

Governmental Activities:

A. Compensated Absences:

The City's policies relating to compensated absences are described in Note 1M. The liability amounts of \$619,572 at June 30, 2016 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.

B. 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 <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	810,000	1,498,675	2,308,675
2022 - 2026	4,725,000	6,812,356	11,537,356
2027 - 2031	6,045,000	5,442,606	11,487,606
2032 - 2036	7,905,000	3,519,838	11,424,838
2037 - 2039	<u>8,125,000</u>	<u>967,007</u>	<u>9,092,007</u>
	<u>\$ 30,470,000</u>	<u>\$ 24,626,283</u>	<u>\$ 55,096,283</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

6. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities:

C. Compensated Absences:

The City's policies relating to compensated absences are described in Note 1M. The liability amount of \$94,352 at June 30, 2016 is expected to be paid in future years from future resources.

D. 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	\$ 14,925	May 2029
Water Authority	2001	5.75%-6.25%	<u>40,710</u>	<u>27,220</u>	December 2032
			<u>\$ 58,650</u>	<u>\$ 42,145</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%.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

6. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities (Continued):

D. Lease Revenue Bonds (Continued):

Water Authority Revenue Bonds, Series 1999 A (Continued)

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, 2016 is \$599,469.

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

Year Ending June 30,	Principal	Interest	Total
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	1,010,000	625,900	1,635,900
2022 - 2026	5,955,000	2,231,900	8,186,900
2027 - 2029	4,415,000	494,175	4,909,175
	<u>\$ 14,925,000</u>	<u>\$ 6,356,350</u>	<u>\$ 21,281,350</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, 2016 amounted to \$2,539,369 and \$600,000, respectively.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

6. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities (Continued):

D. Lease Revenue Bonds (Continued):

Water Authority Revenue Bonds, Series 2001 (Continued)

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 2016 was 2.09, which is greater than the required 1.25.

Annual debt service for the 2001 Series revenue bonds follows:

Year Ending June 30,	Principal	Interest	Total
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	1,825,000	1,251,719	3,076,719
2022 - 2026	10,135,000	4,366,406	14,501,406
2027 - 2031	6,610,000	1,642,813	8,252,813
2032 - 2033	<u>2,370,000</u>	<u>150,313</u>	<u>2,520,313</u>
	<u>\$ 27,220,000</u>	<u>\$ 13,460,939</u>	<u>\$ 40,680,939</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:		Total Pledged		
		Purchased	Less:	Secured	Rate	Subordinate	2001 Bonded	
Gross	Security	Direct	Less 1999	Revenue	Stabilization	Net Revenues	and Security	Debt Service
Revenue	Revenue (1)	Costs (2)	Debt Service	(3)	Fund	Revenues	Payments	Coverage
			Payments					
\$ 10,787,717	\$ (2,022,650)	\$ (4,617,562)	\$ (1,635,875)	\$ 3,337,100	\$ 600,000	\$ 6,448,729	\$ 3,086,563	2.09

(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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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.

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.

C. Economic Development Subsidy:

In order to retain the operations of a certain employer within the City, the City has entered into an economic development subsidy agreement with this employer. Under this agreement the City is to pay the employer an amount equal to 25% of sales tax revenues generated by the employer up to a sales tax revenue threshold and 55% of sales tax revenues in excess of that threshold, payable on or before July 30th for the previous calendar years for the period from January 1, 2016 through December 31, 2027. In no event will the total payments to the employer exceed \$3,280,000 for the term of the agreement. Payment on this agreement is contingent on the employer meeting certain operating covenants and other restrictive covenants, accordingly, there has been no accrual included in these financial statements. The first payment will be made to the employer in Fiscal Year 2017-18 assuming all operating covenants are met.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

8. DEFINED BENEFIT PENSION PLANS:

A. General Information about the Pension Plans:

Plan Descriptions:

CalPERS Plan:

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.

City Council Retirement Enhancement Plan:

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

Benefits Provided:

CalPERS Plan:

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. The City of Pico Rivera has three different retirement benefit tiers, based on date of hire:

Tier I: 2.5% @ 55 for employees hired on or before June 30, 2012
Tier II: 2.0% @ 60 for employees after June 30, 2012
Tier III: 2.0% @ 62 for all new members to CalPERS, as defined by AB 340/PEPRA

All members are eligible for non-industrial disability benefits after five 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 (PERL).

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

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

Benefits Provided (Continued):

City Council Retirement Enhancement Plan:

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, 2016, are summarized as follows:

	Miscellaneous		
	On or After		
	June 26, 2012		
	Prior to	Prior to	On or After
	June 26, 2012	January 1, 2013	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	26.776%	26.776%	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, 2016

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

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

Employees Covered:

At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Council Plan</u>
Inactive employees or beneficiaries currently receiving benefits	231	3
Inactive employees entitled to but not yet receiving benefits	122	-
Active employees	123	5
Total	<u>476</u>	<u>8</u>

Contributions:

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for 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.

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, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The net pension liability of the Council Plan is measured as of June 30, 2016 using an actuarial valuation date of July 1, 2015. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

B. Net Pension Liability (Continued):

Actuarial Assumptions:

The total pension liabilities in the June 30, 2014 (Miscellaneous) and June 30, 2015 (Council) actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Council Plan</u>
Valuation Date	June 30, 2014	July 1, 2015
Measurement Date	June 30, 2015	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.65%	7.00%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	4.00%
Projected Salary Increase	(1)	4.00%
Investment Rate of Return	7.5% (2)	7.00%
Mortality	(3)	(4)

(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. All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

(4) Pre-retirement: Consistent with the Non-Industrial rates used to value Miscellaneous CalPERS Pension Plans.

Post-retirement: CalPERS 1997-2011 Healthy Retiree Tables (sex-distinct) with an assumed base year of 2008 and full generational projections using Scale AA.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

B. Net Pension Liability (Continued):

Change of Assumptions:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. For the Miscellaneous Plan, the discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense. For the Council Plan, the June 30, 2016 measurement date reflected assumption changes related to mortality, disability and inflation consistent with the 2014 CalPERS experience study.

Discount Rate:

The discount rate used to measure the total pension liability was 7.65% for the Miscellaneous Plan and 7.0% for the Council Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Miscellaneous Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section. Additionally, the Council Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return of 7.0%.

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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

B. Net Pension Liability (Continued):

Discount Rate (Continued):

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	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, 2016

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 Arithmetic Real Rate of Return (a)	Long-Term Expected Geometric Real Rate of Return (a)
US Cash	3.38%	0.42%	0.41%
US Core Fixed Income	47.01%	2.12%	1.99%
US Equity Market	38.24%	5.12%	3.81%
Foreign Developed Equity	8.65%	5.85%	4.20%
Emerging Markets Equity	2.72%	8.07%	4.79%
Total	100.00%		

(a) An expected inflation of 1.89% used in calculating the long-term expected rate of return

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

C. Changes in the Net Pension Liability:

The changes in the net pension liability for the Miscellaneous Plan, using a measurement date of June 30, 2015 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014	<u>\$ 93,402,832</u>	<u>\$ 65,805,711</u>	<u>\$ 27,597,121</u>
Changes in the Year:			
Service cost	1,411,834	-	1,411,834
Interest on the total pension liability	6,826,754	-	6,826,754
Differences between actual and expected experience	(845,358)	-	(845,358)
Changes in assumptions	(1,681,626)	-	(1,681,626)
Plan to plan resource movement	-	12	(12)
Contribution - employer	-	2,240,763	(2,240,763)
Contribution - employee	-	716,687	(716,687)
Net investment income	-	1,459,065	(1,459,065)
Administrative expenses	-	(73,643)	73,643
Benefit payments, including refunds of employee contributions	(4,686,299)	(4,686,299)	-
Net Changes	<u>1,025,305</u>	<u>(343,415)</u>	<u>1,368,720</u>
Balance at June 30, 2015 (Measurement Date)	<u><u>\$ 94,428,137</u></u>	<u><u>\$ 65,462,296</u></u>	<u><u>\$ 28,965,841</u></u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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, using a measurement date of July 1, 2016 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2015	<u>\$ 159,038</u>	<u>\$ 109,532</u>	<u>\$ 49,506</u>
Changes in the Year:			
Service cost	6,547	-	6,547
Interest on the total pension liability	11,117	-	11,117
Differences between actual and expected experience	(9,032)	-	(9,032)
Changes in assumptions	7,389	-	7,389
Changes in benefit terms	-	-	-
Contribution - employer	-	18,647	(18,647)
Contribution - employee	-	-	-
Net investment income	-	83	(83)
Administrative expenses	-	(575)	575
Benefit payments, including refunds of employee contributions	(10,426)	(10,426)	-
Net Changes	<u>5,595</u>	<u>7,729</u>	<u>(2,134)</u>
Balance at June 30, 2016 (Measurement Date)	<u><u>\$ 164,633</u></u>	<u><u>\$ 117,261</u></u>	<u><u>\$ 47,372</u></u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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:

	<u>Miscellaneous</u>	<u>Council Plan</u>
1% Decrease	6.65%	6.00%
Net Pension Liability	\$ 41,644,289	\$ 63,819
Current Discount Rate	7.65%	7.00%
Net Pension Liability	\$ 28,965,841	\$ 47,372
1% Increase	8.65%	8.00%
Net Pension Liability	\$ 18,500,948	\$ 33,234

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, 2016, the City recognized pension expense of \$1,224,750. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 2,352,483	\$ -
Differences between actual and expected experience	-	(528,123)
Change in assumptions	-	(1,028,382)
Net differences between projected and actual earnings on plan investments	-	(672,573)
Total	<u>\$ 2,352,483</u>	<u>\$ (2,229,078)</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

8. DEFINED BENEFIT PENSION PLANS (CONTINUED):

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

\$2,352,483 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2017	\$ (1,429,661)
2018	(1,040,894)
2019	(457,744)
2020	699,839
2021	(205)
Thereafter	(413)

E. Payable to the Pension Plan:

At June 30, 2016, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

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, 2016, the City's payroll covered by the plan was \$1,820,640. The City made employer contributions of \$68,274 (3.75% of current covered payroll), and employees contributed \$68,274 (3.75% of current covered payroll).

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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, 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. In general, eligibility is the same regardless of benefit tier. Employees must retire directly from the City of Pico Rivera under CalPERS. Employees must also meet basic retirement requirements per CalPERS. That is, employees must be at least age fifty (50) and have at least five (5) years of CalPERS service or qualify for a disability retirement.

The benefits received by the retired employees vary based on the date they were hired by the City of Pico Rivera. For employees hired on or before June 30, 2012, the City pays the full premium for the retiree and his/her dependents. For employees hired after June 30, 2012, the City contributes the Public Employees Medical and Hospital Care Act (PEMCHA) minimum. For example, this amount was \$125/month for calendar year 2016. The PEMCHA minimum is updated annually by the CalPERS board. Regardless of hire date, the same benefit continues to the surviving spouse.

The City's obligation to pay medical costs for retirees 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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

A. Plan Description (Continued):

Eligible Participants to the plan as of June 30, 2016, the date of the latest actuarial valuation, are as follows:

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

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, 2016, 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, 2016, those costs totaled \$1,264,351. 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, 2016 was \$4,050,000 and was determined as part of an actuarial valuation dated June 30, 2015.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

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

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	\$ 4,050,000
Interest on net OPEB obligation	590,000
Adjustment to annual required contribution	<u>(1,330,000)</u>
Annual OPEB cost (expense)	3,310,000
Contributions to irrevocable trust	-
Premium payments including benefit payments	<u>(1,264,351)</u>
Change in net OPEB obligation	2,045,649
Net OPEB Obligation - beginning of year	<u>14,904,776</u>
Net OPEB Obligation - end of year	<u>\$ 16,950,425</u>

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, 2014, 2015 and 2016, were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/14	\$ 3,513,682	27.50%	\$ 12,678,360
6/30/15	3,141,000	29.12%	14,904,776
6/30/16	3,310,000	38.20%	16,950,425

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 \$1,515,000. 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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

D. Funded Status and Funding Progress (Continued):

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.

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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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 116 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.

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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

11. INSURANCE PROGRAM (CONTINUED):

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

Liability (Continued) - For 2015-16 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) \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million x/s \$5 million layer, however it is fully covered under a separate policy and therefore not retained by the Insurance Authority.

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.

For 2015-16 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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

11. INSURANCE PROGRAM (CONTINUED):

C. Purchased Insurance (Continued):

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 \$43,563,882. 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 \$37,378,054. 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.

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 2015-16.

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, 2016

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS:

The City's governmental fund balances at June 30, 2016 are tabulated below, followed by explanations as to the nature and purpose of each classification.

	General	Special Revenue Funds		Capital Projects	Other Govt Funds	Total Govt Funds
		Housing Agency Section 8	Federal Grants	Capital Improvement Fund		
Nonspendable:						
Long term receivables/advances	\$25,198,662	\$ -	\$ -	\$ -	\$ -	\$25,198,662
Restricted for:						
Debt service	2,368,600	-	-	-	-	2,368,600
Housing Agency	-	454,429	-	-	-	454,429
HOME	-	-	-	-	1,266,199	1,266,199
Lighting assessment district	-	-	-	-	160,296	160,296
Park development	-	-	-	-	28,540	28,540
Prop A	-	-	-	-	1,811,546	1,811,546
Prop C	-	-	-	-	601,771	601,771
Measure R	-	-	-	-	294,671	294,671
AQMD	-	-	-	-	280,576	280,576
State Grants	-	-	-	-	7,686	7,686
Economic Development						
Assistance Grant	-	-	-	-	2,124,895	2,124,895
Image enhancement	-	-	-	-	356,479	356,479
Sewer maintenance	-	-	-	-	1,063,376	1,063,376
Reach Grants	-	-	-	-	332,840	332,840
Cable/PEG support	-	-	-	-	227,711	227,711
Housing Agency LMIHF	-	-	-	-	2,031,268	2,031,268
Narcotics forfeiture	-	-	-	-	23,570	23,570
Flossmoor Road Sewer						
Assessment District	-	-	-	-	3,436	3,436
Paramount/Mines Landscape						
Maintenance District	-	-	-	-	5,161	5,161
2009 Bond capital projects	-	-	-	-	86	86
Committed to:						
Emergency Reserve/						
Economic stabilization/stimulus	9,479,500	-	-	-	-	9,479,500
Assigned to:						
OPEB Unfunded Liability	5,952,000	-	-	-	-	5,952,000
Leave Liability	247,800	-	-	-	-	247,800
Equipment Replacement	677,000	-	-	-	-	677,000
Self-insured Retention	500,000	-	-	-	-	500,000
Bond Refinancing/Reserve	6,000,000	-	-	-	-	6,000,000
Capital improvements	1,000,000	-	-	600,000	-	1,600,000
Unassigned	<u>12,882,331</u>	<u>-</u>	<u>(993,173)</u>	<u>(89,662)</u>	<u>(1,058,326)</u>	<u>10,741,170</u>
Total Fund Balances	<u>\$64,305,893</u>	<u>\$ 454,429</u>	<u>\$ (993,173)</u>	<u>\$ 510,338</u>	<u>\$ 9,561,781</u>	<u>\$73,839,268</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS (CONTINUED):

A. Nonspendable Fund Balances:

Long-term receivables/advances cannot be spent since they are not in spendable form.

B. Updated Reserve Policies: Committed and Assigned Fund Balances:

The City Council adopted updated, comprehensive reserve policies conforming to GASB 54 on June 14, 2016. These reserve policies updated and supersede the policies originally adopted on June 14, 2011.

The updated policies reconfirmed a commitment for “Emergency Reserve/Economic Uncertainty Reserve” and established assignments for the following uses/reasons:

- Other Post-Employment Benefits Unfunded Liability
- Leave Liability
- Equipment Replacement
- Self-insured Retention
- Bond Refinancing/Reserve
- Capital Improvements

C. Committed Fund Balances:

Committed funds describe a portion of the fund balance that is constrained by limitations imposed by the Pico Rivera City Council. The City Council imposed limitation must occur no later than the close of the reporting period (i.e., end of the fiscal year) and remains binding unless removed under the same manner. A commitment is made by City Council adoption of a resolution that states the amount and purpose of the commitment.

The City Council adopted reserve policies effective June 14, 2016 that established a Commitment for Emergencies/Economic Stabilization equal to an amount calculated as twenty-five percent (25%) of the General Fund’s annual operating revenues. For the fiscal year ending June 30, 2016, this commitment is equal to \$9,479,500.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS (CONTINUED):

C. Committed Fund Balances (Continued):

Generally, appropriations and access to these Committed funds will be reserved for emergency situations. Examples of such emergencies include, but are not limited to:

- Reduction in revenue equal to or greater than 20% of adopted General Fund revenues in a given fiscal year
- An unplanned, major, catastrophic event such as a natural disaster requiring expenditures over 10% of General Fund adopted appropriations in a given fiscal year
- Unfunded and/or unpredictable State or Federal legislative or judicial mandates
- Any other unforeseen event that causes the City to expend funds in excess of 10% of General Fund adopted appropriations in a given fiscal year

D. Assigned Fund Balances:

Assigned funds describe the portion of the General Fund reserves that reflect the use of resources by the Pico Rivera City Council intended to provide a means and source of funding for various near-term and long-term needs. This policy grants authority to assign funds to the Director of Finance. Assignment of reserves may be modified by the Director of Finance as part of the annual budget process. Use of assigned funds requires formal action by the City Council to appropriate funds in the appropriate account.

Specifically, this reserve policy establishes assignments for the following short-term and long-term needs, at the various levels specified:

- OPEB (Other Post Employment Benefit) Unfunded Liability
- Leave Liability
- Equipment Replacement
- Self-insured Retention
- Bond Refinancing/Reserve
- Capital Improvement (Unfunded/Unprogrammed)

For the fiscal year ending June 30, 2016, total assignments equal \$14,976,800

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS (CONTINUED):

E. Unassigned Fund Balance:

The General Fund may have net resources in excess of what is classified in one of the four previous categories (non-spendable, restricted, committed or assigned). This amount is presented as the Unassigned Fund Balance amount. Only the General Fund can report a positive unassigned fund balance. However, all governmental funds can report a negative unassigned fund balance.

This policy dictates that any amount of fund balance will be classified as “unassigned” after funding the Emergency/Economic Stabilization Reserve Commitment plus the various Assigned reserves made in accordance with the preceding section. This policy allows for “unassigned” funds and places no specific restrictions on their use. In general, the City Council could choose to utilize “unassigned” fund balance for one-time projects or uses in a given fiscal year. For the fiscal year ending June 30, 2016, the General Fund unassigned fund balance is \$12,882,331.

13. OTHER REQUIRED DISCLOSURES:

Deficit Fund Balances or Net Position:

The following funds reported deficit fund balances or net position at June 30, 2016:

Major Funds:		
Federal Grants Special Revenue Fund	\$	993,173
Other Governmental Funds:		
Community Development Block Grant Special Revenue Fund		189,945
CalHOME Grant Special Revenue Fund		753,370
County Grants Special Revenue Fund		68,705
Transportation Development Act Special Revenue Fund		46,306
Other Proprietary Funds:		
Golf Course Enterprise Fund		383,606

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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

13. OTHER REQUIRED DISCLOSURES (CONTINUED):

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:			
Cable/PEG Support Special Revenue Fund	\$ -	\$ 33,491	\$ (33,491)
Paramount/Mines Landscape Maintenance Assessment Capital Projects Fund	1,000	1,405	(405)

14. 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.

In September 2015, the Legislature passed and the Governor signed SB 107, which made additional changes to the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each 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.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

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 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.

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. 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.

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

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

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

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.

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, 2016

15. 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:

	<u>Balance at July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2016</u>
Capital assets, not being depreciated:				
Land	\$ 258,023	\$ -	\$ -	\$ 258,023
Total capital assets, not being depreciated	<u>258,023</u>	<u>-</u>	<u>-</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>217,962</u>	<u>-</u>	<u>-</u>	<u>217,962</u>
Less accumulated depreciation:				
Structures and improvements	(110,481)	(3,527)	-	(114,008)
Furniture and equipment	(5,110)	-	-	(5,110)
Infrastructure	<u>(12,376)</u>	<u>(1,235)</u>	<u>-</u>	<u>(13,611)</u>
Total accumulated depreciation	<u>(127,967)</u>	<u>(4,762)</u>	<u>-</u>	<u>(132,729)</u>
Total capital assets, being depreciated, net	<u>89,995</u>	<u>(4,762)</u>	<u>-</u>	<u>85,233</u>
Successor Agency activities capital assets, net	<u>\$ 348,018</u>	<u>\$ (4,762)</u>	<u>\$ -</u>	<u>\$ 343,256</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

15. 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, 2016 is \$385,454.

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, 2016, the net advance balance was \$17,153,996 which included accrued interest of \$7,991,426 and a 25% reserve against this balance totaling \$4,288,500 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, 2016, the balance of the City Deferrals including interest was \$27,575,365.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

15. 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 \$27,575,365 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, 2016

15. 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:

<u>Loan #</u>	<u>Date</u>	<u>Interest Rate</u>	<u>Loan Amount</u>	<u>Repayment Terms</u>
1	12/08/09	0%	\$ 1,667,788	By June 30, 2017
2	03/08/11	0%	<u>343,368</u>	By June 30, 2017
			<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, 2016, the net advance balance was \$242,610, which includes accrued interest of \$112,610, and a 25% reserve against this advance totaling \$60,653 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, 2016

15. 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, 2016, the Water Authority's advances to the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund amounted to \$26,968,962 (including accrued interest of \$164,704).

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 <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,850,000	1,473,150	3,323,150
2022 - 2026	10,460,000	5,190,500	15,650,500
2027 - 2031	7,035,000	2,008,825	9,043,825
2032 - 2033	<u>2,625,000</u>	<u>186,725</u>	<u>2,811,725</u>
Total	<u>\$ 28,235,000</u>	<u>\$ 15,925,175</u>	<u>\$ 44,160,175</u>

At June 30, 2016, the balance of the advances 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	\$ 28,235,000
Less: Unamortized revenue bond discount	(1,430,742)
Plus: Accrued unpaid interest	<u>164,704</u>
	<u>\$ 26,968,962</u>

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2016

15. 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, 2016, 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.

16. SUBSEQUENT EVENTS:

In July of 2016, the Pico Rivera Public Finance Authority issued Lease Revenue Refunding Bonds, Series 2016 (the 2016 PFA Bonds), in the aggregate principal amount of \$30,470,000. The bonds pay interest at a rate from 2.675% to 5.25% payable semiannually on March 1 and September 1, commencing on September 1, 2016. The bonds were issued to refund the City's 2009 Lease Revenue Bonds, purchase a surety bond for the reserve account, purchase a municipal bond insurance policy, and to pay costs of issuance of the bonds.

As a result of the advance refunding, the City reduced its total debt service requirements by \$9,447,849, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$4,815,825.

Other events occurring after June 30, 2016 have been evaluated for possible adjustments to the financial statements or disclosure as of January 17, 2017, which is the date these financial statements were available to be issued.

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*

Fiscal Year Ended	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement Period Ended	June 30, 2015	June 30, 2014
Total Pension Liability:		
Service cost	\$ 1,411,834	\$ 1,447,138
Interest on total pension liability	6,826,754	6,624,512
Differences between expected and actual experience	(845,358)	-
Changes in assumptions	(1,681,626)	-
Benefit payments, including refunds of employee contributions	<u>(4,686,299)</u>	<u>(4,544,162)</u>
Net Change in Total Pension Liability	1,025,305	3,527,488
Total Pension Liability - Beginning of Year	<u>93,402,832</u>	<u>89,875,344</u>
Total Pension Liability - End of Year (a)	<u>\$ 94,428,137</u>	<u>\$ 93,402,832</u>
Plan Fiduciary Net Position:		
Contributions - employer	\$ 2,240,763	\$ 2,552,214
Contributions - employee	716,687	671,298
Net investment income	1,459,065	10,012,754
Administrative expenses	(73,643)	-
Plan to plan resource movement	12	-
Benefit payments	<u>(4,686,299)</u>	<u>(4,544,162)</u>
Net Change in Plan Fiduciary Net Position	(343,415)	8,692,104
Plan Fiduciary Net Position - Beginning of Year	<u>65,805,711</u>	<u>57,113,607</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 65,462,296</u>	<u>\$ 65,805,711</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 28,965,841</u>	<u>\$ 27,597,121</u>
Plan fiduciary net position as a percentage of the total pension liability	69.32%	70.45%
Covered - employee payroll	\$ 7,961,086	\$ 7,753,927
Net pension liability as percentage of covered- employee payroll	363.84%	355.91%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

CITY OF PICO RIVERA

SCHEDULE OF CONTRIBUTIONS
MISCELLANEOUS EMPLOYEES PLAN

Last Ten Fiscal Years*

Fiscal year ended	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,352,483	\$ 2,240,762
Contributions in relation to the actuarially determined contributions	<u>(2,352,483)</u>	<u>(2,240,762)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 8,456,362	\$ 7,961,086
Contributions as a percentage of covered - employee payroll	27.82%	28.15%

Notes to Schedule:

Valuation Date	6/30/2013	6/30/2012
----------------	-----------	-----------

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	15 year smoothed market***
Inflation	2.75%**
Salary increases	Depending on Age, Service, and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	2.0% at 55 retirement age from 55-67, 2% at 62 retirement age 52-67**
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 two years are shown.

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

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

CITY OF PICO RIVERA

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

Last Ten Fiscal Years*

Fiscal Year Ended	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement Period Ended	June 30, 2016	June 30, 2015
Total Pension Liability:		
Service cost	\$ 6,547	\$ 6,329
Interest on total pension liability	11,117	10,751
Differences between expected and actual experience	(9,032)	-
Changes in assumptions	7,389	-
Benefit payments, including refunds of employee contributions	<u>(10,426)</u>	<u>(10,426)</u>
Net Change in Total Pension Liability	5,595	6,654
Total Pension Liability - Beginning of Year	<u>159,038</u>	<u>152,384</u>
Total Pension Liability - End of Year (a)	<u><u>\$ 164,633</u></u>	<u><u>\$ 159,038</u></u>
Plan Fiduciary Net Position:		
Contributions - employer	\$ 18,647	\$ 17,957
Contributions - employee	-	-
Net investment income	83	2,392
Administrative expenses	(575)	(540)
Benefit payments	<u>(10,426)</u>	<u>(10,426)</u>
Net Change in Plan Fiduciary Net Position	7,729	9,383
Plan Fiduciary Net Position - Beginning of Year	<u>109,532</u>	<u>100,149</u>
Plan Fiduciary Net Position - End of Year (b)	<u><u>\$ 117,261</u></u>	<u><u>\$ 109,532</u></u>
Net Pension Liability - Ending (a)-(b)	<u><u>\$ 47,372</u></u>	<u><u>\$ 49,506</u></u>
Plan fiduciary net position as a percentage of the total pension liability	71.23%	68.87%
Covered - employee payroll	\$ 55,406	\$ 57,622
Net pension liability as percentage of covered- employee payroll	85.50%	85.92%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The June 30, 2015 valuation reflected assumption changes (mortality, disability and inflation) consistent with the 2014 CalPERS experience study.

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

CITY OF PICO RIVERA

SCHEDULE OF CONTRIBUTIONS - COUNCIL PLAN

Last Ten Fiscal Years*

Fiscal year ended	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 17,266	\$ 17,957
Contributions in relation to the actuarially determined contributions	<u>(18,647)</u>	<u>(17,957)</u>
Contribution deficiency (excess)	<u>\$ (1,381)</u>	<u>\$ -</u>
Covered - employee payroll	\$ 55,406	\$ 57,622
Contributions as a percentage of covered - employee payroll	33.66%	31.16%

Notes to Schedule:

Valuation Date	7/1/2015	6/30/2013
Methods and Assumptions Used to Determine Contribution Rates:		
Single and agent employers	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	7 year fixed	9 year fixed
Asset valuation method	Market	Market
Inflation	2.75%	3.00%
Salary increases	4.00%	4.00%
Investment rate of return	7.00%	7.00%
Retirement age	55 years	55 years
Mortality	(1)	(2)

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

- (1) Consistent with the Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.
- (2) Pre-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.
Post-Retirement: CalPERS 1997-2011 Healthy Retiree Tables (sex-distinct) with assumed base year of 2008 and full generational projections using Scale AA.

CITY OF PICO RIVERA

SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS

For the year ended June 30, 2016

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 29,775,839	\$ 29,775,839	\$ 31,638,750	\$ 1,862,911
Licenses and permits	2,303,500	2,303,500	2,491,636	188,136
Intergovernmental	240,000	240,000	263,403	23,403
Charges for services	1,618,500	1,618,500	1,762,820	144,320
Fines, forfeitures and penalties	1,302,100	1,302,100	1,031,031	(271,069)
Investment and rental	34,000	34,000	79,673	45,673
Miscellaneous	3,987,706	3,987,706	660,558	(3,327,148)
TOTAL REVENUES	39,261,645	39,261,645	37,927,871	(1,333,774)
EXPENDITURES:				
Current:				
General government	8,418,862	8,404,239	6,778,791	1,625,448
Public safety	11,408,846	11,428,846	10,439,469	989,377
Public works	9,841,089	10,055,661	7,794,766	2,260,895
Parks and recreation	4,404,285	4,392,841	3,599,057	793,784
Community development	2,696,100	2,692,867	2,164,000	528,867
Debt service:				
Principal	635,000	635,000	635,000	-
Interest and fiscal charges	1,682,562	1,682,562	1,682,562	-
TOTAL EXPENDITURES	39,086,744	39,292,016	33,093,645	6,198,371
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	174,901	(30,371)	4,834,226	4,864,597
OTHER FINANCING SOURCES (USES):				
Transfers in	2,616,025	2,616,025	10,772,826	8,156,801
Transfers out	(4,908,425)	(4,162,575)	(2,155,098)	2,007,477
Forgiveness of debt	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,292,400)	(1,546,550)	8,617,728	10,164,278
SPECIAL ITEM				
Forgiveness of debt	-	-	(90,000)	(90,000)
NET CHANGE IN FUND BALANCE	(2,117,499)	(1,576,921)	13,361,954	14,938,875
FUND BALANCE - BEGINNING OF YEAR	50,943,939	50,943,939	50,943,939	-
FUND BALANCE - END OF YEAR	\$ 48,826,440	\$ 49,367,018	\$ 64,305,893	\$ 14,938,875

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 5,500,000	\$ 5,500,000	\$ 4,776,264	\$ (723,736)
Investment and rental	1,000	1,000	682	(318)
Miscellaneous	6,500	6,500	31,241	24,741
TOTAL REVENUES	5,507,500	5,507,500	4,808,187	(699,313)
EXPENDITURES:				
Current:				
Health and welfare	5,302,076	5,302,076	4,882,446	419,630
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	205,424	205,424	(74,259)	(279,683)
FUND BALANCE - BEGINNING OF YEAR	528,688	528,688	528,688	-
FUND BALANCE - END OF YEAR	\$ 734,112	\$ 734,112	\$ 454,429	\$ (279,683)

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 4,469,953	\$ 3,447,076	\$ 1,765,882	\$ (1,681,194)
EXPENDITURES:				
Current:				
Public works	820,000	820,000	-	(820,000)
TOTAL EXPENDITURES	820,000	820,000	-	(820,000)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,649,953	2,627,076	1,765,882	(861,194)
OTHER FINANCING USES:				
Transfers out	(4,469,953)	(3,446,975)	(1,843,506)	1,603,469
NET CHANGE IN FUND BALANCE	(820,000)	(819,899)	(77,624)	742,275
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(915,549)	(915,549)	(915,549)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (1,735,549)</u>	<u>\$ (1,735,448)</u>	<u>\$ (993,173)</u>	<u>\$ 742,275</u>

See accompanying note to required supplementary information.

CITY OF PICO RIVERA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2016

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 Narcotics Forfeiture Special Revenue Fund, which is used to account for revenues received through drug related asset seizures and any drug related convictions, 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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Current:				
Public works	820,000	820,000	-	820,000
Capital outlay	19,627,320	21,477,261	7,287,913	14,189,348
TOTAL EXPENDITURES	20,447,320	22,297,261	7,287,913	15,009,348
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,447,320)	(22,297,261)	(7,287,913)	15,009,348
OTHER FINANCING SOURCES (USES):				
Transfers in	39,195,540	21,737,281	8,301,834	(13,435,447)
Transfers out	(1,792,928)	(153,186)	-	153,186
TOTAL OTHER FINANCING SOURCES (USES)	37,402,612	21,584,095	8,301,834	(13,282,261)
NET CHANGE IN FUND BALANCE	16,955,292	(713,166)	1,013,921	1,727,087
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(503,583)	(503,583)	(503,583)	-
FUND BALANCE - END OF YEAR	\$ 16,451,709	\$ (1,216,749)	\$ 510,338	\$ 1,727,087

CITY OF PICO RIVERA

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS

June 30, 2016

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, 2016

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.

Narcotics Forfeiture Fund accounts for revenues received through drug related asset seizures and any drug related convictions.

CITY OF PICO RIVERA

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2016

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, 2016

	Special Revenue Funds		
	Community Development Block Grant	State Gas Tax	Lighting Assessment District
ASSETS			
Cash and investments	\$ -	\$ -	\$ 131,270
Restricted cash and investments with fiscal agents	-	-	-
Accounts receivable	189,946	-	-
Taxes receivable	-	-	29,026
Interest receivable	-	-	-
Long-term receivables	203,909	-	-
Receivables from Successor Agency	-	-	-
	TOTAL ASSETS	\$ -	\$ 160,296
	\$ 393,855	\$ -	\$ 160,296
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 27,102	\$ -	\$ -
Accrued liabilities	3,362	-	-
Due to other funds	159,481	-	-
Due to other agencies	203,909	-	-
	TOTAL LIABILITIES	-	-
	393,854	-	-
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	189,946	-	-
	TOTAL FUND BALANCES (DEFICITS):	-	-
Restricted	-	-	160,296
Unassigned	(189,945)	-	-
	TOTAL FUND BALANCES (DEFICITS)	-	160,296
	(189,945)	-	160,296
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
	\$ 393,855	\$ -	\$ 160,296

Special Revenue Funds (Continued)

Park Development	Prop A	Prop C	Measure R	HOME Grant	CalHOME Grant
\$ 28,487	\$ 1,819,469	\$ 602,077	\$ 293,871	\$ 1,265,099	\$ -
-	-	-	-	-	-
-	30,806	-	215,516	-	926,639
-	-	-	-	-	-
53	3,305	1,095	800	-	-
-	-	-	-	3,641,613	1,568,801
-	-	-	-	-	-
<u>\$ 28,540</u>	<u>\$ 1,853,580</u>	<u>\$ 603,172</u>	<u>\$ 510,187</u>	<u>\$ 4,906,712</u>	<u>\$ 2,495,440</u>
\$ -	\$ 10,189	600	\$ -	\$ -	\$ -
-	1,039	801	-	-	-
-	-	-	-	-	753,369
-	-	-	-	3,640,513	1,568,802
-	11,228	1,401	-	3,640,513	2,322,171
-	30,806	-	215,516	-	926,639
28,540	1,811,546	601,771	294,671	1,266,199	-
-	-	-	-	-	(753,370)
<u>28,540</u>	<u>1,811,546</u>	<u>601,771</u>	<u>294,671</u>	<u>1,266,199</u>	<u>(753,370)</u>
<u>\$ 28,540</u>	<u>\$ 1,853,580</u>	<u>\$ 603,172</u>	<u>\$ 510,187</u>	<u>\$ 4,906,712</u>	<u>\$ 2,495,440</u>

(Continued)

CITY OF PICO RIVERA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30 ,2016

Special Revenue Funds (Continued)			
	Air Quality Improvement	County Grants	State Grants
ASSETS			
Cash and investments	\$ 258,151	\$ 17,334	\$ 173,511
Restricted cash and investments with fiscal agents	-	-	-
Accounts receivable	21,959	92,319	285,583
Taxes receivable	-	-	-
Interest receivable	466	-	333
Long-term receivables	-	-	-
Receivables from Successor Agency	-	-	-
TOTAL ASSETS	\$ 280,576	\$ 109,653	\$ 459,427
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ -	\$ -	\$ 6,495
Accrued liabilities	-	-	-
Due to other funds	-	66,612	219,375
Due to other agencies	-	111,746	-
TOTAL LIABILITIES	-	178,358	225,870
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	-	-	225,871
FUND BALANCES (DEFICITS):			
Restricted	280,576	-	7,686
Unassigned	-	(68,705)	-
TOTAL FUND BALANCES (DEFICITS)	280,576	(68,705)	7,686
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 280,576	\$ 109,653	\$ 459,427

Special Revenue Funds (Continued)

Economic Development Assistance Grant	Image Enhancement	Sewer Maintenance	Reach Grants	Cable/PEG Support	Transportation Development Act
\$ 2,203,531	\$ 355,728	\$ 1,091,064	\$ 387,958	\$ 218,817	\$ -
-	-	-	-	-	-
-	-	-	80,662	-	126,021
-	-	18,613	-	8,894	-
4,128	751	-	837	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,207,659</u>	<u>\$ 356,479</u>	<u>\$ 1,109,677</u>	<u>\$ 469,457</u>	<u>\$ 227,711</u>	<u>\$ 126,021</u>
\$ 82,764	\$ -	\$ 44,706	\$ 51,406	\$ -	\$ -
-	-	1,595	4,549	-	-
-	-	-	-	-	126,020
-	-	-	-	-	-
<u>82,764</u>	<u>-</u>	<u>46,301</u>	<u>55,955</u>	<u>-</u>	<u>126,020</u>
-	-	-	80,662	-	46,307
2,124,895	356,479	1,063,376	332,840	227,711	-
-	-	-	-	-	(46,306)
<u>2,124,895</u>	<u>356,479</u>	<u>1,063,376</u>	<u>332,840</u>	<u>227,711</u>	<u>(46,306)</u>
<u>\$ 2,207,659</u>	<u>\$ 356,479</u>	<u>\$ 1,109,677</u>	<u>\$ 469,457</u>	<u>\$ 227,711</u>	<u>\$ 126,021</u>

(Continued)

CITY OF PICO RIVERA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30 ,2016

	Special Revenue Funds (Continued)		
	Housing Agency LMIHF	Narcotics Forfeiture	Total Special Revenue Funds
ASSETS			
Cash and investments	\$ 20,080	\$ 23,570	\$ 8,890,017
Restricted cash and investments with fiscal agents	-	-	-
Accounts receivable	-	-	1,969,451
Taxes receivable	-	-	56,533
Interest receivable	32	-	11,800
Long-term receivables	-	-	5,414,323
Receivables from Successor Agency	2,011,156	-	2,011,156
TOTAL ASSETS	\$ 2,031,268	\$ 23,570	\$ 18,353,280
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ -	\$ -	\$ 223,262
Accrued liabilities	-	-	11,346
Due to other funds	-	-	1,324,857
Due to other agencies	-	-	5,524,970
TOTAL LIABILITIES	-	-	7,084,435
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	-	-	1,715,747
FUND BALANCES (DEFICITS):			
Restricted	2,031,268	23,570	10,611,424
Unassigned	-	-	(1,058,326)
TOTAL FUND BALANCES (DEFICITS)	2,031,268	23,570	9,553,098
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,031,268	\$ 23,570	\$ 18,353,280

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
\$ 3,430	\$ 5,152	\$ -	\$ 8,582	\$ 8,898,599
-	-	86	86	86
-	-	-	-	1,969,451
-	-	-	-	56,533
6	9	-	15	11,815
-	-	-	-	5,414,323
-	-	-	-	2,011,156
<u>\$ 3,436</u>	<u>\$ 5,161</u>	<u>\$ 86</u>	<u>\$ 8,683</u>	<u>\$ 18,361,963</u>
\$ -	\$ -	\$ -	\$ -	\$ 223,262
-	-	-	-	11,346
-	-	-	-	1,324,857
-	-	-	-	5,524,970
-	-	-	-	7,084,435
-	-	-	-	1,715,747
3,436	5,161	86	8,683	10,620,107
-	-	-	-	(1,058,326)
<u>3,436</u>	<u>5,161</u>	<u>86</u>	<u>8,683</u>	<u>9,561,781</u>
<u>\$ 3,436</u>	<u>\$ 5,161</u>	<u>\$ 86</u>	<u>\$ 8,683</u>	<u>\$ 18,361,963</u>

CITY OF PICO RIVERA

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

For the year ended June 30, 2016

	Special Revenue Funds		
	Community Development Block Grant	State Gas Tax	Lighting Assessment District
REVENUES:			
Taxes and assessments	\$ -	\$ 1,382,901	\$ 1,465,942
Intergovernmental	551,859	-	-
Charges for services	-	-	-
Investment and rental	4,804	878	-
Miscellaneous	-	-	-
TOTAL REVENUES	556,663	1,383,779	1,465,942
EXPENDITURES:			
Current:			
General government	-	-	-
Public works	-	-	676,047
Parks and recreation	-	-	-
Health and welfare	-	-	-
Community development	259,819	-	-
TOTAL EXPENDITURES	259,819	-	676,047
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	296,844	1,383,779	789,895
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	200,000
Transfers out	(321,503)	(1,383,779)	(790,400)
TOTAL OTHER FINANCING SOURCES (USES)	(321,503)	(1,383,779)	(590,400)
NET CHANGE IN FUND BALANCES	(24,659)	-	199,495
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	(165,286)	-	(39,199)
FUND BALANCES (DEFICITS) - END OF YEAR	\$ (189,945)	\$ -	\$ 160,296

Special Revenue Funds (Continued)

Park Development	Prop A	Prop C	Measure R	HOME Grant	CalHOME Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,152,924	958,515	1,043,775	-	-
2	-	-	-	-	-
285	13,230	8,278	7,672	191,032	2,748
-	7,309	-	-	-	24,896
<u>287</u>	<u>1,173,463</u>	<u>966,793</u>	<u>1,051,447</u>	<u>191,032</u>	<u>27,644</u>
-	-	-	-	-	-
-	636,365	107,262	44,028	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	163,301
<u>-</u>	<u>636,365</u>	<u>107,262</u>	<u>44,028</u>	<u>-</u>	<u>163,301</u>
<u>287</u>	<u>537,098</u>	<u>859,531</u>	<u>1,007,419</u>	<u>191,032</u>	<u>(135,657)</u>
-	-	-	-	-	-
(22,430)	-	(1,389,815)	(1,730,477)	-	-
(22,430)	-	(1,389,815)	(1,730,477)	-	-
(22,143)	537,098	(530,284)	(723,058)	191,032	(135,657)
<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>\$ 28,540</u>	<u>\$ 1,811,546</u>	<u>\$ 601,771</u>	<u>\$ 294,671</u>	<u>\$ 1,266,199</u>	<u>\$ (753,370)</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, 2016

	Special Revenue Funds (Continued)		
	Air Quality Improvement	County Grants	State Grants
REVENUES:			
Taxes and assessments	\$ -	\$ -	\$ -
Intergovernmental	81,639	205,395	443,523
Charges for services	-	-	-
Investment and rental	1,876	-	1,333
Miscellaneous	-	-	-
	<u>83,515</u>	<u>205,395</u>	<u>444,856</u>
TOTAL REVENUES			
EXPENDITURES:			
Current:			
General government	-	-	-
Public works	26,126	-	-
Parks and recreation	-	-	-
Health and welfare	-	-	383,906
Community development	-	-	-
	<u>26,126</u>	<u>-</u>	<u>383,906</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>57,389</u>	<u>205,395</u>	<u>60,950</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(4,082)	(295,646)	(156,615)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,082)</u>	<u>(295,646)</u>	<u>(156,615)</u>
NET CHANGE IN FUND BALANCES	53,307	(90,251)	(95,665)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	<u>227,269</u>	<u>21,546</u>	<u>103,351</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 280,576</u>	<u>\$ (68,705)</u>	<u>\$ 7,686</u>

Special Revenue Funds (Continued)

Economic Development Assistance Grant	Image Enhancement	Sewer Maintenance	Reach Grants	Cable/PEG Support	Transportation Development Act
\$ -	\$ -	\$ 1,014,484	\$ 23,138	\$ -	\$ -
-	-	-	891,606	-	79,715
-	108,187	-	-	-	-
18,755	3,673	-	3,960	-	-
-	-	-	-	34,741	-
<u>18,755</u>	<u>111,860</u>	<u>1,014,484</u>	<u>918,704</u>	<u>34,741</u>	<u>79,715</u>
-	-	27,019	-	-	-
-	-	388,333	-	33,491	-
-	-	-	955,667	-	-
-	-	-	-	-	-
199,950	-	-	-	-	-
<u>199,950</u>	<u>-</u>	<u>415,352</u>	<u>955,667</u>	<u>33,491</u>	<u>-</u>
<u>(181,195)</u>	<u>111,860</u>	<u>599,132</u>	<u>(36,963)</u>	<u>1,250</u>	<u>79,715</u>
-	-	-	-	-	-
(4,229)	(253,536)	(37,462)	-	-	(99,960)
<u>(4,229)</u>	<u>(253,536)</u>	<u>(37,462)</u>	<u>-</u>	<u>-</u>	<u>(99,960)</u>
(185,424)	(141,676)	561,670	(36,963)	1,250	(20,245)
<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>\$ 2,124,895</u>	<u>\$ 356,479</u>	<u>\$ 1,063,376</u>	<u>\$ 332,840</u>	<u>\$ 227,711</u>	<u>\$ (46,306)</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, 2016

	Special Revenue Funds (Continued)		
	Housing Agency LMIHF	Narcotics Forfeiture	Total Special Revenue Funds
REVENUES:			
Taxes and assessments	\$ -	\$ -	\$ 3,886,465
Intergovernmental	-	-	5,408,951
Charges for services	-	-	108,189
Investment and rental	2,769	-	261,293
Miscellaneous	2,856	23,570	93,372
TOTAL REVENUES	5,625	23,570	9,758,270
EXPENDITURES:			
Current:			
General government	-	-	27,019
Public works	-	-	1,911,652
Parks and recreation	-	-	955,667
Health and welfare	-	-	383,906
Community development	-	-	623,070
TOTAL EXPENDITURES	-	-	3,901,314
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,625	23,570	5,856,956
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	200,000
Transfers out	-	-	(6,489,934)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(6,289,934)
NET CHANGE IN FUND BALANCES	5,625	23,570	(432,978)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	2,025,643	-	9,986,076
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 2,031,268	\$ 23,570	\$ 9,553,098

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
\$ -	\$ 8,926	\$ -	\$ 8,926	\$ 3,895,391
-	-	-	-	5,408,951
-	-	-	-	108,189
28	11	59	98	261,391
-	-	-	-	93,372
<u>28</u>	<u>8,937</u>	<u>59</u>	<u>9,024</u>	<u>9,767,294</u>
-	-	-	-	27,019
-	1,405	-	1,405	1,913,057
-	-	-	-	955,667
-	-	-	-	383,906
-	-	-	-	623,070
<u>-</u>	<u>1,405</u>	<u>-</u>	<u>1,405</u>	<u>3,902,719</u>
<u>28</u>	<u>7,532</u>	<u>59</u>	<u>7,619</u>	<u>5,864,575</u>
-	-	-	-	200,000
-	-	-	-	(6,489,934)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,289,934)</u>
28	7,532	59	7,619	(425,359)
<u>3,408</u>	<u>(2,371)</u>	<u>27</u>	<u>1,064</u>	<u>9,987,140</u>
<u>\$ 3,436</u>	<u>\$ 5,161</u>	<u>\$ 86</u>	<u>\$ 8,683</u>	<u>\$ 9,561,781</u>

CITY OF PICO RIVERA

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

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,105,281	\$ 551,859	\$ (553,422)
Investment and rental	1,976	4,804	2,828
TOTAL REVENUES	1,107,257	556,663	(550,594)
EXPENDITURES:			
Current:			
Community development	783,778	259,819	523,959
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	323,479	296,844	(26,635)
OTHER FINANCING USES:			
Transfers out	(321,503)	(321,503)	-
NET CHANGE IN FUND BALANCE	1,976	(24,659)	(26,635)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(165,286)	(165,286)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (163,310)	\$ (189,945)	\$ (26,635)

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 1,425,305	\$ 1,382,901	\$ (42,404)
Investment and rental	320	878	558
TOTAL REVENUES	1,425,625	1,383,779	(41,846)
OTHER FINANCING USES:			
Transfers out	(1,425,625)	(1,383,779)	41,846
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 1,340,000	\$ 1,465,942	\$ 125,942
EXPENDITURES:			
Current:			
Public works	692,000	676,047	15,953
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	648,000	789,895	141,895
OTHER FINANCING SOURCES (USES):			
Transfers in	200,000	200,000	-
Transfers out	(790,400)	(790,400)	-
TOTAL OTHER FINANCING SOURCES (USES)	(590,400)	(590,400)	-
NET CHANGE IN FUND BALANCE	57,600	199,495	141,895
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(39,199)	(39,199)	-
FUND BALANCE - END OF YEAR	\$ 18,401	\$ 160,296	\$ 141,895

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for services	\$ 22,430	\$ 2	\$ (22,428)
Investment and rental	-	285	285
TOTAL REVENUES	22,430	287	(22,143)
OTHER FINANCING USES:			
Transfers out	(22,430)	(22,430)	-
NET CHANGE IN FUND BALANCE	-	(22,143)	(22,143)
FUND BALANCE - BEGINNING OF YEAR	50,683	50,683	-
FUND BALANCE - END OF YEAR	\$ 50,683	\$ 28,540	\$ (22,143)

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,093,396	\$ 1,152,924	\$ 59,528
Investment and rental	-	13,230	13,230
Miscellaneous	60,000	7,309	(52,691)
	<u>1,153,396</u>	<u>1,173,463</u>	<u>20,067</u>
TOTAL REVENUES	1,153,396	1,173,463	20,067
EXPENDITURES:			
Current:			
Public works	854,387	636,365	218,022
	<u>854,387</u>	<u>636,365</u>	<u>218,022</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	299,009	537,098	238,089
FUND BALANCE - BEGINNING OF YEAR	<u>1,274,448</u>	<u>1,274,448</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,573,457</u></u>	<u><u>\$ 1,811,546</u></u>	<u><u>\$ 238,089</u></u>

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 956,712	\$ 958,515	\$ 1,803
Investment and rental	5,000	8,278	3,278
TOTAL REVENUES	961,712	966,793	5,081
EXPENDITURES:			
Current:			
Public works	145,024	107,262	37,762
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	816,688	859,531	42,843
OTHER FINANCING USES:			
Transfers out	(2,336,944)	(1,389,815)	947,129
NET CHANGE IN FUND BALANCE	(1,520,256)	(530,284)	989,972
FUND BALANCE - BEGINNING OF YEAR	1,132,055	1,132,055	-
FUND BALANCE - END OF YEAR	\$ (388,201)	\$ 601,771	\$ 989,972

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 6,791,639	\$ 1,043,775	\$ (5,747,864)
Investment and rental	5,161	7,672	2,511
TOTAL REVENUES	6,796,800	1,051,447	(5,745,353)
EXPENDITURES:			
Current:			
Public works	45,000	44,028	972
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,751,800	1,007,419	(5,744,381)
OTHER FINANCING USES:			
Transfers out	(8,148,308)	(1,730,477)	6,417,831
NET CHANGE IN FUND BALANCE	(1,396,508)	(723,058)	673,450
FUND BALANCE - BEGINNING OF YEAR	1,017,729	1,017,729	-
FUND BALANCE - END OF YEAR	\$ (378,779)	\$ 294,671	\$ 673,450

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,055,000	\$ -	\$ (1,055,000)
Investment and rental	-	191,032	191,032
TOTAL REVENUES	1,055,000	191,032	(863,968)
EXPENDITURES:			
Current:			
Community development	1,055,000	-	1,055,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	191,032	191,032
FUND BALANCE - BEGINNING OF YEAR	1,075,167	1,075,167	-
FUND BALANCE - END OF YEAR	\$ 1,075,167	\$ 1,266,199	\$ 191,032

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 385,000	\$ -	\$ (385,000)
Investment and rental	1,375	2,748	1,373
Miscellaneous	-	24,896	24,896
TOTAL REVENUES	386,375	27,644	(358,731)
EXPENDITURES:			
Current:			
Community development	475,000	163,301	311,699
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(88,625)	(135,657)	(47,032)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(617,713)	(617,713)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (706,338)</u>	<u>\$ (753,370)</u>	<u>\$ (47,032)</u>

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 80,000	\$ 81,639	\$ 1,639
Investment and rental	500	1,876	1,376
TOTAL REVENUES	80,500	83,515	3,015
EXPENDITURES:			
Current:			
Public works	55,600	26,126	29,474
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	24,900	57,389	32,489
OTHER FINANCING USES:			
Transfers out	-	(4,082)	(4,082)
NET CHANGE IN FUND BALANCE	24,900	53,307	28,407
FUND BALANCE - BEGINNING OF YEAR	227,269	227,269	-
FUND BALANCE - END OF YEAR	\$ 252,169	\$ 280,576	\$ 28,407

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 295,646	\$ 205,395	\$ (90,251)
Miscellaneous	552,311	-	(552,311)
TOTAL REVENUES	847,957	205,395	(642,562)
OTHER FINANCING USES:			
Transfers out	(847,957)	(295,646)	552,311
NET CHANGE IN FUND BALANCE	-	(90,251)	(90,251)
FUND BALANCE - BEGINNING OF YEAR	21,546	21,546	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 21,546	\$ (68,705)	\$ (90,251)

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,051,227	\$ 443,523	\$ (607,704)
Investment and rental	-	1,333	1,333
TOTAL REVENUES	1,051,227	444,856	(606,371)
EXPENDITURES:			
Current:			
Health and welfare	613,630	383,906	229,724
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	437,597	60,950	(376,647)
OTHER FINANCING USES:			
Transfers out	(437,782)	(156,615)	281,167
NET CHANGE IN FUND BALANCE	(185)	(95,665)	(95,480)
FUND BALANCE - BEGINNING OF YEAR	103,351	103,351	-
FUND BALANCE - END OF YEAR	\$ 103,166	\$ 7,686	\$ (95,480)

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment and rental	\$ 9,000	\$ 18,755	\$ 9,755
EXPENDITURES:			
Current:			
Community development	310,000	199,950	110,050
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(301,000)	(181,195)	119,805
OTHER FINANCING USES:			
Transfers out	(4,229)	(4,229)	-
NET CHANGE IN FUND BALANCE	(305,229)	(185,424)	119,805
FUND BALANCE - BEGINNING OF YEAR	2,310,319	2,310,319	-
FUND BALANCE - END OF YEAR	<u>\$ 2,005,090</u>	<u>\$ 2,124,895</u>	<u>\$ 119,805</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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for services	\$ 50,000	\$ 108,187	\$ 58,187
Investment and rental	2,000	3,673	1,673
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	52,000	111,860	59,860
OTHER FINANCING USES:			
Transfers out	(496,785)	(253,536)	243,249
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	(444,785)	(141,676)	303,109
FUND BALANCE - BEGINNING OF YEAR	498,155	498,155	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE - END OF YEAR	<u>\$ 53,370</u>	<u>\$ 356,479</u>	<u>\$ 303,109</u>

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 1,000,000	\$ 1,014,484	\$ 14,484
EXPENDITURES:			
Current:			
General government	31,171	27,019	4,152
Public works	854,279	388,333	465,946
TOTAL EXPENDITURES	885,450	415,352	470,098
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	114,550	599,132	484,582
OTHER FINANCING USES:			
Transfers out	(655,693)	(37,462)	618,231
NET CHANGE IN FUND BALANCE	(541,143)	561,670	1,102,813
FUND BALANCE - BEGINNING OF YEAR	501,706	501,706	-
FUND BALANCE - END OF YEAR	\$ (39,437)	\$ 1,063,376	\$ 1,102,813

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 36,000	\$ 23,138	\$ (12,862)
Intergovernmental	912,800	891,606	(21,194)
Investment and rental	1,976	3,960	1,984
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	950,776	918,704	(32,072)
EXPENDITURES:			
Current:			
Parks and recreation	1,044,587	955,667	88,920
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(93,811)	(36,963)	56,848
FUND BALANCE - BEGINNING OF YEAR	369,803	369,803	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE - END OF YEAR	<u>\$ 275,992</u>	<u>\$ 332,840</u>	<u>\$ 56,848</u>

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Miscellaneous	\$ 30,000	\$ 34,741	\$ 4,741
EXPENDITURES:			
Current:			
Public works	-	33,491	(33,491)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	30,000	1,250	(28,750)
FUND BALANCE - BEGINNING OF YEAR	226,461	226,461	-
FUND BALANCE - END OF YEAR	<u>\$ 256,461</u>	<u>\$ 227,711</u>	<u>\$ (28,750)</u>

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 146,019	\$ 79,715	\$ (66,304)
OTHER FINANCING USES:			
Transfers out	(101,019)	(99,960)	1,059
NET CHANGE IN FUND BALANCE	45,000	(20,245)	(65,245)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(26,061)	(26,061)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 18,939</u>	<u>\$ (46,306)</u>	<u>\$ (65,245)</u>

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, 2016

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ -	\$ 8,926	\$ 8,926
Investment and rental	-	11	11
TOTAL REVENUES	-	8,937	8,937
EXPENDITURES:			
Current:			
Public works	1,000	1,405	(405)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,000)	7,532	8,532
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(2,371)	(2,371)	-
FUND BALANCE - END OF YEAR	<u>\$ (3,371)</u>	<u>\$ 5,161</u>	<u>\$ 8,532</u>

CITY OF PICO RIVERA

DESCRIPTION OF OTHER ENTERPRISE FUNDS

June 30, 2016

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, 2016

	Sports Arena	Golf Course	Total
ASSETS:			
CURRENT ASSETS:			
Cash and investments	\$ 63,195	\$ 900	\$ 64,095
Receivables, net:			
Accounts	3,860	122,067	125,927
Interest	137	-	137
Inventories, at cost	-	29,353	29,353
TOTAL CURRENT ASSETS	67,192	152,320	219,512
NONCURRENT ASSETS:			
Capital assets, not depreciated	3,368	38,945	42,313
Capital assets, depreciated, net	429,069	336,414	765,483
TOTAL NONCURRENT ASSETS	432,437	375,359	807,796
TOTAL ASSETS	499,629	527,679	1,027,308
DEFERRED OUTFLOWS OF RESOURCES:			
Amount related to pensions	1,412	-	1,412
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	1,085	126,764	127,849
Accrued liabilities	1,278	30,295	31,573
Due to other funds	-	752,959	752,959
Deposits	-	1,267	1,267
TOTAL CURRENT LIABILITIES	2,363	911,285	913,648
NONCURRENT LIABILITIES:			
Net pension liability	17,380	-	17,380
TOTAL LIABILITIES	19,743	911,285	931,028
DEFERRED INFLOWS OF RESOURCES:			
Amounts related to pensions	1,342	-	1,342
NET POSITION:			
Net investment in capital assets	432,437	375,359	807,796
Unrestricted	47,519	(758,965)	(711,446)
TOTAL NET POSITION	\$ 479,956	\$ (383,606)	\$ 96,350

CITY OF PICO RIVERA

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

For the year ended June 30, 2016

	Sports Arena	Golf Course	Total
OPERATING REVENUES:			
Charges for services	\$ 61,862	\$ 1,240,790	\$ 1,302,652
OPERATING EXPENSES:			
Salaries and benefits	51,465	-	51,465
Contractual services	-	718,104	718,104
Insurance claims and expenses	48,436	-	48,436
Administrative	-	431,448	431,448
Utilities	2,256	168,725	170,981
Repairs and maintenance	-	91,641	91,641
Depreciation	78,673	33,643	112,316
TOTAL OPERATING EXPENSES	180,830	1,443,561	1,624,391
OPERATING LOSS	(118,968)	(202,771)	(321,739)
NONOPERATING REVENUES:			
Investment income	734	63	797
TOTAL NONOPERATING REVENUES	734	63	797
LOSS BEFORE TRANSFERS	(118,234)	(202,708)	(320,942)
TRANSFERS OUT	(103,089)	-	(103,089)
LOSS BEFORE SPECIAL ITEM	(221,323)	(202,708)	(424,031)
SPECIAL ITEM:			
Forgiveness of debt	704,496	-	704,496
CHANGE IN NET POSITION	483,173	(202,708)	280,465
NET POSITION - BEGINNING OF YEAR	(3,217)	(180,898)	(184,115)
NET POSITION - END OF YEAR	\$ 479,956	\$ (383,606)	\$ 96,350

CITY OF PICO RIVERA

COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS

For the year ended June 30, 2016

	Sports Arena	Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 58,002	\$ 1,221,032	\$ 1,279,034
Payments to suppliers	(49,786)	(1,300,173)	(1,349,959)
Payments to employees	(53,427)	-	(53,427)
NET CASH USED BY OPERATING ACTIVITIES	<u>(45,211)</u>	<u>(79,141)</u>	<u>(124,352)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Proceeds from due to/from other funds	-	79,078	79,078
Transfers paid to other funds	(103,089)	-	(103,089)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(103,089)</u>	<u>79,078</u>	<u>(24,011)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	1,122	63	1,185
NET DECREASE IN CASH AND CASH EQUIVALENTS	(147,178)	-	(147,178)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	210,373	900	211,273
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 63,195</u>	<u>\$ 900</u>	<u>\$ 64,095</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:			
Operating loss	\$ (118,968)	\$ (202,771)	\$ (321,739)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	78,673	33,643	112,316
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
(Increase) decrease in accounts receivables	(3,860)	(19,758)	(23,618)
(Increase) decrease in inventories	-	(5,285)	(5,285)
(Increase) decrease in deferred outflows of resources - amount related to pensions	(68)	-	(68)
Increase (decrease) in accounts payable	906	115,009	115,915
Increase (decrease) in accrued liabilities	(1,277)	7,530	6,253
Increase (decrease) in deposits payable	-	(7,509)	(7,509)
Increase (decrease) in net pension liability	821	-	821
Increase (decrease) in deferred inflows of resources - amounts related to pensions	(1,438)	-	(1,438)
TOTAL ADJUSTMENTS	<u>73,757</u>	<u>123,630</u>	<u>197,387</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (45,211)</u>	<u>\$ (79,141)</u>	<u>\$ (124,352)</u>
NONCASH INVESTING AND FINANCING ACTIVITIES:			
Changes in advances related to debt forgiveness	<u>\$ 704,496</u>	<u>\$ -</u>	<u>\$ 704,496</u>

CITY OF PICO RIVERA

DESCRIPTION OF INTERNAL SERVICE FUNDS

June 30, 2016

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, 2016

	<u>OPEB Liability</u>	<u>Leave Liability</u>	<u>Equipment Replacement</u>	<u>Total</u>
ASSETS:				
CURRENT ASSETS:				
Cash and investments	\$ -	\$ -	\$ 913,866	\$ 913,866
NET POSITION:				
Unrestricted	-	-	913,866	913,866
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 913,866</u>	<u>\$ 913,866</u>

CITY OF PICO RIVERA

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

For the year ended June 30, 2016

	<u>OPEB Liability</u>	<u>Leave Liability</u>	<u>Equipment Replacement</u>	<u>Total</u>
REVENUES:				
Miscellaneous	\$ -	\$ -	4,691	\$ 4,691
OPERATING EXPENSES:				
Repairs and maintenance	<u>-</u>	<u>-</u>	<u>108,905</u>	<u>108,905</u>
OPERATING LOSS BEFORE TRANSFERS	-	-	(104,214)	(104,214)
TRANSFERS OUT	<u>(7,638,302)</u>	<u>(563,588)</u>	<u>(105,000)</u>	<u>(8,306,890)</u>
CHANGE IN NET POSITION	(7,638,302)	(563,588)	(209,214)	(8,411,104)
NET POSITION - BEGINNING OF YEAR	<u>7,638,302</u>	<u>563,588</u>	<u>1,123,080</u>	<u>9,324,970</u>
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 913,866</u>	<u>\$ 913,866</u>

CITY OF PICO RIVERA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the year ended June 30, 2016

	<u>OPEB Liability</u>	<u>Leave Liability</u>	<u>Equipment Replacement</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from users	\$ -	\$ -	\$ 4,691	\$ 4,691
Payments to suppliers	<u>-</u>	<u>-</u>	<u>(108,905)</u>	<u>(108,905)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(104,214)</u>	<u>(104,214)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers paid to other funds	<u>(7,638,302)</u>	<u>(563,588)</u>	<u>(105,000)</u>	<u>(8,306,890)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,638,302)	(563,588)	(209,214)	(8,411,104)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>7,638,302</u>	<u>563,588</u>	<u>1,123,080</u>	<u>9,324,970</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 913,866</u></u>	<u><u>\$ 913,866</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:				
Operating loss	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (104,214)</u></u>	<u><u>\$ (104,214)</u></u>

CITY OF PICO RIVERA

DESCRIPTION OF AGENCY FUNDS

June 30, 2016

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, 2016

	Assessment District 95-1 Improvement Agency	Southeast Water Coalition Joint Powers Authority	Total
ASSETS:			
Cash and investments	\$ 45,417	\$ -	\$ 45,417
Interest receivable	85	-	85
TOTAL ASSETS	\$ 45,502	\$ -	\$ 45,502
LIABILITIES:			
Due to member cities	\$ -	\$ -	\$ -
Due to bondholders	45,502	-	45,502
TOTAL LIABILITIES	\$ 45,502	\$ -	\$ 45,502

CITY OF PICO RIVERA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended June 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
ASSESSMENT DISTRICT 95-1 IMPROVEMENT AGENCY				
ASSETS:				
Cash and investments	\$ 45,062	\$ 355	\$ -	\$ 45,417
Interest receivable	64	85	(64)	85
TOTAL ASSETS	\$ 45,126	\$ 440	\$ (64)	\$ 45,502
LIABILITIES:				
Due to bondholders	\$ 45,126	\$ 376	\$ -	\$ 45,502
SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY				
ASSETS:				
Cash and investments	\$ 973	\$ -	\$ (973)	\$ -
LIABILITIES:				
Due to member cities	\$ 973	\$ -	\$ (973)	\$ -
TOTAL				
ASSETS:				
Cash and investments	\$ 46,035	\$ 355	\$ (973)	\$ 45,417
Interest receivable	64	85	(64)	85
TOTAL ASSETS	\$ 46,099	\$ 440	\$ (1,037)	\$ 45,502
LIABILITIES:				
Due to member cities	\$ 973	\$ -	\$ (973)	\$ -
Due to bondholders	45,126	376	-	45,502
TOTAL LIABILITIES	\$ 46,099	\$ 376	\$ (973)	\$ 45,502

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**STATISTICAL SECTION
(UNAUDITED)**

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CITY OF PICO RIVERA

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2016

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.	164 - 173
<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.	174 - 183
<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.	184 - 190
<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.	191 - 192
<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.	193 - 197

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

	Fiscal Year			
	2006-07	2007-08	2008-09	2009-10
Governmental Activities:				
Net investment in capital assets	\$ 190,686,455	\$ 191,767,030	\$ 210,019,109	\$ 208,640,112
Restricted	13,724,579	12,009,671	16,582,070	38,379,173
Unrestricted	(53,182,715)	(52,353,854)	(56,761,367)	(60,689,563)
Total governmental activities net position	<u>151,228,319</u>	<u>151,422,847</u>	<u>169,839,812</u>	<u>186,329,722</u>
Business-type Activities:				
Net investment in capital assets	25,294,126	25,227,439	25,207,426	25,969,161
Restricted	3,991,884	-	-	-
Unrestricted	(30,234)	2,494,367	(20,380,408)	(20,380,408)
Total business-type activities net position	<u>29,255,776</u>	<u>27,721,806</u>	<u>4,827,018</u>	<u>5,588,753</u>
Primary Government:				
Net investment in capital assets	215,980,581	216,994,469	235,226,535	234,609,273
Restricted	17,716,463	12,009,671	16,582,070	38,379,173
Unrestricted	(53,212,949)	(49,859,487)	(77,141,775)	(81,069,971)
Total primary government net position	<u>\$ 180,484,095</u>	<u>\$ 179,144,653</u>	<u>\$ 174,666,830</u>	<u>\$ 191,918,475</u>

Source: City of Pico Rivera Finance Department

Fiscal Year					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
\$ 220,541,094	\$ 231,879,296	\$ 232,734,954	\$ 224,917,267	\$ 230,288,295	\$ 231,562,736
30,403,287	15,287,855	12,426,012	13,016,383	11,903,492	11,854,987
(61,677,209)	43,474,498	39,163,377	43,883,873	19,388,051	23,639,282
<u>189,267,172</u>	<u>290,641,649</u>	<u>284,324,343</u>	<u>281,817,523</u>	<u>261,579,838</u>	<u>267,057,005</u>
26,142,227	26,753,906	30,079,954	30,964,232	31,370,373	31,761,672
-	-	-	-	-	-
(17,300,491)	(17,352,760)	(17,473,063)	(16,212,613)	(18,465,237)	(16,385,687)
<u>8,841,736</u>	<u>9,401,146</u>	<u>12,606,891</u>	<u>14,751,619</u>	<u>12,905,136</u>	<u>15,375,985</u>
246,683,321	258,633,202	262,814,908	255,881,499	261,658,668	263,324,408
30,403,287	15,287,855	12,426,012	13,016,383	11,903,492	11,854,987
(78,977,700)	26,121,738	21,690,314	27,671,260	922,814	7,253,595
<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>	<u>\$ 282,432,990</u>

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

	Fiscal Year			
	2006-07	2007-08	2008-09	2009-10
Expenses:				
Governmental Activities:				
General government	\$ 8,250,292	\$ 8,519,371	\$ 8,300,976	\$ 9,087,368
Public safety	9,103,656	10,271,958	11,500,096	11,789,557
Public works	7,406,992	12,264,878	11,253,226	12,773,969
Parks and recreation	5,203,123	5,175,945	6,392,928	4,827,825
Health and welfare	4,747,082	5,176,082	5,782,085	6,204,855
Community development	5,633,839	6,115,717	7,628,250	9,520,485
Interest and fiscal charges	3,814,579	3,757,970	4,150,720	5,442,996
Total governmental activities net expenses	<u>44,159,563</u>	<u>51,281,921</u>	<u>55,008,281</u>	<u>59,647,055</u>
Business-type Activities:				
Water	7,903,722	8,752,874	8,350,672	8,384,403
Other enterprise funds	1,797,450	1,165,348	1,244,232	1,220,568
Total business-type activities net position	<u>9,701,172</u>	<u>9,918,222</u>	<u>9,594,904</u>	<u>9,604,971</u>
Total primary government expenses	<u>\$ 53,860,735</u>	<u>\$ 61,200,143</u>	<u>\$ 64,603,185</u>	<u>\$ 69,252,026</u>
Program Revenues:				
Governmental Activities:				
Charges for services:				
General government	\$ 547,418	\$ 463,454	\$ 378,258	\$ 651,638
Public safety	872,327	1,084,164	1,677,312	1,903,379
Public works	1,269,513	1,360,238	1,481,482	1,395,780
Parks and recreation	972,759	794,636	145,290	174,904
Health and welfare	516,313	511,812	498,341	453,691
Community development	1,189,941	818,959	442,497	504,849
Operating contributions and grants	14,815,016	14,292,679	15,843,154	13,503,809
Capital contributions and grants	533,290	630	16,790,897	2,721,543
Total governmental activities program revenues	<u>20,716,577</u>	<u>19,326,572</u>	<u>37,257,231</u>	<u>21,309,593</u>
Business-type Activities:				
Charges for services:				
Water utility	5,470,193	5,323,829	5,338,217	5,647,751
Other enterprise funds	930,271	906,771	1,103,241	1,063,497
Total business-type activities program revenues	<u>6,400,464</u>	<u>6,230,600</u>	<u>6,441,458</u>	<u>6,711,248</u>
Primary government program revenues	<u>\$ 27,117,041</u>	<u>\$ 25,557,172</u>	<u>\$ 43,698,689</u>	<u>\$ 28,020,841</u>
Net (Expense)/Revenue:				
Governmental activities	\$ (23,442,986)	\$ (31,955,349)	\$ (17,751,050)	\$ (38,337,462)
Business-type activities	<u>(3,300,708)</u>	<u>(3,687,622)</u>	<u>(3,153,446)</u>	<u>(2,893,723)</u>
Total primary government net expense	<u>\$ (26,743,694)</u>	<u>\$ (35,642,971)</u>	<u>\$ (20,904,496)</u>	<u>\$ (41,231,185)</u>

Fiscal Year					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
\$ 9,619,197	\$ 10,557,055	\$ 8,339,448	\$ 9,954,786	\$ 9,248,597	\$ 8,790,816
11,967,857	10,690,805	10,946,303	11,202,782	10,457,770	10,468,357
12,572,806	12,591,487	12,843,460	10,498,605	14,545,183	14,472,969
5,193,153	5,901,305	5,483,656	5,422,037	5,600,669	5,585,521
6,019,153	5,705,432	5,678,172	5,339,488	4,840,878	5,266,352
7,273,354	5,594,519	2,207,716	2,511,556	2,761,524	2,827,231
7,555,355	3,522,364	975,580	1,742,562	1,656,613	1,626,960
<u>60,200,875</u>	<u>54,562,967</u>	<u>46,474,335</u>	<u>46,671,816</u>	<u>49,111,234</u>	<u>49,038,206</u>
8,627,134	8,833,293	7,846,884	8,386,111	8,044,302	7,865,853
1,047,804	1,091,400	980,618	1,054,837	1,320,585	1,624,391
<u>9,674,938</u>	<u>9,924,693</u>	<u>8,827,502</u>	<u>9,440,948</u>	<u>9,364,887</u>	<u>9,490,244</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>	<u>\$ 58,528,450</u>
\$ 549,034	\$ 202,481	\$ 138,144	\$ 497,518	\$ 574,846	\$ 606,726
1,790,155	1,334,872	1,226,044	1,207,766	1,125,660	1,022,464
1,437,222	737,184	751,194	744,905	1,821,210	1,788,821
242,014	759,564	763,094	693,884	743,400	578,529
490,655	264,396	142,291	188,767	232,824	202,262
505,099	585,021	468,266	712,626	644,344	746,395
20,509,748	11,863,231	12,357,708	13,322,885	12,296,324	12,817,403
-	13,830,665	7,346,536	2,378,797	2,287,187	1,620,798
<u>25,523,927</u>	<u>29,577,414</u>	<u>23,193,277</u>	<u>19,747,148</u>	<u>19,725,795</u>	<u>19,383,398</u>
6,635,615	7,371,154	7,866,087	8,909,351	8,710,623	8,304,240
932,962	944,337	898,336	921,432	996,548	1,302,652
<u>7,568,577</u>	<u>8,315,491</u>	<u>8,764,423</u>	<u>9,830,783</u>	<u>9,707,171</u>	<u>9,606,892</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>	<u>\$ 28,990,290</u>
\$ (34,676,948)	\$ (24,985,553)	\$ (23,281,058)	\$ (26,924,668)	\$ (29,385,439)	\$ (29,654,808)
(2,106,361)	(1,609,202)	(63,079)	389,835	342,284	116,648
<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>	<u>\$ (29,538,160)</u>

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

	Fiscal Year			
	2006-07	2007-08	2008-09	2009-10
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Property taxes	\$ 13,999,296	\$ 14,892,493	\$ 15,544,899	\$ 15,116,791
Sales and use taxes	7,340,573	7,925,324	8,974,814	13,074,986
Franchise taxes	1,202,680	984,238	1,281,687	1,155,951
Utility users taxes	3,929,078	4,043,150	3,949,567	3,669,717
Other taxes	1,728,439	1,695,765	1,422,862	1,331,305
Unrestricted motor vehicle license in lieu	447,468	298,233	-	-
Investment earnings	1,731,877	1,703,963	1,744,699	1,372,901
Other	144,489	10,776	160,844	241,124
Transfers	443,853	788,089	856,287	460,309
Gain on sale of property	-	-	-	-
Extraordinary items/special items	-	-	-	-
Total governmental activities	<u>30,967,753</u>	<u>32,342,031</u>	<u>33,935,659</u>	<u>36,423,084</u>
Business-type Activities:				
Investment earnings	3,037,277	2,941,741	2,640,365	2,591,363
Other	-	-	(9,196)	4,696
Transfers	(443,853)	(788,089)	(856,287)	(460,309)
Extraordinary items/special items	-	-	-	-
Total business-type activities	<u>2,593,424</u>	<u>2,153,652</u>	<u>1,774,882</u>	<u>2,135,750</u>
Total primary government	<u>\$ 33,561,177</u>	<u>\$ 34,495,683</u>	<u>\$ 35,710,541</u>	<u>\$ 38,558,834</u>
Change in Net Position:				
Governmental activities	\$ 7,524,767	\$ 386,682	\$ 16,184,609	\$ (1,914,378)
Business-type activities	<u>(707,284)</u>	<u>(1,533,970)</u>	<u>(1,378,564)</u>	<u>(757,973)</u>
Total primary government	<u>\$ 6,817,483</u>	<u>\$ (1,147,288)</u>	<u>\$ 14,806,045</u>	<u>\$ (2,672,351)</u>

Source: City of Pico Rivera Finance Department

Fiscal Year					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
\$ 15,783,650	\$ 8,468,881	\$ 8,941,441	\$ 9,269,468	\$ 9,611,244	\$ 10,049,454
13,492,573	13,589,387	15,028,866	16,435,053	16,368,367	17,766,538
1,180,286	1,212,463	1,683,174	1,641,171	1,646,884	1,654,275
3,455,256	3,365,218	3,397,538	3,504,363	3,525,036	3,385,361
1,324,669	1,510,718	1,595,125	1,710,630	1,760,876	1,850,151
-	3,538,844	-	-	-	-
1,393,205	1,399,894	209,340	39,582	151,636	193,684
269,191	130,451	125,691	139,486	613,592	283,352
(2,510,743)	136,520	371,165	648,626	611,727	479,232
-	162,675	205,756	104,912	257,194	174,424
3,227,121	124,908,663	(10,921,476)	(9,075,443)	1,059,577	(704,496)
<u>37,615,208</u>	<u>158,423,714</u>	<u>20,636,620</u>	<u>24,417,848</u>	<u>35,606,133</u>	<u>35,131,975</u>
2,847,404	2,449,432	2,367,181	2,308,060	2,226,339	2,128,937
-	-	4,898	95,459	-	-
2,511,939	(136,520)	(371,165)	(648,626)	(611,727)	(479,232)
-	-	(149,583)	-	-	704,496
<u>5,359,343</u>	<u>2,312,912</u>	<u>1,851,331</u>	<u>1,754,893</u>	<u>1,614,612</u>	<u>2,354,201</u>
<u>\$ 42,974,551</u>	<u>\$ 160,736,626</u>	<u>\$ 22,487,951</u>	<u>\$ 26,172,741</u>	<u>\$ 37,220,745</u>	<u>\$ 37,486,176</u>
\$ 2,938,260	\$ 133,438,161	\$ (2,644,438)	\$ (2,506,820)	\$ 6,220,694	\$ 5,477,167
3,252,982	703,710	1,788,252	2,144,728	1,956,896	2,470,849
<u>\$ 6,191,242</u>	<u>\$ 134,141,871</u>	<u>\$ (856,186)</u>	<u>\$ (362,092)</u>	<u>\$ 8,177,590</u>	<u>\$ 7,948,016</u>

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

	Fiscal Year			
	2006-07	2007-08	2008-09	2009-10
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	9,285,657	9,064,673	35,849,151	34,922,021
Unreserved	<u>7,359,548</u>	<u>7,648,759</u>	<u>8,569,891</u>	<u>8,016,575</u>
Total general fund	<u>\$ 16,645,205</u>	<u>\$ 16,713,432</u>	<u>\$ 44,419,042</u>	<u>\$ 42,938,596</u>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	2,372,780	2,781,570	9,137,369	35,797,844
Unreserved, reported in:				
Special revenue funds	20,753,477	19,263,734	8,578,604	13,132,481
Debt service funds	(35,256,066)	(34,960,091)	(35,126,372)	(36,446,232)
Capital projects funds	<u>(25,348,977)</u>	<u>(25,453,373)</u>	<u>(27,696,411)</u>	<u>(28,959,913)</u>
Total all other governmental funds	<u>\$ (37,478,786)</u>	<u>\$ (38,368,160)</u>	<u>\$ (45,106,810)</u>	<u>\$ (16,475,820)</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.

Fiscal Year					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
\$ 27,187,687	\$ 28,313,381	\$ 25,222,739	\$ 25,222,739	\$ 25,222,739	\$ 25,198,662
-	2,334,609	2,334,811	2,346,856	2,358,919	2,368,600
5,500,000	9,030,031	5,974,566	9,330,000	9,316,732	9,479,500
6,000,000	3,267,506	6,745,120	8,285,480	10,272,833	14,376,800
3,767,252	-	50,490	48,092	3,772,716	12,882,331
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$ 64,305,893</u>
\$ 6,232,910	\$ 2,523,366	\$ -	\$ -	\$ -	\$ -
30,425,516	26,063,969	14,808,900	10,669,538	11,366,458	-
452,101	1,435,352	-	-	-	-
-	-	600,000	600,000	600,000	600,000
(62,865,626)	(2,868,577)	(3,012,144)	(3,335,743)	(2,869,762)	(2,141,161)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$ (1,541,161)</u>

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

	Fiscal Year			
	2006-07	2007-08	2008-09	2009-10
Revenues:				
Taxes and assessment	\$ 25,390,342	\$ 24,717,432	\$ 26,991,628	\$ 28,372,572
Licenses and permits	3,205,116	2,703,598	2,467,780	2,385,338
Intergovernmental	17,574,898	19,369,533	37,817,192	21,247,209
Charges for services	1,264,016	1,142,260	912,699	946,283
Fines, forfeitures and penalties	1,075,736	1,291,782	1,431,160	1,672,249
Investment income	1,286,520	1,282,570	649,870	272,772
Miscellaneous	2,637,285	326,999	406,793	1,174,332
Extraordinary item	-	-	-	-
Total revenues	<u>52,433,913</u>	<u>50,834,174</u>	<u>70,677,122</u>	<u>56,070,755</u>
Expenditures:				
General government	7,926,701	8,124,262	7,016,966	7,932,963
Public safety	9,100,192	10,270,119	11,310,373	11,590,148
Public works	8,002,066	8,794,803	7,669,990	9,490,395
Parks and recreation	5,183,213	4,729,902	5,927,669	4,360,552
Health and welfare	4,747,082	5,112,014	5,594,202	6,007,234
Community development	1,350,389	1,526,345	1,974,838	3,985,823
Pass through to other agencies	4,293,764	4,577,189	5,453,346	5,325,197
Capital outlay	2,270,376	5,608,105	22,156,323	8,888,280
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	3,752,761	3,700,671	4,099,386	6,109,167
Total expenditures	<u>46,626,544</u>	<u>52,443,410</u>	<u>71,203,093</u>	<u>63,689,759</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,807,369</u>	<u>(1,609,236)</u>	<u>(525,971)</u>	<u>(7,619,004)</u>
Other Financing Sources (Uses):				
Transfers in	12,061,005	11,603,646	36,860,403	41,990,633
Transfers out	(11,617,152)	(10,815,557)	(36,004,116)	(41,428,840)
Bond issuance	-	-	-	32,860,000
Bond premium	-	-	-	1,347,755
Total other financing sources (uses)	<u>443,853</u>	<u>788,089</u>	<u>856,287</u>	<u>34,769,548</u>
Special Items:				
Forgiveness of debt	-	-	-	-
Net change in fund balances	6,251,222	(821,147)	330,316	27,150,544
Fund balances - July 1	<u>-</u>	<u>6,251,222</u>	<u>(1,018,084)</u>	<u>(687,768)</u>
Fund balances - June 30	<u>\$ 6,251,222</u>	<u>\$ 5,430,075</u>	<u>\$ (687,768)</u>	<u>\$ 26,462,776</u>
Debt service as a percentage of noncapital expenditures	8.46%	7.90%	8.36%	11.15%

Source: City of Pico Rivera Finance Department

Fiscal Year					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
\$ 30,124,045	\$ 32,535,703	\$ 30,782,011	\$ 33,100,095	\$ 34,083,110	\$ 35,534,141
2,383,531	2,031,210	1,912,315	2,320,618	2,363,477	2,491,636
25,328,804	23,513,337	18,257,848	10,891,308	11,703,565	12,214,500
1,022,761	1,464,180	1,717,790	1,964,785	1,889,338	1,871,009
1,570,919	1,412,268	1,234,368	1,224,540	1,134,906	1,031,031
384,739	2,153,121	398,030	244,614	336,077	341,746
599,492	439,343	951,402	1,333,203	2,535,295	785,171
3,227,121	85,312,816	(5,029,315)	-	-	-
<u>64,641,412</u>	<u>148,861,978</u>	<u>50,224,449</u>	<u>51,079,163</u>	<u>54,045,768</u>	<u>54,269,234</u>
7,532,962	7,678,136	6,555,866	7,183,738	6,884,398	6,805,810
11,966,119	10,689,067	10,940,211	11,188,047	10,435,184	10,439,469
8,944,383	9,590,287	7,976,019	8,561,977	9,621,311	9,707,823
4,931,000	5,672,110	4,967,899	4,890,183	4,794,720	4,554,724
6,019,153	5,705,431	5,678,172	5,339,488	4,840,878	5,266,352
2,213,041	3,135,781	2,189,841	2,490,769	2,730,123	2,787,070
5,047,046	2,440,863	-	-	-	-
20,301,111	22,905,936	20,528,630	7,719,114	5,175,862	7,287,913
-	-	560,000	585,000	610,000	635,000
4,938,688	3,588,338	1,094,198	1,734,538	1,710,638	1,682,562
<u>71,893,503</u>	<u>71,405,949</u>	<u>60,490,836</u>	<u>49,692,854</u>	<u>46,803,114</u>	<u>49,166,723</u>
<u>(7,252,091)</u>	<u>77,456,029</u>	<u>(10,266,387)</u>	<u>1,386,309</u>	<u>7,242,654</u>	<u>5,102,511</u>
28,026,405	34,505,092	24,558,694	11,719,264	7,618,952	19,274,660
(30,537,148)	(34,368,572)	(31,667,462)	(12,118,893)	(7,987,933)	(10,488,538)
-	-	-	-	-	-
-	-	-	-	-	-
<u>(2,510,743)</u>	<u>136,520</u>	<u>(7,108,768)</u>	<u>(399,629)</u>	<u>(368,981)</u>	<u>8,786,122</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>
(9,762,834)	77,592,549	(17,375,155)	986,680	6,873,673	13,798,633
26,462,776	(7,492,912)	70,099,637	52,180,282	53,166,962	60,040,635
<u>\$ 16,699,942</u>	<u>\$ 70,099,637</u>	<u>\$ 52,724,482</u>	<u>\$ 53,166,962</u>	<u>\$ 60,040,635</u>	<u>\$ 73,839,268</u>
9.57%	7.40%	4.14%	5.53%	5.50%	5.59%

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
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
2015-16	10,049,454	17,766,538	417,938	25,896
Change from base year 2007	<u><u>-28.21%</u></u>	<u><u>142.03%</u></u>	<u><u>2.70%</u></u>	<u><u>-99.52%</u></u>

Source: City of Pico Rivera Finance Department

Franchise Tax	Utility Users Tax	Business License Tax	Total
\$ 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
1,654,275	3,385,361	1,432,213	34,731,675
<u><u>37.55%</u></u>	<u><u>-13.84%</u></u>	<u><u>8.38%</u></u>	<u><u>3.37%</u></u>

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other* Property
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
2015-16	3,004,411,938	550,436,822	623,317,693	263,566,626

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

<u>Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
\$ 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
1,990,006	4,443,723,085	0.09355

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	
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
2015-16	(1)	(1)	(1)	(1)

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.

(1) - Information is not available.

TOTAL COLLECTIONS TO DATE		
	AMOUNT	FINAL PERCENT OF LEVY
\$	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%
(1)		(1)

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

Agency		2006-07	2007-08	2008-09	2009-10
Basic Levy		1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt		0.00066	0.00000	0.00000	0.00000
El Rancho Unified School District		0.07908	0.08128	0.08107	0.08527
LA Community College District		0.02146	0.00879	0.02212	0.02311
LA County Flood Control		0.00005	0.00000	0.00000	0.00000
Little Lake City School District		0.03483	0.07499	0.07360	0.07233
Los Nietos School District		0.00000	0.00000	0.02680	0.02885
Metropolitan Water District		0.00470	0.00450	0.00430	0.00430
Montebello Unified School District		0.06731	0.06681	0.08063	0.09673
Rio Hondo Community College Dist		0.01469	0.01369	0.02320	0.02714
Whittier City School District		0.04031	0.03582	0.03365	0.03443
Whittier Union High School Dist		0.08918	0.04359	0.03728	0.04224
Total Direct & Overlapping Tax Rate	(1)	1.35227	1.32947	1.38265	1.41440
City's Share of 1% Levy Per Prop 13	(2)	0.08917	0.08917	0.08917	0.08917
City Redevelopment Rate		1.00541	1.00450	1.00430	1.00430
Total Direct Rate	(3)	0.24441	0.24191	0.24804	0.26015

(1) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

(2) City's Share of 1% Levy is based on the City's share of the general fund tax rate.

(3) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.09161	0.09800	0.09985	0.09571	0.09907	0.09630
0.04031	0.03530	0.03756	0.04454	0.04017	0.03575
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.07647	0.05286	0.06942	0.08537	0.07964	0.06522
0.03213	0.03420	0.03351	0.02810	0.03041	0.08062
0.00370	0.00370	0.00350	0.00350	0.00350	0.00350
0.09792	0.10001	0.09630	0.09457	0.08750	0.08715
0.03439	0.03418	0.02812	0.02892	0.02821	0.02712
0.03494	0.03354	0.03439	0.06110	0.05792	0.05757
0.04239	0.04317	0.04556	0.04473	0.05270	0.05063
1.45386	1.43496	1.44821	1.48654	1.47912	1.50386
0.08917	0.08917	0.08917	0.08917	0.08917	0.08917
1.00370	1.00370	0.00000	0.00000	0.00000	0.00000
0.26043	0.26358	0.26391	0.09412	0.09381	0.09355

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

Taxpayer	2015-16		2006-07	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Vestar California XXVI LLC	\$ 70,584,846	1.66%	\$ 34,291,287	1.00%
Majestic AMB Pico Rivera Associates LLC	42,813,442	1.01%	38,024,991	1.11%
Walmart Real Estate Business Trust	34,313,123	0.81%	22,935,643	0.67%
Princeton Medical Holdings LLC	33,443,232	0.79%		
General American Life Insurance Company	28,344,843	0.67%	24,927,983	0.73%
8540 Whittier Boulevard Investments	25,940,434	0.61%		
AGNL Pastry LP	25,695,667	0.60%		
GGF Pico Rivera LLC	25,248,742	0.59%	20,602,213	0.60%
Iron Mountain Information	24,274,765	0.57%		
Public Storage Inc	22,545,033	0.53%	15,779,290	0.46%
TRF Crossroads LLC			19,482,892	0.57%
Rex Road LLC			18,311,040	0.53%
Target Corporation			17,235,432	0.50%
711 Rosemead Boulevard LLC			16,356,050	0.48%
	<u>\$ 333,204,127</u>	<u>7.84%</u>	<u>\$ 227,946,821</u>	<u>6.64%</u>

Excludes government and tax-exempt property owners

Total City Value for 2006-07	\$ 3,430,416,740
Total City Value for 2015-16	\$ 4,249,444,059

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

2015-16		2006-07	
Taxpayer	Business Type	Taxpayer	Business Type
1. Arco AM PM	Service Stations	Arco AM PM Mini Market	Service Stations
2. Arco AM PM	Service Stations	California Wholesale Supply	Contractors
3. Cal Wholesale Material Supply	Contractors	Cintas	Business Services
4. Chevron	Service Stations	Circle K	Service Stations
5. Cintas	Business Services	Dal Rae Restaurant	Fine Dining
6. Circle K	Service Stations	Home Depot	Lumber/Building Materials
7. Dal Rae Restaurant	Fine Dining	Ionics Ultrapure Water	Heavy Industrial
8. Home Depot	Lumber/Building Materials	Kwik/Al Sal Oil	Service Stations
9. Lowes	Lumber/Building Materials	Lowes	Lumber/Building Materials
10. Marshalls	Family Apparel	Marshalls	Family Apparel
11. McDonalds	Quick-Service Restaurants	McDonalds	Quick-Service Restaurants
12. Noble Rents	Warehse/Farm/Const. Equip	Pico Rivera Gas and Carwash	Service Stations
13. Oxnard Building Materials	Contractors	Reeve Store Equipment Company	Office Equipment
14. Pico Rivera Gas & Carwash	Service Stations	Ross	Family Apparel
15. Ross	Family Apparel	Rush Truck Center	New Motor Vehicle Dealers
16. Rush Truck Center	New Motor Vehicle Dealer	Rush Truck Leasing	Auto Lease
17. Saw Service of America	Heavy Industrial	Saw Service of America	Heavy Industrial
18. Serv Rite	Convieneince Store	Shell/Texaco	Service Stations
19. Target	Discount Dept Stores	So Cal Material Handling	Repair Shop/Equip Rentals
20. Tesoro Refining & Marketing	Service Stations	Target	Discount Dept Stores
21. Toshiba America Bus Solutions	Office Equipment	Unisource	Office Supplies/Furniture
22. Unisource	Office Supplies/Furniture	United Oil	Service Stations
23. United Oil	Service Stations	United Rentals	Repair Shop/Equip Rentals
24. United Rentals	Repair Shop/Equip. Rentals	Walmart Supercenter	Discount Dept Stores
25. Wal Mart	Discount Dept Stores	Whittier Fertilizer	Garden/Agricultural Supplies

% of Fiscal Year Total Paid by Top 25 Accounts =
 2015-2016 63.33%
 2006-2007 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
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)
2015-16	- (2)	25,366,413 (3)	31,510,767	42,271,468	3,646,800 (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>
\$ 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
102,795,448	8.66%	1,599

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
2006-07	\$ -	\$ -	\$ -	0.000%	\$ -
2007-08	-	-	-	0.000%	-
2008-09	-	-	-	0.000%	-
2009-10	-	34,170,317	34,170,317	0.891%	542.49
2010-11	-	34,170,317	34,170,317	0.901%	541.35
2011-12	-	34,080,467	34,080,467	0.883%	539.92
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
2015-16	-	31,510,767	31,510,767	0.709%	490.272078

(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, 2016

2015-16 Assessed Valuation:	\$ 3,586,108,677
Incremental Valuation:	857,614,408
Adjusted Assessed Valuation:	<u>\$ 2,728,494,269</u>

<u>DIRECT DEBT:</u>	Total Debt June 30, 2016	Percentage Applicable ⁽¹⁾	City's Share of Debt June 30, 2016
City of Pico Rivera	<u>\$ 31,555,692</u>	100.000%	<u>\$ 31,555,692</u>
 Total Direct Debt	 <u>31,555,692</u>		 <u>31,555,692</u>
 <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	44,916,916	0.351%	157,658
Los Angeles Community College District	2,771,000,000	0.014%	387,940
Rio Hondo Community College District	158,962,824	13.058%	20,757,366
El Rancho Unified School District	53,516,879	99.997%	53,515,273
Montebello Unified School District	117,436,341	0.658%	772,731
Whittier Union High School District	136,938,592	0.479%	655,936
Los Nietos School District	24,675,132	0.060%	14,805
Whittier City School District	<u>58,750,000</u>	1.750%	<u>1,028,125</u>
 Total Overlapping Tax and Assessment Debt	 <u>3,366,196,684</u>		 <u>77,289,834</u>
 Total Direct and Overlapping Tax and Assessment Debt (2)			 <u><u>\$ 108,845,526</u></u>

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

Ratios to 2015-16 Assessed Valuation:

Direct Debt (\$32,190,692)	0.88%
Total Overlapping Tax and Assessment Debt	2.16%

Ratios to Adjusted Assessed Valuation:

Direct Debt (\$32,190,692)	1.16%
Total Overlapping Tax and Assessment Debt	2.83%
Combined Total Debt	3.99%

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

	Fiscal Year			
	2006-07	2007-08	2008-09	2009-10
Debt limit	\$ 520,125,810	\$ 563,808,591	\$ 595,025,845	\$ 581,318,695
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 520,125,810</u>	<u>\$ 563,808,591</u>	<u>\$ 595,025,845</u>	<u>\$ 581,318,695</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			
Assessed value	Not	\$ 3,723,009,627	\$ 3,928,654,151	\$ 3,835,622,958
Add back: exempt real property	Available	<u>35,714,311</u>	<u>38,184,816</u>	<u>39,835,011</u>
Total assessed value	for Calculation	<u>\$ 3,758,723,938</u>	<u>\$ 3,966,838,967</u>	<u>\$ 3,875,457,969</u>
Debt limit (15% of total assessed value)		\$ 563,808,591	\$ 595,025,845	\$ 581,318,695
Debt applicable to limit		<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin		<u>\$ 563,808,591</u>	<u>\$ 595,025,845</u>	<u>\$ 581,318,695</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					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
\$ 573,980,277	\$ 585,365,738	\$ 602,284,951	\$ 618,519,977	\$ 643,657,163	\$ 673,079,843
-	-	-	-	-	-
<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>	<u>\$ 673,079,843</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 3,793,015,615	\$ 3,861,702,311	\$ 3,973,385,899	\$ 4,065,546,441	\$ 4,249,444,059	\$ 4,443,723,085
33,519,567	40,735,942	41,847,108	57,920,073	41,603,696	43,475,869
<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>	<u>\$ 4,487,198,954</u>
\$ 573,980,277	\$ 585,365,738	\$ 602,284,951	\$ 618,519,977	\$ 643,657,163	\$ 673,079,843
-	-	-	-	-	-
<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>	<u>\$ 673,079,843</u>

City of Pico Rivera
Pledged Revenue Bond Coverage

1999 WATER AUTHORITY REVENUE BONDS - Last Ten Fiscal Years

Fiscal Year	Gross Revenue ⁽¹⁾	Less:		Net Revenue		Coverage
		Direct Costs ⁽²⁾		Available for Debt Service	1999 Bonded Debt (P & I)	
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
2015-16	10,787,717	(4,993,705)		5,794,012	1,635,875	3.54

(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⁾	Total Pledged				Coverage
				Less: 1999 Debt Service P & I Payments	Plus: Secured Revenues ⁽⁴⁾	Subordinate Net Revenues & Securities Revenues	2001 Debt Service P & I Payments	
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
2015-16	10,787,717	(2,022,650)	(4,617,562)	(1,635,875)	3,337,100	5,848,730	3,086,863	1.89

(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 - Seven 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
2015-16	37,927,871	635,000.00	1,682,563	2,317,563	16.37

(1) Total General Fund revenues

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

Source: City of Pico Rivera Finance Department

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

Fiscal Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
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%
2015-16	64,272	1,187,509	18,476	6.20%

(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	2015-16		2006-07	
		Employees	% of Total City Employment	Employees	% of Total City Employment
El Rancho Unified School District*	Government	1,256	4.44%	1,194	4.16%
Wal-Mart	Retailer	600	2.12%	500	1.74%
Bake Mark	Distribution Center	300	1.06%	250	0.87%
Target	Retailer	186	0.66%	415	1.45%
Superior Grocers	Grocery Store	150	0.53%	-	0.00%
First Source LLC	Warehouse Storage	150	0.53%	-	0.00%
Home Depot	Retailer	138	0.49%	145	0.51%
City of Pico Rivera	Government	137	0.48%	416	1.45%
Northgate Market	Grocery Store	133	0.47%	-	0.00%
Bay Cities Container	Manufacturer	130	0.46%	125	0.44%
Lubricating Specialties Co.	Contractor	126	0.45%	-	0.00%
So. CA Material Handling, Inc.	Distribution Center	121	0.43%	195	0.68%
Los Angeles County Sheriff	Patrol Station	115	0.41%	-	0.00%
Rush Truck Center	New Motor Vehicles	112	0.40%	-	0.00%
Bimbo Bakeries	Distribution Center	110	0.39%	225	0.78%
Lowe's	Retailer	105	0.37%	146	0.51%
Cintas Corporation	Service	-	0.00%	200	0.70%
Total Top Employers		<u>3,869</u>	<u>13.67%</u>	<u>3,811</u>	<u>13.28%</u>

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

Total employment within the City based upon EDD estimation in 2015-16 was 28,300
Total employment within the City based upon EDD estimation in 2006-07 was 28,700

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

Function	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
General Government	46.0	28.0	31.0	29.0	29.0	28.0	29.0	29.0	30.0	25.0
Public Safety	9.0	8.0	8.0	7.0	7.0	6.0	5.0	5.0	5.0	8.0
Public Works	54.0	48.0	56.0	57.0	57.0	57.0	47.0	47.0	54.0	55.0
Parks and Recreation	25.0	17.0	22.0	22.0	22.0	20.0	20.0	20.0	21.0	21.0
Community Development	18.0	17.0	19.0	22.0	22.0	17.0	16.0	16.0	16.0	15.0
Water	11.0	11.0	8.0	8.0	8.0	10.0	11.0	11.0	11.0	8.0
Total	<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>	<u>132.0</u>

Source: City of Pico Rivera Finance Department

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

Function	Fiscal Year			
	2006-07	2007-08	2008-09	2009-10
Police:				
Calls dispatched	28,127	23,548	23,017	22,471
Crime reports	8,782	8,657	8,323	7,892
Moving citations	8,990	6,979	6,747	9,057
Parking citations	774	634	864	408
Parking citations issued by Public Safety	17,324	19,244	22,444	22,473
Streets and Highways:				
Asphalt repair (in tons)	1,248	360	707	1,600
Curb & gutter repair (lineal ft.)	15,456	2,550	1,890	735
Sidewalk repair (lineal ft.)	1,450	14,810	9	7,502
Traffic signals maintained	40	39	46	49
Water:				
Number of customer accounts	9,396	9,400	9,456	9,405
Average daily consumption (millions of gallons)	5	5	5	5
Water samples taken (annual)	520	767	780	798
Sewers:				
Feet of sewer mains root cut/chemically treated	11	11	11	11
Maintenance:				
Square ft. graffiti removal	431,715	23,425	234,607	132,844
Streetsweeping miles	14,400	14,088	14,400	14,400
Trees pruned per year	3,971	3,700	4,592	4,669
Culture and Recreation:				
Youth sports	855	685	700	659
Aquatics	38,879	35,964	37,718	16,720
Recreation classes	2,418	39,452	10,184	10,082
Senior Center participants	84,430	84,728	90,664	100,547

(A) Information is not available

(*) City sewer rights were returned to LA County Public Works in FY 2015-16

Fiscal Year					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
21,622	21,735	22,369	21,602	21,878	24,523
7,420	7,151	7,062	9,775	10,725	10,268
8,321	4,326	4,947	4,822	4,250	3,296
440	416	302	549	147	171
20,276	16,490	16,161	16,303	15,152	15,468
976	1,012	669	160	427	100
672	720	1,059	26	530	500
6,846	5,152	4,690	877	1,200	1,600
50	50	51	42	45	47
9,411	9,468	9,510	9,393	94,000	9,435
5	5	6	5	5	4
762	810	783	900	1,162	520
11	11	11	11	11	0*
183,680	121,419	120,200	95,353	101,419	#####
14,400	21,285	21,285	21,285	21,285	10,400
4,041	4,621	4,543	4,258	4,998	5,000
856	825	835	856	856	818
12,163	11,479	17,800	16,179	16,179	6,960
10,660	15,601	14,983	16,415	16,415	4,825
117,321	132,211	133,143	117,978	117,978	#####

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

Function	Fiscal Year			
	2006-07	2007-08	2008-09	2009-10
Public Safety:				
Police stations	1	1	1	1
Number of patrol units	13	12	14	14
Highways and Streets:				
Miles of streets	115.2	137.0	115.2	115.2
Traffic Signals	40	40	42	42
Water:				
Number of active water wells	10	8	8	8
Number of reservoirs	3	3	3	3
Miles of lines & mains	98	98	98	98
Sewer:				
Miles of sanitary sewers	285	285	285	285
Miles of flood control channel	17	17	17.2	17.2
Culture and Recreation:				
Number of parks	7	7	8	8
Number of community centers	5	8	6	6

Fiscal Year					
<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
1	1	1	1	1	1
12	12	12	12	12	12
115.2	115.2	115.2	115.2	115.2	115.2
43	43	43	43	43	47
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	17.0	17.0	17.0	17.0
8	8	8	8	8	8
6	6	6	6	6	6

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